



Commissioners Present

Robert B. Weisenmiller, Chairperson  
Karen Douglas  
David Hochschild  
Andrew McAllister  
Janea Scott

Staff Present:

Rob Oglesby, Executive Director  
Michael Levy, Chief Counsel  
Alana Mathews, Public Advisor  
Pippin Brehler, Staff Counsel  
David Ashuckian  
\*Martha Brook  
Harriet Kallemeyn, Secretariat

Agenda Item

Cheryl Closson	3
Robin Mayer	3
Anne Fisher	4
Johann Karkheck	5
Doug Kemmer	6
Andre Freeman	7
Sarah Williams	8
Jean Baronas	9
James Reede	10

Also Present

Interested Parties (\* Via WebEx)

*Chip Wertz	8
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Public Comment

Mike Gabel  
Ted Tiffany  
Randal Friedman

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

2 OCTOBER 9, 2013

10:10 a.m.

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

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

8 CHAIRPERSON WEISENMILLER: Okay, so in terms of  
9 today, I think we'll follow the agenda, except for Item 2,  
10 which will be held.

11 Item 1, just to shift it off the Consent Calendar  
12 for a minute, so we can discuss it, we're doing an  
13 administrative subpoena to the Cal-ISO. Under the Cal-ISO  
14 tariffs or regulations they can provide information to  
15 people when we file a subpoena.

16 So, in terms of we have -- we've had a routine  
17 sharing arrangement with them, for information, now for  
18 years, but they really need it to come from us as a  
19 subpoena to deal with their rule. So, it's not anything  
20 weird between the two agencies, it's just the way things are  
21 done.

22 So, with that --

23 COMMISSIONER MC ALLISTER: So, I'll move 1.a.

24 COMMISSIONER DOUGLAS: Second.

25 CHAIRPERSON WEISENMILLER: All those in favor?

1 (Ayes)

2 CHAIRPERSON WEISENMILLER: This item passed  
3 unanimously.

4 Let's go on to Item 3, Geothermal Grant and Loan  
5 (GRDA) Program. Cheryl Closson, please.

6 MS. CLOSSON: Good morning. My name is Cheryl  
7 Closson. I'm with the Renewable Energy Division. With me  
8 is Robin Mayer from our legal office.

9 And we're here to present, for your  
10 consideration, an adoption, possible amendments to the  
11 Geothermal Grant and Loan Program regulations.

12 First, we'd like to -- excuse us for a momentary  
13 delay. Here we go.

14 First off, we'd like to give a little background  
15 on geothermal in California and background on the program  
16 in general.

17 Basically, California is blessed with an  
18 abundance of geothermal energy, which is the earth's heat  
19 energy. These resources generally come in the form of hot  
20 water or steam.

21 And on this map here we have the areas in red,  
22 red striping.

23 My mouse isn't working very well, pardon me.

24 We're able to see areas that we have known and  
25 potential geothermal resources.

1           However, lower temperature resources may be also  
2 available throughout the State that can be used directly  
3 for commercial, industrial and recreational purposes.

4           Geothermal energy in California is important as a  
5 renewable energy resource because it can provide baseload  
6 electricity 24/7, as well as potential flexibility, unlike  
7 the variable renewable energies generated by wind and solar  
8 resources.

9           California currently leads the country and the  
10 world in geothermal electrical production with  
11 approximately 2,732 megawatts of installed capacity.

12           Currently, geothermal power plants are located in  
13 specific areas of the State, with high temperature  
14 resources, and these are known as -- are known as known  
15 geothermal resource areas. And we have the geysers.

16           And again, my mouse is not working, sorry.

17           The geysers up in -- there we go -- geysers  
18 here -- oh, sorry. I can't even get the mouse.

19           (Technical discussion)

20           MS. CLOSSON: Oh, this slide is good. So, we  
21 have the geysers, we have power plant production, also,  
22 Mammoth Lakes in the Long Valley, KGRA down in Coso, and  
23 then also in the Salton Sea area.

24           Just to show you some pictures, we've got a  
25 picture of the geysers, Mammoth Lakes, Wells at Coso, with

1 the Fumarole thermal feature in the foreground, and then  
2 also again at the Salton Sea.

3 As noted earlier, depending on the temperature,  
4 geothermal energy can be used directly for a variety of  
5 commercial and industrial purposes, including district  
6 heating and cooling, aquaculture, food processing, and  
7 geothermal heat pumps.

8 The Energy Commission's Geothermal Grant and Loan  
9 Program is unique and represents one of the few funding  
10 opportunities for geothermal projects in the State.

11 The program started in 1981 and provided direct  
12 financial assistance to local jurisdictions for geothermal  
13 direct use projects, and planning and mitigation as well.

14 In 1992 the program was expanded to include  
15 private entities, and then also expanded the variety of  
16 projects to include high temperature.

17 The program is often called the GRDA Program, and  
18 that comes from the funding source name, which is the  
19 Geothermal Resources Development Account.

20 And this funding source is a State account from  
21 which the Federal government provides the State a portion  
22 of the revenues paid to the Federal government from  
23 geothermal leases on Federal lands in California.

24 The Energy Commission, since the beginning of the  
25 program, has awarded close to \$68 million to co-fund

1 approximately 180 projects. And included in those  
2 projects, initially, or in the early assessments of the  
3 geyser steam declines, we co-funded studies to look at  
4 recharge, and also funded portions of the recycled water  
5 pipelines that provided that water for recharge.

6 And this recycled water recharge efforts have  
7 been very successful in restoring electrical generation  
8 potential in the area.

9 We've also funded resource assessments in  
10 numerous areas of the State, including Mammoth Lakes,  
11 Susanville, San Bernardino, Alturas, Calistoga, and the  
12 Salton Sea area.

13 These projects have provided valuable data, which  
14 is public, on both the geology and resource characteristics  
15 in the study areas.

16 We've also funded drilling activities for both  
17 exploration and production, and these are for both the  
18 electrical generation and direct use of geothermal heat.

19 Drilling is a very expensive activity and there  
20 is no guarantee that a well be successful in finding a  
21 resource. However, we've been able to provide critical  
22 funding for these high risk exploration and production  
23 drilling projects.

24 (Microphone turned off)

25 MS. CLOSSON: -- energy elements for their

1 general plans -- excuse me -- and funded mitigations to  
2 offset public service impacts from geothermal development.

3           So, the proposed amendments to our regulations  
4 have four objectives. One, to simplify the application  
5 process; two, to provide guidance on statutory  
6 requirements; three, to update the provisions to reflect  
7 changes in the statute since the program regulations were  
8 adopted in 1985, and also changes in Energy Commission  
9 practice; and four, to also provide for stylistic changes  
10 and grammatical changes to improve clarity.

11           The main changes are, one, to reduce the  
12 application process from a pre-application plus a final  
13 application to a one single application, to eliminate the  
14 Technical Advisory Committee, but allow -- but still allow  
15 other governmental agencies to review and score  
16 applications as part of our process.

17           We would also delete contingent awards, which  
18 were a category of awards that were started out as a loan  
19 and then revert to a grant if the project wasn't  
20 successful. And it basically rewards failure, so we would  
21 like to delete that element.

22           We would also like to delete the requirement that  
23 the Energy Commission make awards in three separate project  
24 categories.

25           The existing regulations require that projects be

1 divided into planning, mitigation and resource development  
2 categories, and 25 percent of the funds that we have  
3 available go into each category.

4 We don't always get good projects in each  
5 category, so we would like to remove that restriction.

6 We would also delete responsibilities assigned to  
7 the old R&D Committee that no longer exists.

8 And then we would like to provide guidance or  
9 describe how private entity applicants may demonstrate the  
10 statutory -- or compliance with the statutory requirement  
11 that a local city or county where their project is located  
12 approve them receiving this award.

13 Then we would delete the existing loan repayment  
14 term cap of six years, which conflicts with the statute  
15 right now, which has a cap of 20 years.

16 And then we would also delete the existing limit  
17 on loan interest rates, which is potentially in conflict  
18 with the current statutory provisions as well.

19 With our rulemaking activity we've gone through  
20 several public outreach activities. First, we had a  
21 rulemaking workshop in January of 2013, and we received  
22 three main comments in that workshop.

23 And so, the first comment was about deleting the  
24 interest rate cap. And, unfortunately, because the statute  
25 requires that the Energy Commission set rates no lower than

1 the pool of money investment account, and that account rate  
2 has at times been higher than 8 percent, keeping the  
3 interest rate cap could potentially put us out of  
4 compliance with the statute. So, staff is recommending to  
5 delete that cap.

6 The next item or comment was on our proposal to  
7 delete the Technical Advisory Commission. And the reason  
8 that we're proposing to do that is because it conflicts  
9 with current Energy Commission practice, which generally  
10 follows State contracting procedures in awarding of grants,  
11 and allows private entity consultants to offer  
12 recommendations on applications, but not to score them.

13 Having a Technical Advisory Committee with  
14 private entities involved also, potentially, provides or  
15 raises concerns of confidentiality.

16 And so to address those issues or comments about  
17 the Technical Advisory Committee staff has identified  
18 removing the Technical Advisory Committee, but retaining  
19 the option to include other governmental agencies to review  
20 and score applications.

21 And finally, there were comments about the local  
22 agency approval requirement in statute. And as I noted,  
23 the statute requires that any grant or loan made to a  
24 private entity be approved by the city, county, or Indian  
25 reservation where the project is to be located.

1           In order to ensure compliance with the statute,  
2 the amendments, we've included language that, one, requires  
3 our applicants to demonstrate or describe the process that  
4 they will undertake to get local agency approval should  
5 they should be given an award and, two, if awarded, we  
6 would require them to provide written documentation of that  
7 approval before any funds would be disbursed.

8           By making these requirements the Energy  
9 Commission would balance its need to ensure compliance with  
10 the statute, while also providing maximum flexibility for  
11 applicants.

12           We've also sent out notices using our Geothermal  
13 List Serve here at the Energy Commission. We currently  
14 have over 900 subscribers to this list serve and we have  
15 strong outreach through that.

16           We've also worked with the California Geothermal  
17 Energy Collaborative and the Geothermal Energy Association  
18 to get items on the rulemaking in their newsletters.

19           And then, finally, we sent out the rulemaking  
20 notice of proposed action to all the California members of  
21 the Geothermal Resources Council.

22           At this time we've received no comments during  
23 the notice, 45-day rulemaking period.

24           And our next steps, if the amendments are  
25 adopted, we would be filing a notice of exemption under

1 CEQA for -- with the Office of Planning and Research.

2 And Robin --

3 MS. MAYER: Good morning Commissioners, I'm Robin  
4 Mayer, attorney on the project.

5 The requirements of CEQA apply only to projects  
6 that have the potential for causing a significant effect on  
7 the environment according to CEQA Guideline 15061(b)(3).

8 A significant effect on the environment is  
9 defined as a substantial or a potentially substantial  
10 adverse change in the environment. These amendments do not  
11 have potential for causing a significant effect on the  
12 environment. They largely simplify and streamline the  
13 application process for grants and loans, lessen the need  
14 for paper, and encourage electronic communications to the  
15 extent currently feasible under Energy Commission  
16 practices.

17 Therefore, although the amendments reconstitute a  
18 project CEQA does not apply and adoption of the amendments  
19 is exempt under what is termed the Common Sense Exemption  
20 under Guideline 15061(b)(3).

21 MS. CLOSSON: Thank you. And if adopted today,  
22 staff would be developing the final rulemaking package and  
23 submitting that to the Office of Administrative Law.

24 If the Office of Administrative Law, upon their  
25 review, approves the regulations, they could potentially be

1 effective by April of 2014. We will be asking for an  
2 effective-upon-filing date, as well, to hopefully  
3 accelerate that effective date.

4 And then, finally, once the regulations are  
5 effective, staff would release our next project  
6 solicitation.

7 And I'm happy to answer any questions.

8 CHAIRPERSON WEISENMILLER: Thank you.

9 Commissioners, any questions or comments?

10 COMMISSIONER HOCHSCHILD: Just a comment. So, I  
11 had the opportunity to meet with Cheryl and Pablo, who run  
12 our current program. I just want to say I'm very, very  
13 impressed at the caliber of the work.

14 And also, just the spirit of being proactive in  
15 modernizing which is essentially what we're doing here  
16 today, these program guidelines.

17 I really feel like this is kind of the thing we  
18 need to be doing more broadly as an Agency, of just  
19 updating, and modernizing and streamlining.

20 For geothermal in particular, you know, this  
21 comes at a moment where we're really trying to accelerate  
22 geothermal as much as we can in a post-SONGS world.  
23 Obviously, it's particularly important.

24 And so I think this program, although the  
25 budget's not huge, I think we're going to be giving away

1 six and a half million in the spring, if I'm --

2 MS. CLOSSON: It will be, hopefully, six and a  
3 half, but it could be as low as three.

4 COMMISSIONER HOCHSCHILD: Yeah, so depending on  
5 whether the other projects fall out or not.

6 But still, it's important that the money we do  
7 give out we do well. And I just want to compliment you and  
8 your team for putting this together.

9 MS. CLOSSON: Thank you.

10 COMMISSIONER MC ALLISTER: I have a question,  
11 actually. So, thanks for the presentation, good stuff. I  
12 concur, actually, that a number of places across the Agency  
13 where we're trying to make -- update regulations,  
14 streamline them in a way that, you know, doesn't obviously  
15 sacrifice the goals, but just makes them more usable out  
16 there in the world for people and for companies to get on  
17 board, and utilize and leverage all the resources that are  
18 available because that's what they have to do.

19 I did have a question, sort of it sounds like  
20 form your description, and just my previous knowledge of  
21 this that it's mostly technical sort of project-based,  
22 project-oriented technical work that this funds.

23 I'm wonder kind of where policy around geothermal  
24 gets funded and how this sort of interacts with that?

25 MS. CLOSSON: There are actually 11 categories

1 that the statute provides for projects that can be funded,  
2 and there are options for policy development --

3 COMMISSIONER MC ALLISTER: Oh, okay.

4 MS. CLOSSON: -- is one of the categories that we  
5 can fund.

6 COMMISSIONER MC ALLISTER: How much activity has  
7 been in that realm?

8 MS. CLOSSON: Recently not much. In the  
9 beginning of the program we did support policy development  
10 in Lake County and Mono County, and also provided for  
11 funding for geothermal offices, like an energy manager in  
12 Mammoth Lakes, as well as an energy manager office or  
13 geothermal energy office in Lake County.

14 COMMISSIONER MC ALLISTER: Thanks. And I guess  
15 just the reason I ask is that I think, you know, there are  
16 lots of obstacles that a given project can face and just  
17 understanding where those lie, and how to get over or  
18 around them is pretty important. Particularly in  
19 geothermal, where it is capital-intensive, where you've got  
20 the sorts of rights issues, and those kinds of things  
21 flying around on any given project, and it's kind of good  
22 to have resources on that front as well.

23 So, hopefully, we can sort of put the word out  
24 that those resources are available and target those issues  
25 and problems as well.

1           But thanks for all the work, it really sounds  
2 great.

3           MS. CLOSSON: Thank you.

4           CHAIRPERSON WEISENMILLER: Yeah, I was going to  
5 note that back in the late 70s, when we had our first R&D  
6 Advisory Board Bernie Oliver from Hewlett-Packard was on  
7 it, and Bernie was the one who really set up the SETI  
8 program.

9           But anyway, he made the observation that if you  
10 look at geothermal nationwide it's such a small resource,  
11 why were we spending any money on it? And thinking about  
12 it, it was pretty clear that the fact it was a small  
13 resource nationwide, but an important resource in  
14 California it was precisely the sort of program that the  
15 Energy Commission needed to focus on.

16           So, and that's still the case today.

17           COMMISSIONER HOCHSCHILD: Just two quick, final  
18 points. Our next guest speaker, actually, at the Energy  
19 Commission is going to be on the 21st of this month, at  
20 11:00 in this room. It's Bill Glassley from the California  
21 Geothermal Collaborative who's going to be giving an  
22 overview of exactly this question, what do we need to do to  
23 take geothermal to the next level.

24           And we're hosting, this Thursday, a smaller  
25 roundtable, with about ten leaders in the geothermal

1 industry, to explore more particularly on policy, what else  
2 needs to be done to -- because I'm told we have about 3,500  
3 megawatts of potential resources, what needs to be done to  
4 unlock that so --

5 CHAIRPERSON WEISENMILLER: Great. Okay, a  
6 motion?

7 COMMISSIONER HOCHSCHILD: Oh, I'll make the  
8 motion to support adoption of the proposal.

9 COMMISSIONER MC ALLISTER: I'll second Item 3.

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

12 (Ayes)

13 CHAIRPERSON WEISENMILLER: Item 3 passed  
14 unanimously.

15 Thank you, Cheryl.

16 MS. CLOSSON: Thank you.

17 CHAIRPERSON WEISENMILLER: Let's go on to Item 4,  
18 which is Marin County Department of Public Works. And this  
19 is ECAA funding. Anne Fisher, please.

20 MS. FISHER: Good morning Commissioners. My name  
21 is Anne Fisher and I am with the Local Assistance and  
22 Financing Office.

23 The Marin County Department of Public Works is  
24 requesting a \$1.8 million loan through the California  
25 Energy Commission's ECAA Loan Program to install energy

1 efficiency measures and renewable energy projects at the  
2 County's new Emergency Operations Facility.

3           The energy efficiency measure that will be  
4 installed at the Emergency Operations Facility consists of  
5 installing dedicated computer room air conditioners with  
6 economizers.

7           This project will allow the facility to reduce  
8 energy usage by taking advantage of outside air cooling.

9           Additionally, two solar projects will be  
10 installed at the site. First, a small solar hot water  
11 system will be installed to provide domestic hot water and  
12 offset natural gas usage at the site.

13           Second, a 530-kilowatt rooftop PV system will be  
14 installed at the site.

15           The three projects are expected to save the  
16 County approximately 1,074,000 kilowatt hours and 800  
17 therms annually. This will result in annual energy cost  
18 savings of approximately \$138,000 and a simple payback of  
19 13 years on the loan amount.

20           In addition to the Energy Commission loan, the  
21 County is looking to leverage additional funds, such as the  
22 PG&E Savings by Design rebate and California Solar  
23 Initiative rebates.

24           In addition to saving the County energy costs,  
25 these projects will also help the County meet goals set

1 under the California Local Energy Assurance Planning, CLEAP  
2 program.

3 Specifically, the projects will allow the  
4 Emergency Operations Facility to be more energy resilient  
5 in emergency situations.

6 Thank you.

7 CHAIRPERSON WEISENMILLER: Thank you.

8 Commissioners, any questions or comments?

9 COMMISSIONER HOCHSCHILD: Approve the item.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRPERSON WEISENMILLER: All those in favor?

12 (Aye)

13 CHAIRPERSON WEISENMILLER: This item passed  
14 unanimously. Thank you.

15 Let's go on to Item Number 5, which is University  
16 of California at Berkeley, possible approval of Amendment 2  
17 to Contract 500-10-004, which adds \$377,378.

18 Johann.

19 COMMISSIONER MC ALLISTER: I'm going to quickly  
20 just disclaim here.

21 CHAIRPERSON WEISENMILLER: Fine.

22 COMMISSIONER MC ALLISTER: I neglected to do that  
23 at the beginning of the meeting. But my wife is a  
24 professor at UC Davis, in the law school. There's no  
25 conflict here, I just want to just claim that so

1 everybody's clear. I'm not recusing myself.

2 CHAIRPERSON WEISENMILLER: Thank you.

3 Please, go ahead.

4 MR. KARKHECK: Good morning Commissioners. My  
5 name's Johann Karkheck from the Energy Research and  
6 Development Division.

7 This amendment, as you said, will add \$377,378 to  
8 the budget and extend the contract by one year.

9 It will also add two tasks. One will create a  
10 test bed to facilitate faster testing of the sensors under  
11 development. And also, the second test will refine the  
12 designs to increase reliability and reduce manufacturing  
13 costs.

14 The initial design sought to use micro-electro  
15 mechanical systems, or MEMs technology, to create a sensor  
16 suite to measure pressure within the pipeline and detect  
17 the presence of water.

18 In the fall of 2012 the program -- or the project  
19 advisory committee encouraged the researchers to forego  
20 water sensing in favor of flow rate and vibration  
21 monitoring.

22 The pressure sensor development is continuing and  
23 on schedule, and the flow sensors, the first batch has been  
24 manufactured and will begin testing soon.

25 Additional funding and time will be used to

1 construct the natural gas pipeline safety sensor test bed,  
2 allowing testing in conditions replicating those found in  
3 utility pipelines.

4           The test bed will reduce delays associated with  
5 coordinating with utility partners for access to pipeline  
6 assets.

7           The sensors must be capable of retracting from  
8 the pipeline flow to accommodate periodic cleanings.  
9 However, current pipeline -- or current high-pressure,  
10 retractable probes are very expensive and could negate the  
11 cost of the sensors being developed, or the low cost  
12 rather.

13           So, the test bed will allow lower cost methods of  
14 this retractable insertion to be developed.

15           And in addition, accelerated lifetime testing can  
16 also be performed within the test bed.

17           Once the reliability of the sensors and the new  
18 installation mechanism have been proven in the test bed,  
19 the overall design will be refined to reduce manufacturing  
20 costs and improve reliability.

21           In creating a production-ready design, the time  
22 to commercialize and deploy these pipeline sensors in  
23 California's infrastructure can be reduced.

24           Staff recommends approval of this amendment and  
25 I'm happy to answer any questions.

1 CHAIRPERSON WEISENMILLER: Thank you.

2 Commissioners, I was just going to note that  
3 after San Bruno happened I reached out to President Peevey  
4 to see how we could help and one of the things that was  
5 pretty clear was, you know, there was an opportunity to  
6 refocus some of the PEER research on the gas side into  
7 natural gas pipeline safety.

8 And this is one of the examples of that project.  
9 So, again, I think it's conceptually very important to have  
10 that sort of focus on what we're doing.

11 COMMISSIONER DOUGLAS: Well, it's great and it's  
12 good to see that work coming to fruition, and being out in  
13 the field and being tested.

14 And so, anyway, I'm strongly in support this.  
15 I'll move approval of Item 5.

16 COMMISSIONER MC ALLISTER: I'll second.

17 COMMISSIONER HOCHSCHILD: Well, I just was --  
18 refresh my memory how much money we're giving away for gas  
19 R&D, it's like \$20 million a year, or something?

20 CHAIRPERSON WEISENMILLER: Well, we had -- the  
21 PUC has about \$20 million, which we are -- they've asked us  
22 to basically run that R&D program for them, in a way  
23 similar to what we do EPIC.

24 COMMISSIONER HOCHSCHILD: Yeah.

25 CHAIRPERSON WEISENMILLER: And so it's about \$20

1 million, depending upon sales or whatever in a given year  
2 it's not going to be quite that number.

3 COMMISSIONER HOCHSCHILD: Right. Correct, got  
4 it.

5 CHAIRPERSON WEISENMILLER: Okay.

6 COMMISSIONER HOCHSCHILD: So, I support the  
7 motion, yes.

8 CHAIRPERSON WEISENMILLER: Okay, so we have a  
9 pending motion.

10 All those in favor?

11 (Ayes)

12 CHAIRPERSON WEISENMILLER: This passes  
13 unanimously.

14 Thanks Johann.

15 Okay, so now we're up to the Aspen Energy  
16 Environmental Group and this is possible approval of an  
17 agreement of a three-year, \$3 million.

18 Doug Kemmer.

19 And I'm going to recuse myself. This is ERPA  
20 funding.

21 MR. KEMMER: Good morning Commissioners. I'm  
22 Doug Kemmer. I'm with the Electricity Supply Analysis  
23 Division.

24 This item is the possible approval of Agreement  
25 800-13-001 in response to a request for proposal RFP-13-

1 801, which was conducted this summer.

2 This is an up to three-year contract with  
3 potential funding of up to \$3 million with Aspen  
4 Environmental Group to provide technical support to the  
5 Electricity Supply Analysis Division, or ESAD.

6 Staff will rely on this technical support  
7 contract to assist in developing analyses by using  
8 contractors with specialized expertise and technical skills  
9 that are needed on an urgent or occasional basis to address  
10 new and emerging issues.

11 ESAD is responsible for providing technical and  
12 analytical support to the development of the Integrated  
13 Energy Policy Report, the IEPR.

14 ESAD is also responsible for forecasting future  
15 electricity and natural gas demand, assessing the  
16 availability and prices of electricity, and nature gas in  
17 the State, and analyzing the adequacy of electricity and  
18 natural gas infrastructure.

19 In performing these functions, staff endeavors to  
20 develop and refine the analytical skills, techniques,  
21 models and tools to address the evolving and complex issues  
22 the State faces with respect to the supply and demand for  
23 energy.

24 Thank you.

25 COMMISSIONER DOUGLAS: Thank you very much.

1 Questions Commissioners?

2 COMMISSIONER MC ALLISTER: Thank you. So, you  
3 know, a significant contract. Obviously, a very  
4 fundamental assistance that we get from this contract, they  
5 have a lot of subs, they have a lot of skills on staff and  
6 we've certainly utilized them, I think, fully and deeply in  
7 the past.

8 I guess, could you maybe describe a little bit  
9 more about the process, and sort of the RFP process, and  
10 sort of the bidders and evaluations, and that kind of  
11 stuff, please?

12 MR. KEMMER: Well, the initial process was the  
13 request for proposal that went out. Bids came in on that  
14 request for proposals. They were evaluated. We performed  
15 a technical evaluation. We received four bids. We scored  
16 those bids and on the basis of that scoring on the  
17 technical and budget aspects of the bids we selected the  
18 bidder who scored the highest.

19 COMMISSIONER MC ALLISTER: And I understand they  
20 scored the highest by a lot or at least that it was a  
21 clear --

22 MR. KEMMER: It was a significant amount.

23 COMMISSIONER MC ALLISTER: -- it was a clear sort  
24 of superiority.

25 MR. KEMMER: A higher score than the other

1 bidders, yes.

2 COMMISSIONER MC ALLISTER: So, yeah, I just want  
3 to emphasize that this -- I mean the previous couple of  
4 presentations, as well, this process is pretty robust and I  
5 think there's a lot of due diligence that goes into these  
6 selections. And, you know, I have confidence that we'll  
7 get the services we need from this contract.

8 So, I'm obviously in support.

9 COMMISSIONER DOUGLAS: Great. I'll -- do we have  
10 a motion?

11 COMMISSIONER MC ALLISTER: I'll move Item 6.

12 COMMISSIONER SCOTT: Second.

13 COMMISSIONER DOUGLAS: All in favor?

14 (Ayes)

15 COMMISSIONER DOUGLAS: Item's approved  
16 unanimously, with Chair Weisenmiller abstaining.

17 MR. LEVY: Technically, Chair Weisenmiller not  
18 participating.

19 COMMISSIONER DOUGLAS: Not participating in any  
20 way, thank you.

21 CHAIRPERSON WEISENMILLER: Okay, so let's go on  
22 to Item Number 7, Pearson Fuel Depot, LLC, possible  
23 approval of Agreement ARV-13-002 for a \$300,000 grant. And  
24 this is ARFVT funding.

25 Andre Freeman, please.

1           MR. FREEMAN:    Good morning Commissioners.  My  
2 name is Andre Freeman.  I'm a staff member in the Fuels and  
3 Transportation Division's Emerging Fuels and Technologies  
4 Office.

5           And today I'm seeking approval of an agreement  
6 with Pearson Fuel Depot to install a compressed natural gas  
7 system at their existing gas station.

8           This project will be funded through the  
9 Alternative Renewable Fuels and Vehicle Technology Program.

10          For over a decade Pearson Fuels has operated a  
11 gas station in San Diego that has offered a wide variety of  
12 fuel choices for interested consumers.

13          They currently provide conventional fuels, such  
14 as gasoline and diesel, but also provide the alternative  
15 fuel options of biodiesel, E-85, propane, and with your  
16 approval of this item compressed natural gas.

17          In the future, Pearson may also consider  
18 additional fuel choices, such as hydrogen and EV charging  
19 infrastructure, if interest is shown.

20          This compressed natural gas station will provide  
21 local fleets with the opportunity to switch over to natural  
22 gas vehicles by growing the fuel availability into the  
23 region.

24          Pearson has identified over 1,500 existing light  
25 and medium duty vehicles in the region that may utilize

1 their facility.

2 They have also received letters of interest from  
3 vehicle fleets, including AT&T, Super Shuttle, DGS, the  
4 California Department of General Services, and the U.S.  
5 General Services Administration, and many more.

6 Pearson expects an average annual throughput of  
7 approximately 300,000 diesel gallon equivalents of natural  
8 gas to be dispensed.

9 This will provide greenhouse gas reductions  
10 between 25 and 85 percent depending on the amount of  
11 renewables that will be used at the facility.

12 With that I'd like to thank you for your  
13 consideration of this item and I'm available for any  
14 questions you may have.

15 CHAIRPERSON WEISENMILLER: Thank you.

16 Commissioners, any questions or comments?

17 MR. FREEMAN: It looks like there's also a  
18 speaker on the phone, Chip Wertz, that would like to  
19 comment.

20 CHAIRPERSON WEISENMILLER: Okay. Okay, please,  
21 any comments Mr. Wertz?

22 MR. WERTZ: I'm sorry, I was not on for that  
23 item.

24 CHAIRPERSON WEISENMILLER: That's what I thought.  
25 I thought you were on for the next item.

1           MR. WERTZ:  And I only need to speak if there's  
2 questions.

3           CHAIRPERSON WEISENMILLER:  Okay, thanks.

4           COMMISSIONER SCOTT:  So, I just wanted to make a  
5 broader point on this one, and also Items 8 and 9.  As you  
6 all know, right after our last Business Meeting the  
7 Legislature passed AB 8, which I thought was terrific.  I  
8 mean it's got the broad support for the emissions  
9 reductions from our transportation sector to help support  
10 the clean air and climate goals.

11           And it's projects just like this.  Our Energy  
12 Commission portion of that is the program that Andre's here  
13 representing today, and it's got up to \$100 million that we  
14 get to invest in demonstrating and proving out our cutting  
15 edge technologies, and speeding the transition to cleaner  
16 vehicles and fuels, transforming our transportation system.

17           And it plays a really important role in the work  
18 that, as we work towards the climate and clean air goals,  
19 and towards more secure sources of energy.

20           And so I wanted to, before we got into the  
21 three -- well, as we're going through the three items, just  
22 really express my happiness that this AB 8 has gotten  
23 passed, thank the Legislature for passing it and the  
24 Governor for signing it.  And, you know, the strong and  
25 dedicated coalition of folks who worked as hard as they did

30

1 to help ensure the passage of it.

2 And then I wanted to just turn to our staff and  
3 thank Andre, and Sarah, and Jean, and the folks that you're  
4 going to hear from today for the work that they do every  
5 day to sort of carry out this important program.

6 And so I just wanted to make that overarching  
7 remark for this.

8 CHAIRPERSON WEISENMILLER: Great, thank you.  
9 Commissioners?

10 COMMISSIONER MC ALLISTER: Nobody from Pearson  
11 Fuels on the line? I'm kind of surprised Mike Lewis isn't  
12 on.

13 MR. FREEMAN: He would have liked to be here but  
14 he was in another meeting this morning.

15 COMMISSIONER MC ALLISTER: Oh, great.

16 CHAIRPERSON WEISENMILLER: Great. Any questions  
17 or comments?

18 COMMISSIONER MC ALLISTER: Yeah, just being  
19 familiar with the hub they've got there of alternative  
20 fuels, down in San Diego, where obviously I've spent a lot  
21 of time, it's a really great resource. Everybody knows  
22 about it, a lot of people use it. It's got all the  
23 different kinds of fuels right there.

24 Pearson Fuels has been a long-time supporter of  
25 alternative fuels and really gone out in the early days on

1 a limb to make it happen. And I really appreciate that.  
2 From a market development perspective, they've been really  
3 vital in that area of the world, so I'm very supportive of  
4 this.

5 So, move Item --

6 COMMISSIONER SCOTT: I'll move Item 7.

7 COMMISSIONER MC ALLISTER: Oh, there you go. Go  
8 for it.

9 CHAIRPERSON WEISENMILLER: Yeah, I was going to  
10 say let's be straight.

11 COMMISSIONER MC ALLISTER: Yes, go for it.

12 COMMISSIONER SCOTT: So, I'll move Item 7.

13 COMMISSIONER MC ALLISTER: And I'll second.

14 CHAIRPERSON WEISENMILLER: All those in favor?

15 (Ayes)

16 CHAIRPERSON WEISENMILLER: Item 7 passed  
17 unanimously.

18 Let's go on to Item Number 8, which is Waste  
19 Management of Alameda County, Inc. This is agreement ARV-  
20 13-003 for \$568,150 dollars, and this is again ARFVTP  
21 funding.

22 Sarah Williams, please.

23 MS. WILLIAMS: Good morning Commissioners and  
24 Chairman. My name is Sarah Williams. I'm with from the  
25 Emerging Fuels and Technology Office, in the Fuels and

1 Transportation Division.

2 I'm here seeking approval for Waste Management to  
3 install a liquefied-to-compressed natural gas fueling  
4 station to support its existing and rapidly expanding fleet  
5 of LNG and CNG-powered solid waste collection and waste  
6 transfer vehicles at its Davis Street Recovery -- or sorry,  
7 Resource Recovery Complex in the City of San Leandro.

8 In order to transition the entire fleet of  
9 collection vehicles to clean burning natural gas, they'll  
10 need this station, as well as to eventually open fueling to  
11 numerous local and regional natural gas fleets.

12 There's an increasing need for infrastructure and  
13 the company is in critical need of on-site, reliable and  
14 redundant fueling.

15 Waste Management estimates that this project will  
16 displace 1.5 million gallons of diesel fuel per year, on  
17 average, and provide for up to a total cumulative reduction  
18 of 26,729 metric tons of greenhouse gas emissions at full  
19 build out of the natural gas fleet by 2020.

20 Waste Management is currently pursuing the  
21 possibility of implementing renewable natural gas at the  
22 proposed station using landfill gas-to liquid natural gas  
23 from the High Mountain Fuel Altamont Plant in Livermore,  
24 California.

25 The Altamont landfill gas-to liquid natural gas

1 facility produces up to 13,000 gallons of LNG per day.  
2 That would be enough to fuel 300 of Waste Management's  
3 waste and recycling vehicles.

4 Waste Management will be providing \$852,225 in  
5 match funding.

6 Thank you for your consideration. Staff requests  
7 that the Commission support the approval of this project,  
8 and I'm happy to answer any questions or we have someone on  
9 the line, as well.

10 CHAIRPERSON WEISENMILLER: Thank you. Yes, Mr.  
11 Wertz, I'm glad you're on the line, too.

12 Commissioners, any questions or comments for  
13 either of them?

14 COMMISSIONER SCOTT: I move Item 8.

15 COMMISSIONER DOUGLAS: Second.

16 CHAIRPERSON WEISENMILLER: All those in favor?

17 (Ayes)

18 CHAIRPERSON WEISENMILLER: Item 8 passes  
19 unanimously.

20 Thanks to both of you.

21 Okay, let's go into Zero Emissions Fueling  
22 Infrastructure Ombudsman. This is \$300,000. It's  
23 Agreement 600-13-004 with the Office of Planning and  
24 Research, and this is ARFVTP funding.

25 Jean Baronas, please.

1 MS. BARONAS: Thank you. Good morning Chairman  
2 and Commissioners. My name is Jean Baronas. I'm a staff  
3 member in the Fuels and Transportation Division.

4 I'd also like to introduce my colleague, Frank  
5 Ramirez from GoBiz, who's in the audience today should you  
6 have any questions.

7 California is committing to commercializing zero  
8 emission vehicles, including those that use hydrogen as a  
9 fuel, and electric vehicles that use chargers in homes,  
10 workplaces, and public spaces.

11 Automobile manufacturers plan to roll out  
12 hydrogen fuel cell vehicles in the 2015 to 2017 time frame.  
13 And California's share of the U.S. market for plug-in  
14 electric vehicles currently stands at nearly 40 percent.

15 Both hydrogen and electricity support  
16 California's plan to diversify transportation fuels.

17 The California Energy Commission's Alternative  
18 and Renewable Fuel, and Vehicle Technology Program grants  
19 funds to hydrogen station developers to expand California's  
20 network of public hydrogen refueling stations to 100.

21 The 2013 Zero Emission Vehicle Action Plan, as  
22 promulgated by the Governor's Interagency Working Group on  
23 Zero Emission Vehicles, identifies the need for a hydrogen  
24 ombudsman to resolve and expedite the permit issues related  
25 to the construction of hydrogen fueling stations.

1           The Governor's Office of Business and Economic  
2 Development offered to establish a position for the  
3 ombudsman.

4           To that end, I seek the possible approval of an  
5 interagency agreement with the Governor's Office of  
6 Planning and Research to fund a Zero Emission Vehicle  
7 Fueling Infrastructure Ombudsman position, reporting to the  
8 Governor's Office of Business and Economic Development.

9           The total amount of the interagency agreement is  
10 \$300,000 over a maximum of two years.

11           The ombudsman will work with local, State, and  
12 Federal government agencies, hydrogen station developers,  
13 station hosts, electric vehicle regional planners,  
14 installers and hosts, in addition to the automobile  
15 companies and other interested parties to facilitate and  
16 accelerate the permitting and establishment of both the  
17 hydrogen fueling and electric vehicle charging  
18 infrastructure.

19           The position will report directly to the Deputy  
20 Director of the Permit Unit, in the Governor's Office of  
21 Business and Economic Development.

22           Although both hydrogen and electric vehicles will  
23 be addressed in the ombudsman's activities, the primary  
24 goal will be to resolve the varied permitting issues  
25 relating to constructing 100 hydrogen fueling stations so

1 that the fuel cell vehicle market can successfully launch.

2 The ombudsman will convene a high-level working  
3 group of individuals dedicated to developing the emerging,  
4 evolving, exciting networks and interrelated hydrogen  
5 refueling infrastructure throughout California.

6 The ombudsman's activities will also include  
7 developing and implementing strategies to remove barriers,  
8 provide outreach and education services, and expediting  
9 hydrogen refueling station development and installation, in  
10 addition to planning for and installing electric vehicle  
11 charging stations.

12 Thank you.

13 CHAIRPERSON WEISENMILLER: Thank you. I was  
14 going to say, certainly appreciate the opportunity to work  
15 with the Governor's Office of Business Development. We've  
16 had a very good working relationship with them on a variety  
17 of issues, including China.

18 And, you know, I think at one of our meetings in  
19 the Governor's Office, where Toyota was talking about their  
20 strong interest and commitment on fuel cells, and are  
21 concerned on the fueling stations. The GoBiz  
22 representative talked about what they've done in other  
23 areas to sort of cut through red tape and sort of move  
24 things along.

25 And so, in that sense, this seemed like a natural

1 mission for them.

2 COMMISSIONER SCOTT: Yeah, I would agree. I'd  
3 just add, too, that the Energy Commission, of course,  
4 recognizes the importance and the urgency of getting this  
5 infrastructure in place. And so I'm strongly supportive of  
6 us having a full time person over at the Governor's Office,  
7 who's focused on helping us, you know, troubleshoot this,  
8 solve the challenges that area associated with getting some  
9 of this infrastructure out there and making additional  
10 forward progress.

11 And I just wanted to also acknowledge Frank and  
12 say thank you for coming over today.

13 I will move Item 9.

14 COMMISSIONER MC ALLISTER: I'll second.

15 CHAIRPERSON WEISENMILLER: All those in favor?

16 (Ayes)

17 CHAIRPERSON WEISENMILLER: This item also passed  
18 unanimously.

19 Let's go on to Item Number 10, Electronic Case  
20 Records management System, CRMS. James Reede, please.

21 MR. REEDE: Good morning Chairman Weisenmiller,  
22 Commissioners, members of the public and fellow staff.

23 My name is Dr. James Reede and I served as a  
24 program lead and program manager of the e-Filing case and  
25 management systems project that started in June of 2012.

1           When the American Recovery and Reinvestment Act  
2 enabled a significant number of renewable energy power  
3 facilities to seek licensing from the Energy Commission, it  
4 re-revealed a need for electronic processes for filing  
5 documents, comments, and participating in Commission  
6 proceedings.

7           In response, the Commission undertook an effort  
8 to identify best practices in 2011 and develop a solution.

9           I'm pleased to inform the Commissioners that our  
10 new e-Filing and e-Commenting system for power plant  
11 licensing proceedings is fully operational as of September  
12 3rd, and has docketed over 800 documents and comments since  
13 the pilot began July 23rd. Forty percent of the filings  
14 have been comments.

15           Applicants, interveners, Commission staff and  
16 interested members of the public can file, serve, and  
17 search for documents electronically in power plant  
18 proceedings and avoid, in most instances, the burden of  
19 filing and serving paper copies.

20           The benefits of this new process have had a major  
21 impact on the productivity of dockets, siting staff and  
22 power plant applicants. No longer do staff and applicants  
23 have to spend up to a half-hour to 45 minutes per filing,  
24 preparing the proof of service and serving the filing on  
25 all parties. It's now done instantly upon approval of the

1 e-File document by docket staff.

2           With over 800 file documents, you can see that  
3 the magnitude of cost savings is piling up quickly.

4           Additionally, the Energy Commission's web team is  
5 benefitting by, in some instances, up to a half-hour per  
6 document because they no longer have to convert, upload,  
7 and post documents in each plants' web page, and then  
8 generate a list serve notification. All of this is now  
9 done electronically.

10           The efficiency gains of the new process are  
11 strong evidence of tax dollars well-spent on this new  
12 process. This effort has been several years in the making,  
13 but I'm proud to say that this new process finished two  
14 months ahead of schedule and, as importantly, within  
15 budget.

16           And as it continues to prove successful as we  
17 planned, it is capable of being expanded in the future to  
18 all Commission proceedings and contracting functions when  
19 the Commission makes that decision to move forward.

20           It is said that the project manager gets all the  
21 blame or all the fame. In this instance, my project team  
22 should get all the fame. I was just the conductor.

23           I would like to quickly identify the units that  
24 made up the team that brought this project to fruition,  
25 after which we will give a brief computer walk-through

1 presentation.

2 I'd like to thank the eight members of staff --  
3 am I too loud?

4 I would like to thank the Information Technology  
5 Services, the California Natural Resources Data Center, the  
6 Chief Counsel's Office and Dockets Unit, the Public  
7 Adviser's Office, the Hearing Adviser's Office, our  
8 remarkable web team, archive maintenance for the  
9 Commission, and the Step Division employees.

10 Additionally, Drew Bohan was our executive  
11 sponsor and Roger Johnson was the operational sponsor, with  
12 Dale Bosley as the independent project oversight  
13 consultant. Kristy Chew was the contractor selection  
14 project manager.

15 At this time I'll ask you to turn your attention  
16 to the web page that's part of the Energy Commission  
17 website.

18 We have, first, our training guide. If you can  
19 move the mouse up to the training guide.

20 We then have the standing order which was issued  
21 by the Executive Director, giving the rules.

22 We also have a WebEx recording tutorial so that  
23 individuals can figure out how to use it.

24 Over on the right-hand side, where additional  
25 information is shown, a person wishing to comment can

1 easily just click on the "comment on a power plant  
2 proceeding", go directly to that particular power plant and  
3 put in their comment.

4 Now, we've had approximately 12 law firms,  
5 representing power plant applicants, that have embraced  
6 this particular new process that came in under time and  
7 within budget.

8 And that concludes my remarks. I'm open to any  
9 questions you may have.

10 CHAIRPERSON WEISENMILLER: Yeah, I wanted to  
11 start out by thanking staff on this. I think it's a huge  
12 step forward. I know when we were struggling with the  
13 siting load my first year, the docketing of stuff was sort  
14 of amazing in terms of what could go wrong there. So,  
15 amazing, yeah, really amazing.

16 And it was very time-intensive. So, I think  
17 trying to pull us more into the electronic age, this is a  
18 first step. Obviously, I think we'd like to move this more  
19 generally throughout the organization and, God knows,  
20 someday we may even replace these binders with electronics  
21 going forward, but this is a good first step.

22 Certainly, want to thank the staff for their  
23 efforts.

24 Probably, again, caution people that sort of as  
25 you go forward it's amazing the glitches that suddenly

1 appear, even for what seems to be a successful rollout.

2 I remember at one point, at MRW, we  
3 electronically filed testimony at the PUC and somehow it  
4 never made it there, is the issue we found eventually.

5 You know, so there will be glitches, I guess, as  
6 we go forward and I think we have to be vigilant to deal  
7 with those.

8 COMMISSIONER DOUGLAS: Oh, I was just going to  
9 say that I also have sometimes traumatic memories of  
10 drowning in paper and scratching my head over what happened  
11 with something that should have appeared on dockets, and  
12 eventually did, but in the meantime where was it?

13 And I'm delighted to see the system come to  
14 fruition. I was really pleased with the diligence that Dr.  
15 Reede and his team displayed in pushing the project  
16 forward, in visiting the PUC, in visiting other agencies,  
17 or learning about systems that other agencies had and the  
18 work that went on to really define what the functionality  
19 was that we wanted in this system for the Energy  
20 Commission, and to go out and make it happen.

21 The system has been up and, as has been  
22 indicated, you know, it's available now. It's worked  
23 pretty well and people, I think, are used to it. I think  
24 in addition to making staff's life easier, and parties'  
25 lives easier in general, and also saving a lot of trees, I

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1 think that this system will make it much easier for members  
2 of the public who want to try to follow our proceedings,  
3 and find information, and file comments without having to  
4 print a piece of paper and make their way to, you know, get  
5 a stamp, and make their way to a mailbox. And I think that  
6 this is going to make things -- make it just easier and  
7 more accessible for people to participate in our process.  
8 So, I'm very pleased to see it move forward.

9           COMMISSIONER SCOTT: I was going to say,  
10 Commissioner Douglas took the words right out of my mouth  
11 there. I was going to say thanks to James and the team for  
12 the great presentation.

13           And also just say, you know, as the public member  
14 here on our Commission, I'm really glad to see tools like  
15 this that make it easier for the public to engage in our  
16 process and to know what's going on here.

17           And just one of the follow-up questions I had for  
18 you on this is how do we make sure that the public knows  
19 that this is here and an available option for them?

20           And I see that we've got both a WebEx and also a  
21 training guide. The training guide's 85 pages, and so I  
22 just want to make sure if people have follow-up questions  
23 about how to use the system, we've got something set up for  
24 that as well.

25           MR. REEDE: We will be issuing a press release

1 today. It's already been approved, all the way through the  
2 Chairman's Office, announcing e-Filing so that it can go  
3 out to the public in broader terms.

4 Now, the universe of those who are concerned  
5 about power plants have found out about it. We have had  
6 328 comments already filed by members of the public,  
7 primarily in the Redondo Beach and HECA proceedings.

8 So, they know that they can file comments fairly  
9 easy just by going to each individual web page. On a  
10 particular power plant's web page, say Redondo Beach for  
11 example, there's a big, little icon that says "file a  
12 comment" or they can just click on the e-Commenting. So,  
13 the public knows and we're going to have some more press --  
14 well, a press release going out right after the meeting to  
15 let the world know about it.

16 And we'll probably get a number of questions  
17 because so many other agencies' electronic or software  
18 processes have failed in the past.

19 We have some good publicity to put out there that  
20 the Energy Commission employees are top rate, and that we  
21 do what we say we're going to do it, when we're going to do  
22 it, with the money that we have to do it.

23 CHAIRPERSON WEISENMILLER: No, it's important to  
24 basically deliver on stuff for the ratepayers, for the  
25 State of California taxpayers, for the State of California.

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1           I guess the one question I have for you and the  
2 Public Adviser is how do we -- how do we set this up in a  
3 way that non-English speakers, you know, can easily march  
4 through this process for filing comments, and understanding  
5 various WebEx recordings or stuff on how they -- how to  
6 file comments? How do we make sure that this is something  
7 that all of our citizens can access?

8           MS. MATHEWS: Alana Mathews, Public Adviser. One  
9 of the ways our office is reaching out is when we have all  
10 of the informational hearings, as a part of the  
11 presentation that the Energy Commission reports during an  
12 informational hearing, we include the e-Filing process.

13           And where there has been a demonstrated need on a  
14 specific energy project, power project where there is  
15 another language, such as Spanish, we provide translation  
16 services. So that information, as we're presenting it,  
17 they have that information.

18           Additionally, we are looking into adding  
19 something similar, and this is just in general for the  
20 Commission's website, so I can't speak to actually wo9rking  
21 with E-CRMS, but adding -- there is some sort of Google  
22 translate icon that can be added to the website, where any  
23 individual visiting will be able to have the text  
24 translated into any language.

25           CHAIRPERSON WEISENMILLER: I see.

1           MR. REEDE:  And Ms. Winters, from Docket Unit,  
2 just brought up the Google Translate.

3           CHAIRPERSON WEISENMILLER:  That's great, thanks.

4           COMMISSIONER MC ALLISTER:  I wanted to just sort  
5 of pilot here.  I think this is incredibly timely.  You  
6 know, this always was going to be useful and it's fabulous  
7 to have it online.

8           A couple of questions, one, I just want to  
9 point -- congratulate you again and pile onto that because  
10 it's really well-deserved.

11           And definitely feel like the Public Adviser's  
12 role of sort of rolling this out is really key.

13           And then also, you know, making sure that we  
14 don't leave out the people who don't have electronic  
15 access, and that they can still participate, and that we  
16 facilitate that I think is also very important.

17           But it's so important to have, you know, in each  
18 siting case or in each -- you know, I'm really excited to  
19 have this across the board, particularly in the energy-  
20 efficiency realm where there's a lot of stakeholder  
21 engagement that is needed in upcoming.

22           So, you know, I've certainly been noticing the  
23 facilitated flow of public comment on a couple of things  
24 I'm involved in, so it's clearly working, and that's a  
25 fantastic thing.

1           So, just wanted to make sure we keep an eye on  
2 the broad population so that we're facilitating  
3 participation across the board. Some of the places that we  
4 work and some of the applications that we work on are  
5 really out there in remote places, and I think we can't  
6 always count on having full internet access out there.

7           So, yeah, I know you know that, but I just wanted  
8 to point it out. So, thanks for all the hard work.

9           MR. BREHLER: In response to that, Commissioner  
10 McAllister, this is Pippin Brehler from the Chief Counsel's  
11 Office. The new system is set up to facilitate electronic  
12 commenting and filing, but the public is not required to  
13 use it. They may submit comments in the traditional  
14 manner.

15           And in addition, under the order that we've  
16 developed for the system in proceedings for parties to  
17 file, they can obtain a hardship waiver and file and serve  
18 their documents in the traditional manner.

19           And if a waiver is granted, then all the other  
20 parties to the proceeding, staff, the applicant, and  
21 recognized interveners are obligated to serve their  
22 documents in the traditional manner.

23           So, we've not left anyone out on that.

24           COMMISSIONER MC ALLISTER: Great. Thanks for  
25 that clarification, I really appreciate it.

1           MR. BREHLER: And just in response to the  
2 Chairman's comments about the glitches, we did have a  
3 lengthy pilot phase where we identified a number of bugs  
4 and worked through them.

5           We've done what we can and then we also have a  
6 punch list of items we'd like to -- changes we'd like to  
7 make, improvements to the system going forward, both within  
8 the siting proceeding context, as well as any future plans  
9 to roll this out to the full Commission.

10           So, we're already thinking about all of those  
11 issues.

12           CHAIRPERSON WEISENMILLER: That's really good.  
13 It certainly would be great to build on this.

14           Yeah, I was going to just note that I think  
15 Commissioner Douglas and I remember when, actually, the  
16 only -- you had to file paper copies, you know, you  
17 couldn't file electronic. And so we are, at least, you  
18 know, sort of shifting the focus there.

19           COMMISSIONER MC ALLISTER: Yeah, those service  
20 lists have a life of their own and sometimes you -- when  
21 one gets rolled into the next one and, you know, there's  
22 lots of ways that somehow in-boxes, paper in-boxes still  
23 keep relatively full.

24           So, a part of the due diligence here is making  
25 sure that we aren't -- that we sort of get off of the rail

1 of, you know, that train, and get on the new train as  
2 efficiently as possible.

3 But, you know, personally, and sort of  
4 institutionally try to clean up our mailing lists and make  
5 sure that we're not sending out paper when we don't  
6 actually need to. So, but this is a great resource.

7 COMMISSIONER DOUGLAS: All right, so we're  
8 approving this today, so I'll move approve of Item 10.

9 CHAIRPERSON WEISENMILLER: Yes.

10 COMMISSIONER SCOTT: Second.

11 CHAIRPERSON WEISENMILLER: All those in favor?

12 (Ayes)

13 CHAIRPERSON WEISENMILLER: So, this has also  
14 passed unanimously. Thanks again for your service on this.

15 MR. REEDE: You're welcome.

16 CHAIRPERSON WEISENMILLER: Let's go onto the  
17 minutes which is Item 11, possible approval of September  
18 11th.

19 COMMISSIONER DOUGLAS: Move approval.

20 COMMISSIONER MC ALLISTER: Second.

21 CHAIRPERSON WEISENMILLER: David I think you --  
22 you need to abstain, I think.

23 MR. LEVY: You don't need to abstain if you  
24 weren't here, but you may.

25 CHAIRPERSON WEISENMILLER: Fine. Okay, great.

1           So, all those in favor of the minutes?

2           (Aye)

3           CHAIRPERSON WEISENMILLER: This passes --  
4 whatever, yeah, at least four to zero, but anyway -- or at  
5 least.

6           Okay, so let's go on to 12, Lead Commissioner and  
7 Presiding Member Reports.

8           COMMISSIONER SCOTT: Great. So, since we last  
9 met there's been quite a bit going on, actually. David,  
10 and Rob and I went and met with the German delegation, and  
11 spent a morning with them which was fantastic. They were  
12 just very interested in what we are doing on  
13 transportation, also what we were doing on renewables.

14           And it was a nice opportunity to exchange some  
15 dialogue with them.

16           And I don't know if Commissioner Hochschild or  
17 Rob want to add anything, but it was a great exchange of  
18 dialogue and look forward to continuing work with them.

19           COMMISSIONER HOCHSCHILD: Yeah, I mean the only  
20 point I would make is that I actually think they were quite  
21 excited about what we're doing. But a lot of what we're  
22 doing, also in turn had been inspired on what they had done  
23 on renewables, so it's a mutually beneficial relationship  
24 over time.

25           COMMISSIONER MC ALLISTER: Yeah, I would just

1 actually add that, you know, the German -- the German  
2 consul in San Francisco is working on a bunch of issues  
3 across the Commission that, again, this sort of cross-  
4 pollination is a useful, helpful thing.

5           So, they're working on demand response, for  
6 example, and they're going to sponsor an event that's  
7 upcoming and something, obviously, we interested in here at  
8 the Commission.

9           So, I think that kind of exchange is a really  
10 good thing. It helps us do better here and maybe there.

11           COMMISSIONER SCOTT: Absolutely, I would agree.

12           Then we had, on September 16th, Governor Brown  
13 had his "Drive the Dream" event on electric vehicles. And  
14 that was just a -- the Chair and I were both at that, and  
15 we had a -- there was a terrific thought leader dialogue  
16 with the Governor. And then a public announcement where  
17 they had folks like Walgreens, like Coca Cola, like Google,  
18 who were all making commitments to workplace charging.

19           And it was terrific. I mean they really had  
20 probably 14 or 16 different types of electric vehicles out  
21 there for people to kind of touch and see, all kinds of  
22 pretty colors, and different models.

23           You know, you had the Tesla, you had a Leaf.  
24 There was a Smart Car. There was an Odwalla truck, an  
25 Odwalla electric truck. There were the Leaf. I mean I

1 probably can't come with all 14, but it was just really  
2 great to see the wide range of models that were there and  
3 to also have the OEMs, the charging providers, the  
4 utilities and then the companies who are going to help make  
5 this work by putting in place some workplace charging all  
6 there, together, moving this.

7           And so I just thought that was a great event.

8           We went to visit UC Davis and that was terrific  
9 because they're doing a lot of transportation-related work  
10 for us. And just we want to continue to build a good  
11 working relationship with them, and be able to pull in  
12 their expertise for our team and share some of the  
13 expertise our team has with UC Davis, and continue to just  
14 make sure that we've got really good tasks and work going  
15 on together there. And it really helps to advance the work  
16 we're doing on transportation here.

17           And so it was a nice chance to visit with that  
18 team.

19           There was, later that week I went to a PG&E and  
20 Electric Vehicles International precedent. This was really  
21 interesting for me. We put in, the Energy Commission, a  
22 little bit over \$2 million into an almost \$5 million  
23 project to get some range-extended electric vehicles.  
24 They're the utility bucket trucks.

25           And what was great about having PG&E, I think,

1 and EVI, EVI builds those right here in Stockton,  
2 California. And then PG&E is the nation's largest utility  
3 and California's largest utility. They have about a  
4 thousand of these bucket trucks in their fleet.

5 And these bucket trucks are also sort of a  
6 ubiquitous kind of truck, every utility uses them. And so  
7 that if they can demonstrate that this truck works really  
8 well and meets all of the requirements they need, they have  
9 the ability to transition out their fleet in three to five  
10 years, but also to serve as an example for other utilities.

11 One thing that was -- well, there were quite a  
12 few things that were exciting about the truck, but it's got  
13 about 125-kilowatt hours. I think I'm getting that right.  
14 Maybe don't quote me on that, I'll have to double check.

15 But, basically, what that means is when you get  
16 to a place if -- you know, if the power were out here, they  
17 could drive the truck up and then plug the building in  
18 basically to the truck, and turn the electricity on here  
19 right away while they are fixing the electricity.

20 And so that's another neat capability that a  
21 truck like that has.

22 So, it was really terrific to go there and  
23 announce those. They had bought two already, they doubled  
24 their order and so now they've got four. And they're going  
25 to get those out there and really start testing them. And

1 they're built right here in Stockton. So, that was a lot  
2 of fun to go and do.

3 I also had a chance to participate in some energy  
4 meetings, both the Independent Energy Producers annual  
5 meeting and the Western States Petroleum Association annual  
6 meeting. And so, that was just a good opportunity to go  
7 out and listen, and see what things are on those folks'  
8 minds, and what they're working on, and have a good  
9 dialogue.

10 And then on Friday I went with my advisors, and  
11 Kelly Foley, and also Katie came and took photos of us, out  
12 to a Grid Alternatives Event, the "Solarthon".

13 And what they do is they bring solar to low-  
14 income housing. And so we did four different houses in a  
15 neighborhood in Rocklin. And we actually installed the  
16 solar panels on the roof of the house. So, yes, the five  
17 of us were running around with some additional, terrific  
18 folks on the roof, installing 17 solar panels. I can't  
19 remember how much that was in total for the house.

20 But I mean this is great because what it does is  
21 it brings renewables to neighborhoods that might not  
22 otherwise be able to get them, and then they save on their  
23 electricity bills. And so, this is kind of a win/win/win,  
24 and that was a really fun morning. It took from about 9:00  
25 to 2:00.

1           And we, you know, had the power tools, and we  
2 were testing out the solar panels, and handing them up to  
3 the folks on the roof, and picking them up from the roof,  
4 and it was just a really good event.

5           So, that's what I've been up to.

6           COMMISSIONER MC ALLISTER: Well, you've been  
7 having a lot more fun than I have, I tell you.

8           Yeah, the Grid Alternatives, I like those guys  
9 and that sector. And it was very intentional, right,  
10 carving out some of the CSI funds to fund low income, and  
11 they do a great job and really get that community feeling,  
12 and bring in the industry and get a lot of sweat equity,  
13 obviously, from Commissioners and others. And then, also,  
14 get donations from different places and stuff to sort of  
15 make it all fit together.

16           So, that's really yeoman's work. I mean that's  
17 good stuff.

18           Let's see, so I really just have a couple things  
19 I want to talk about and, really, they're sort of  
20 milestones.

21           One, the IEPR draft is out, so very happy about  
22 that. It's a very formidable document and a lot of good  
23 stuff in there.

24           Really, all the teams across the board have just  
25 knocked themselves out on it. And it's really good.

1 Obviously, there's a lot to talk about and we have to sort  
2 of put the screws to folks to be concise.

3 But at the same time, we want to have all the  
4 good stuff in there that we can.

5 And, let's see, if I try to list all the great  
6 work I'll leave somebody out, and I don't want to offend  
7 anybody. But just to raise some of the high points, I  
8 think the demand forecast has been a lot of work, and a lot  
9 of good interaction with a lot of our stakeholders, and is  
10 getting to the point where it's ready for prime time so,  
11 very happy about that. Still some discussions going on a  
12 little bit.

13 And, you know, I want to thank Sylvia's crew, and  
14 Chris Kavalec, and the others who are working so hard on  
15 that. The Natural Gas Team, obviously, puts a lot of input  
16 into that, as well.

17 But I think the responsiveness to the, you know,  
18 idea and impetus to work across agencies to really have a  
19 robust discussion is paying off.

20 And so, we'll adopt a forecast that includes all  
21 the scenarios and all of the good inputs and, you know,  
22 very explicit assumptions, as forecasting must do and  
23 should do.

24 And then kind of go from there and work with the  
25 other agencies to decide which of the various scenarios

1 we're going to use for planning going forward. So, that's  
2 always been the plan and continues to be the plan, and I'm  
3 very happy about that.

4 I'm sure Chair Weisenmiller may have some  
5 comments about that, as well.

6 And then on the energy efficiency and demand  
7 response fronts, I think those were a couple of issues that  
8 I've been trying to push forward in the IEPR. And I think,  
9 you know, we're making some progress, and getting a lot of  
10 good ideas in there, stimulating a lot of discussion, and  
11 sort of raising the level of urgency on both of those  
12 issues because they're both really key, broadly speaking,  
13 to reach our goals long-term in California, but even more  
14 specifically, in the context of SONGS, and once-through  
15 cooling and all the preferred resources discussions that  
16 we're having around that.

17 So, it's really imperative that we chart a  
18 workable path and a likely successful path forward on both  
19 of those fronts. So, we're really working quite well, I  
20 think, across the energy agencies for sure, and even more  
21 broadly with ARB, and South Coast, and the Water Boards.

22 So, I'm very happy about how that's going so far.  
23 And we're -- we have a workshop on the IEPR on the 15th to  
24 get feedback on it, to take it, revise it and push it out.  
25 The goal is to get that in front of the rest of you, well,

1 the forecast in December and then the full IEPR document in  
2 January. So, that's moving along the pace.

3 And I really want to thank the team. Suzanne,  
4 who now has gone on to other pastures, but Heather Raitt  
5 has really picked up the baton and run with it very, very  
6 well. And Lynette and the team, and support from executive  
7 office has really been key along the way. So, I want to  
8 just thank all those teams.

9 And then the other thing within the IEPR I wanted  
10 to highlight is just the transportation effort. I think,  
11 you know, Commissioner Scott highlighted the -- I mean her  
12 energy is just so great around the transportation area and  
13 we've got, you know, a long-term commitment now to key  
14 funding these efforts, which is fantastic.

15 The team that we've built is really topnotch and  
16 has, I think, the opportunity to both within the IEPR and  
17 in some stand-alone work, really go big. Go long and go  
18 big at the same time. So, I think it's really  
19 groundbreaking stuff for California and happy to support  
20 that, and work with them through the IEPR process, and  
21 outside of it.

22 The other major thing I wanted to just get out  
23 there is congratulations to the Prop 39 team. We've got  
24 the Prop 39 draft guidelines for schools' energy  
25 efficiency, which are out on the street currently getting

1 comment.

2 I think it's been a really interesting and  
3 collaborative effort across many agencies, partnering  
4 particularly with the Department of Education on that.

5 Of course, the Energy Commission is lead on  
6 developing the guidelines for participation. Schools vary  
7 tremendously and it presents a big challenge.

8 You have little, charter schools in small towns  
9 that are stand-alone LEAs, and then you've got L.A. Unified  
10 at the other end of the spectrum.

11 So, it's really a challenge to try to fit that  
12 all together such that all the schools can participate and  
13 we can get the resources to them that they have coming to  
14 them through Prop 39, and ensure at the same time that  
15 we're going to get energy savings and good, clean energy  
16 projects out of it.

17 And so, I think we've threaded that needle and  
18 are getting comments, and really want to now take it to the  
19 next few steps to make sure that the schools can actually  
20 participate, and do the appropriate level of hand-holding  
21 with the different kinds of schools to make sure that they  
22 get those resources, and know how to apply them  
23 effectively.

24 So, let's see, you know, I think looking beyond  
25 just the guidelines process on Proposition 39 and its

1 implementation is making sure -- it is a five-year program,  
2 so we're in the first year, we're starting the first year.  
3 And making sure that evolves and kind of is a little bit of  
4 a living effort in that we're going to learn from the first  
5 year and really adapt the program to reflect best practices  
6 as they kind of emerge, and we even learn from other  
7 jurisdictions, other states that have done similar things.

8           So, that's all in the hopper on those two issues.  
9 I could probably go on about other issues, but I just  
10 thought that those were the highlights to get in front of  
11 my colleagues here today, and I think represent some big  
12 milestones that staff has met.

13           So I want to thank, again, the staff on that,  
14 Marsha Smith and her team. And also, again, the executive  
15 office support on that. It's been a big lift to Marsha.  
16 And all those agencies and all the collaborators is not a  
17 small, not a mean feat, and they've done it in a pretty  
18 tight timeline, so I want to thank them for all that  
19 effort.

20           CHAIRPERSON WEISENMILLER: Yeah, I'd like to sort  
21 of follow up on a couple of comments that both of you made.

22           First, one of the interesting things I found on  
23 "Drive the Dream" in terms of Coca Cola has more trucks  
24 than UPS and Federal Express combined. Coca Cola, yeah.

25           So, again, just in terms of scale --

1                   COMMISSIONER MC ALLISTER: I remember 20, 30  
2 years ago about, now -- 20 plus years ago, maybe not quite  
3 30. Hopefully, not quite 30, I was actually in rural  
4 Kenya, right, and we were in the middle of the bush, right,  
5 no movement at all. So, I got the binoculars out, looking  
6 for animals, and far off in the horizon is a Coca Cola  
7 truck going across.

8                   CHAIRPERSON WEISENMILLER: So, yeah, the scale.

9                   COMMISSIONER MC ALLISTER: They're everywhere,  
10 right.

11                  CHAIRPERSON WEISENMILLER: Yeah, that was pretty  
12 impressive, I thought.

13                  In terms of -- actually, this goes to one of the  
14 people, also, is color -- her outfit matched a Coca Cola  
15 can in terms of color, which I thought was also really  
16 saying our message incredibly well.

17                  But in terms of I also was IEP with the trials  
18 and tribulation of the late FERC Chair Smutny, asked me to  
19 step in as the dinner speaker on the SONGS issues, on a  
20 Thursday night, so I did that.

21                  It was a little strange. I mean, obviously, for  
22 the after dinner speech you'd like something a little bit  
23 lighter, frankly, than what I covered. But, you know, it  
24 was definitely a last minute parachute in and do that.

25                  Yeah, I know, although I would say, I mean I

1 barely got out of there. You know, people kept stopping  
2 me. Obviously, we say a lot about San Onofre, how it's  
3 really Orange County and San Diego County focused.

4           And so that crowd, after any numbers of drinks  
5 was coming up, saying, and I have something in San  
6 Bernardino. And I'm okay, that's good, you know, but how  
7 about Orange County.

8           But it was a pretty lively group, I thought.

9           In terms of the other thing I was going to  
10 mention, in terms of the IEPR one of the things I want to  
11 do is make sure that we do thank -- going forward on the  
12 Padilla stuff, I mean has been a -- I think what we're  
13 seeing is the translation of the commitment of President  
14 Peevey, myself, and Berberich to try to pull people  
15 together is now working that through on a staff level.

16           So, certainly, Sylvia's been a real leader on  
17 that, along with Simon Baker and Heather Sanders, of the  
18 ISO. In terms of, again, having the staff-to-staff work  
19 together has been really good.

20           I think, obviously, we're not going to accomplish  
21 everything we'd like to do in this cycle. There's going to  
22 be, certainly, the next cycle, if not the following cycle  
23 more work to do in this specific area. But I think there's  
24 been a lot of progress in pulling the staff of the two  
25 agencies together.

1           And part of it has been, frankly, education. You  
2 know, I think the other two agencies had very dim  
3 understandings of what our forecasting effort is. I'm not  
4 sure that our folks understand particularly well the  
5 transmission planning process at the ISO, or any number of  
6 things. So, it's been a real educational process, I think,  
7 across the board as part of moving forward.

8           I was also going to mention that yesterday I was  
9 at the PUC en banc. President Peevey actually invited  
10 Steve Berberich and I to be on the dais with him, which was  
11 certainly indicative of Mike's collegial style.

12           And they were dealing with the business model of  
13 electric utilities of the future. So, an interesting  
14 topic.

15           They start out, again, and we can certainly talk  
16 more or less on it, but I'll give you more. They did three  
17 presentations, one by Bain, one by Accenture and one by  
18 McKinsey, looking at technology changes and how that might  
19 change the nature of the utility in terms of products and  
20 services they deliver.

21           Of the three, I thought -- I actually found  
22 Accenture's talk to be pretty interesting because they  
23 tried to look at customer segments, and obviously a variety  
24 of customers for utility, and real divergence of, you know,  
25 people who basically want simple things, low cost, no

1 hassle. And then people who really want to invest the time  
2 and have choices and, you know, really dig into what's  
3 going on.

4 And so, as they try to figure out how to  
5 structure -- you know, as a utility how do you really  
6 capture and meet the needs of your customer, and that  
7 diversity is certainly an issue.

8 And McKinsey was almost apocryphal in terms of  
9 the world's changing faster than we've seen in a long time.

10 I think Peevey did a good job of saying that he  
11 and I have heard similar stories now for decades, you know,  
12 on the hot topics of the day.

13 But, you know, certainly, they were all  
14 interesting.

15 And then we had a panel which was basically with  
16 the CEOs of the utilities responding to how they saw the  
17 changes.

18 And again, a short message there, I mean they are  
19 very focused on the grid, and sort of the value of the  
20 grid. You know, certainly, the more people that are  
21 connected to the grid, the more valuable the grid is.

22 And then how -- they were pretty clear that they  
23 have done a, I would say, an adequate job of really taking  
24 the data from the Smart Meters and start trying to figure  
25 out what that says about their customer needs and uses.

1           But I think along with, again, that focus on the  
2 grid in terms of the investments and, you know, trying to  
3 transform the grid into something that's much more of a  
4 two-way flow, much more self-healing. You know, all the  
5 things that we all talk about when they're looking at what  
6 that means to do that is a real fundamental shift for them.  
7 And they realize the grid is really their future in many  
8 respects.

9           But then, you know, what does that mean? We  
10 didn't talk much about, you know, how this changes  
11 regulation or regulators, although it was sort of  
12 overlaying stuff.

13           I mean I think we had a little -- some discussion  
14 on the difference between cost of service and some sort of  
15 performance-based rate making. But again, that maybe is a  
16 topic for a future conversation there.

17           COMMISSIONER MC ALLISTER: Any -- just a quick  
18 question. Any talk about sort of the investment model and  
19 sort of what the vehicle to get to the capital markets and  
20 sort of investment levels may be going forward in the  
21 change?

22           CHAIRPERSON WEISENMILLER: Well, I pushed and  
23 they dodged. I mean if you -- the classic theory is for  
24 mature systems that the cap-adds roughly equal  
25 depreciation.

1           Now, having said that, everyone realizes at this  
2 point, either from inadequate investment or, you know, that  
3 the grid certainly -- they're talking about pretty massive  
4 transformations to the grid.

5           You know, I really tried to get a more specific  
6 number out of them, modernizing both the grid and the  
7 pipeline system, frankly.

8           But you could look at cap-adds that are roughly  
9 double what they've been doing for the last five years.

10          But again, so pretty substantial investment  
11 there.

12          There was also a sense that what the utilities'  
13 core functions is really bringing capital to bear. You  
14 know, that sort of raising money at a low cost and doing  
15 investments is something which, when you look at their cost  
16 structure and all -- you know, again, Bain certainly got  
17 into the fixed variable cost aspects, but a key thing they  
18 do is raise capital and invest it.

19          And Mark Ferron, I would point to a recent thing  
20 he posted in his site, at the PUC, on sort of the  
21 connection between risk management and cost of capital.  
22 You know, that as you look at these large investment  
23 questions, particularly in a changing model, the financial  
24 community looks at the risk associated with the utility  
25 industry and then prices that risk.

1           So, the riskier they see the California  
2 regulatory scheme or the transformations, the large the  
3 risk premium is. And if you're talking about, you know,  
4 multiple billions a year of cap-adds, those numbers can get  
5 pretty significant pretty quickly.

6           Although, again, certainly Mark's encouraged  
7 people to look at that, I'm not certainly giving a good --  
8 doing justice to his paper that he posted.

9           And so, basically, how do you do that in time of  
10 transition, right. It's an interesting question.

11           And then I just want to talk about one other  
12 thing, which was in terms of the Audit Committee. So, back  
13 on August 27th, the Commission voted to create a Standard  
14 Audit Committee, and that's certainly pursuant to the  
15 Government Code, Financial Integrity and State Manager's  
16 Act, FISMA, which sets forth our internal auditing  
17 standards for State agencies.

18           And as the Chair, I'm pleased to report that the  
19 Commission, our entire management team, and particularly  
20 the Office of Audits, Investigation, and Program Review,  
21 led by Mary, who's actually here -- I just want to make  
22 sure everyone connects the name and the face -- all play,  
23 and now the Audit Committee play a critical role in the  
24 governance process of the Energy Commission.

25           And one of my duties as Chair is, obviously,

1 directing the staff. And so what we're doing as part of  
2 the Audit Committee, then, is using that responsibility to  
3 really look at the Audit Committee.

4 And as sort of background, you know, as a  
5 business owner for a number of years, we always had outside  
6 audits, you know, of an Auditor Committee.

7 And the outside audits were always very good in  
8 terms of strengthen the internal controls. You know, it's  
9 actually, frankly, a lot harder if you've got a pretty  
10 small administrative staff, where you really have more or  
11 less a handful, to separate functions sufficiently that  
12 you're pretty sure that you've got the internal checks and  
13 balances, as that if you're dealing with a couple of people  
14 it's a lot harder than if you're dealing with tens of  
15 people.

16 But anyway, that's one of the things that we need  
17 to deal with. And so, I'm Chairing the Audit Committee,  
18 and what that Committee is really doing is to set  
19 priorities for the internal auditor. You know, I think  
20 having an internal auditor is really a good step for the  
21 Agency, certainly toward change of a number of ways on how  
22 we do business and give us a lot of opportunities or  
23 potential we haven't had before.

24 And at the same time, it's important, one of the  
25 things which we're caught up now, and frankly, one of the

1 highest priorities for us in the near term is the binder  
2 FISMA reports, which will be due to the Resources Agency by  
3 December 31st, 2013.

4 And so, certainly, the FISMA reports capture some  
5 of the evolving standards of outside audits, of Sarbanes-  
6 Oxley.

7 So, it's going through. There's been a pretty  
8 detailed questionnaire of the deputies, going through in  
9 terms of practices and risks. And I obviously remember the  
10 last time I was involved in an audit at MRW, in this post-  
11 Sarbanes-Oxley world, you know, sort of was going through  
12 what are the risks, what are your mitigation strategies  
13 there.

14 So, what this report will do is identify, as an  
15 organization, our risk and what our mitigation strategies  
16 are. So, it's a pretty significant activity.

17 And at the same time as we go forward, again what  
18 the Audit Committee will do, will set in place priorities  
19 with that and it will be a good chance to check through our  
20 internal systems to make sure, in fact, everything is  
21 working pretty smoothly.

22 Again, nature, any outside audit typically does  
23 that.

24 In terms of certainly going forward, we're  
25 working off of the American Institute of Certified Public

1 Standards as a model framework for the Audit Committee to,  
2 you know, set forth in the Audit Committee toolkit for  
3 governmental organizations.

4 Frankly, there's some sort of adaptation in a  
5 sense, you sort of read through it and it talks about  
6 putting your CFO on, you know, the Audit Committee. And  
7 I'm looking around for my CFO and realizing that we don't  
8 have one, you know.

9 But at the same time needing to really maintain  
10 the integrity and sort of separateness of the audit  
11 function.

12 So, anyway, we're using the toolkit as a roadmap.

13 We will hold periodic meetings, certainly more  
14 frequently between now and when the FISMA report is done,  
15 and as we're setting up these practices going forward and,  
16 ultimately, hoping to have more of a quarterly type  
17 approach.

18 But I'll report back to you periodically on  
19 progress.

20 COMMISSIONER DOUGLAS: I just want to say that I  
21 had an opportunity to attend the first Audit Committee  
22 meeting, as well, and I found it very helpful.

23 I'm, as the attorney member of the Commission,  
24 you know, always interested in our internal procedures and  
25 making sure that we have the strong internal controls we

1 need, in making sure that we also have the ability to  
2 exercise appropriate oversight over State funds when we  
3 provide those funds through our various pass-through  
4 programs.

5 My real emergent in these issues came with our  
6 ARRA responsibilities. But, of course we do have -- we do  
7 administer and have administered grant programs, and at  
8 times loan programs for a long time.

9 And so having some additional incentive programs,  
10 as well as just having this additional capacity to ensure  
11 that our programs are working well, and that we have the  
12 appropriate level of controls is really important to us and  
13 the work that we do.

14 So, you know, I'm pleased to see where we've  
15 gotten with this process and can certainly look forward to  
16 working with Mary, and with the Chair, and others to keep  
17 the trajectory moving forward.

18 I'll also comment on a couple of things I've been  
19 doing since the last Business Meeting.

20 I had a really nice opportunity to moderate a  
21 panel and then give a presentation on California's energy  
22 policy at a forum called "The High Level Forum on the Green  
23 Future" that was set up by the Global Science and  
24 Innovation Advisory Council.

25 And it was set up by this Council really for the

1 country of Malaysia, which has a memorandum of  
2 understanding with the Energy Commission. And we've been  
3 working to give some technical support and exchange of  
4 information with our counterparts, the Malaysian Energy  
5 Commission, for some time now.

6 And they have been really good partners in this  
7 forum. They've sent a delegation here several times at  
8 this point. They come, they have a lot of interest in  
9 renewable energy, and energy efficiency, and clean  
10 technology programs, the 118 program. So, they've really  
11 been very interested in a lot of work that we've done.

12 The Malaysian Prime Minister was at this event in  
13 San Francisco, as well as the heads of a number of  
14 agencies, not just the Energy Agency.

15 And they've got very high goals for both economic  
16 development, clean technology investment and environmental  
17 or sustainable development, particularly, but not solely in  
18 the area of energy.

19 So, it was a very, very good exchange of  
20 information. I had the pleasure of having a former  
21 commissioner and colleague on my panel, Commissioner Byron.  
22 So, it was also very nice to catch up with him.

23 And, let's see, so later that week, on the Friday  
24 that week I went to San Diego and participated in or I was  
25 filmed for a Massive Open Online Course, or MOOC, being

1 done by UC San Diego. And Steve Mayfield is a professor  
2 there and the head of the -- now, I'm going to forget the  
3 institute. But he's a real leader in the area of  
4 particularly clean transportation, and roped me into this.

5 But it was a lot of fun, actually, and it was a  
6 nice opportunity to communicate about what the Energy  
7 Commission does and what, you know, California through its  
8 energy policy is doing to a potentially very large audience  
9 of university students, most likely first or second year  
10 students who are really starting their academic careers at  
11 various universities. Not just California universities  
12 because this will be accessible quite widely.

13 And, really, just giving them a chance and giving  
14 them exposure to what California's doing. The topic of the  
15 MOOC is our energy future, and it actually seems very  
16 interesting. I think I'll take advantage of the chance to  
17 see it myself, when it's available, which won't be for  
18 quite a while. So, don't go searching for it now.

19 On Friday I ran into Commissioner Hochschild at  
20 the Southern California Energy Summit, so he may have  
21 something to say about this as well.

22 But this was in Palm Springs. I was on a panel.  
23 I was actually going to be on a panel with the Bureau of  
24 Land Management, with the State Director, but due to the  
25 government shutdown he had to pull out, and so I was on a

1 panel with Angelina Galitiva, one of the Governors of the  
2 ISO.

3 And John White was the moderator. And we also  
4 pulled in one other speaker.

5 And we had a really nice discussion, as it turned  
6 out. It was a nice opportunity for me to talk about not  
7 only DRECP and energy siting, and renewable energy goals,  
8 but also to hear a lot of interest from a number of  
9 speakers on Salton Sea, and what can be done around that  
10 issue and renewable energy, and environmental restoration.  
11 Because, of course, Palm Springs is quite close to the  
12 Salton Sea so there's a lot of local interest in that  
13 issue.

14 It was a really well-attended forum. It was  
15 really -- it's always a really mix of people who go to the  
16 Southern California Energy Summit.

17 So with that, I'll turn this over to Commissioner  
18 Hochschild.

19 COMMISSIONER HOCHSCHILD: So, I've been doing a  
20 lot of travel the last few weeks. I spoke at the NCPA  
21 Conference, the So-Cal Energy Summit, the Catalina Solar  
22 Project Dedication, which is the eighth largest solar  
23 project in the world, 140 megawatts, and yesterday at the  
24 Western States Power Pool.

25 Nobody's yet mentioned AB 327, and I just want to

1 talk for a second about that because I think it's actually  
2 hugely, hugely significant. The Governor signed this bill  
3 on Monday. It allows some rate reform to go forward. It  
4 extends net metering through July of 2017, which is hugely  
5 significant for new solar homes, among other things.

6 And it gives the authority to raise the RPS, at  
7 least for the IOUs, to the PUC.

8 And the signing statement that the Governor wrote  
9 I thought was quite extraordinary, and just made quite  
10 clear that 33 percent is a floor and not a ceiling.

11 And, you know, I mean a really, really very  
12 strong statement.

13 One of the couple of things I want to share. I  
14 had an interesting meeting last week with Commissioner  
15 Peterman and about seven of the biggest clean tech  
16 investors in the State.

17 I've been very concerned, we're at the lowest  
18 point in the last four years for clean tech investment, and  
19 I'm concerned about that because the future of cost  
20 reduction in renewables really hinge very heavily on the  
21 health of that space.

22 And essentially what's going on right now is that  
23 probably because there isn't a clear pathway beyond 2020,  
24 incumbent companies are actually doing okay raising their  
25 next round of money, the Tesla, SolarCity class companies.

1           But companies with new ideas that were getting  
2 funded a few years ago are not now, and it's very much  
3 dried up. And so we spoke quite a bit about that.

4           It is, I think, in large part related to policy,  
5 so as the State moves forward on that I think that will  
6 change. But this is a subject of a lot of concern from the  
7 investors there.

8           I mentioned Tesla, I just want to share, I  
9 actually had the opportunity to go to Tesla, to the factor  
10 a week ago. And it was quite an experience. Because this  
11 is the largest physical industrial building west of the  
12 Mississippi, right, it's 5 and a half million square feet.

13           It was previously occupied by New Meaning, the  
14 joint venture of Toyota and GM, and they were building, you  
15 know, almost 400 cars a day at that facility a day, okay,  
16 at that time.

17           So, when it went out of business it was a huge  
18 blow to the State. And it had employed 5,000 people.

19           So, Tesla already has 3,000 people working there,  
20 okay.

21           They have such sophisticated automation they've  
22 been actually able to onshore, you know, manufacturing  
23 processes that had been in Asia because it's more cost-  
24 effective to do it here with the level of automation they  
25 have.

1           So, very, very encouraging what I saw there. And  
2 it is now the largest manufacturing operation in the State  
3 and its electric vehicles, and it's quite something.

4           And where they're going right now, the vehicle  
5 they're making now is obviously a \$70,000 car, but where  
6 they're headed by 2017 is a \$35,000 car that has a 150-mile  
7 range. And they're very optimistic about the future of  
8 lithium ion battery.

9           So, each of the cars has, you know, basically  
10 7,000, I think, or 8,000 lithium ion batteries that fit  
11 into a -- it's a big cassette in the car. And it's just  
12 quite extraordinary to see this.

13           And I believe under your tenure they've gotten  
14 \$10 million in funding and so it's clearly delivering a lot  
15 of economic benefits at that facility.

16           I also want to just take a moment to thank the  
17 media team. This week, the new California Clean Energy  
18 Tour site launched and this is, I think, an excellent job,  
19 really providing an overview of all of the leading clean  
20 energy projects and clean transportation projects. It's  
21 just [energy.ca.gov/tour](http://energy.ca.gov/tour).

22           And these are projects that were either funded by  
23 our R&D money, or permitted by us, or are supplying energy  
24 to municipal utilities we're overseeing. And it's, I  
25 think, a terrific success story.

1           It's quite impressive when you just step back and  
2 look, you know, that we actually do have the largest  
3 geothermal, wind, solar thermal, crystalline PV projects,  
4 you know, in the world, and they're all here. And they're  
5 all, you know, creating jobs and driving innovation. And  
6 getting that message out I think is really important.

7           And I just also wanted to highlight, as I  
8 mentioned, our next guest speaker's in two weeks, on the  
9 21st, here, on geothermal.

10           And then Steve Chu's going to be coming on  
11 November 7th. He's now at Stanford and he's just going to  
12 be sharing his thoughts on California's role in the clean  
13 energy economy of the future. So, that will go out soon.

14           And I think that's it, thank you.

15           One final thing is the environmental community is  
16 hosting a welcome reception for Janea and I, next week in  
17 L.A., so we'll be doing that, too.

18           CHAIRPERSON WEISENMILLER: That's good, that's  
19 very good.

20           Chief Counsel's Report.

21           MR. LEVY: Good morning Commissioners. Two  
22 things to report, the first is that the California Court of  
23 Appeal for the Third Appellate District has moved back into  
24 its home at the Library Courts Building which is, as you  
25 know, in the Capitol Rotunda. They'd been out for

1 renovations at 621 Capitol Mall for the last six or eight  
2 years.

3           And the significance for us is when they moved  
4 over to 621 Capitol Mall we were no longer able to file our  
5 Supreme Court filings in the Third District Court of Appeal  
6 because of the mechanics of getting them down to the  
7 Supreme Court.

8           Since they've moved back, I've taken the  
9 opportunity to broach the subject with the Chair of the  
10 Judicial Council about allowing us to start filing, again,  
11 our Supreme Court filings here, in Sacramento, which they  
12 do, by the way, in Los Angeles and San Diego, as well.

13           And she assured me that she would look into it,  
14 as it was not just a move that's good for State government,  
15 but also for access to justice and for efficiency. So, we  
16 may see that happening pretty soon.

17           The second thing that I'd like to report,  
18 briefly, is to introduce to you a new hire of ours. I'd  
19 like to introduce Gabriel Vivas. Please stand up, Gabriel.

20           Gabriel graduated from UCLA Law School. He  
21 worked here at the Energy Commission in 1986 to 1988. Then  
22 he worked in the Attorney General's Office in the Medi-Cal  
23 Fraud Unit. And he actually created the Elder Abuse  
24 Enforcement Program there.

25           He worked collectively for Assembly Speakers

1 Hertzberg, Wesson and Nunes doing program oversight.

2 And then he was a Deputy General Counsel at the  
3 Department of Education.

4 He retired from State service to open his own law  
5 practice and now has returned back to join the ranks of the  
6 California Energy Commission Chief Counsel's Office.

7 From his portfolio of experience we believe he'll  
8 be a perfect fit to partner with Courtney Vaccaro and lead  
9 the Chief Counsel's Office's role in coordinating our  
10 enforcement efforts here for the Energy Commission.

11 So, please welcome Gabriel back to the  
12 Commission.

13 CHAIRPERSON WEISENMILLER: Welcome. Welcome  
14 back.

15 MR. LEVY: Okay. And I'll also note that October  
16 10th, which I think is tomorrow, Galen Lemei is returning  
17 from Commissioner Douglas's Office to come back down to be  
18 an attorney in our office, as well. So, we're looking  
19 forward to having him back.

20 CHAIRPERSON WEISENMILLER: Great. Your gain is  
21 our loss.

22 Executive Director's Report.

23 MR. OGELSBY: I just wanted to provide a brief  
24 report on the incident that caused the closure of the  
25 headquarters building the week before last, for four days.

81

1 And, first, an apology to all of those who were affected by  
2 the inconvenience of having the headquarters building  
3 closed for four days, four business days.

4 And so I think this is a good opportunity to  
5 provide the rest of the story to people who may be  
6 wondering why we were out of business for that period of  
7 time.

8 And, basically, in a nutshell we have an  
9 emergency generator that's on the roof of our north  
10 building. The fuel tank -- a pump malfunction caused the  
11 fuel tank to overflow approximately 75 to 100 gallons of  
12 diesel fuel, which pooled in the mechanical room and  
13 eventually seeped through the concrete structure, the seams  
14 in the concrete structure, and into the office space on our  
15 fourth floor.

16 The health officials, both State and local, red-  
17 tagged the building as unsafe for occupancy for September  
18 24th through -- until Monday morning, the 30th of  
19 September.

20 During that time General Services contracted both  
21 services they provided, and contracted services did the  
22 cleanup.

23 It's been a challenge to get rid of some of the  
24 residual fumes in our north wing, but we're making progress  
25 on that.

1           But as it stands now, we are back in business,  
2 have been back in business since Monday, the 30th. And,  
3 obviously, there was some disruption to the work of the  
4 Energy Commission while the building was out of service.

5           I wanted to thank all those who were involved in  
6 the cleanup and response.

7           I also wanted to thank the staff who, in spite of  
8 the inconvenience, managed to -- in some cases, not all  
9 cases, were able to continue business as usual.

10           But I wanted to recognize, in particular, the  
11 staff that scrambled and found ways to continue to work  
12 during the shutdown, moving meetings, working remotely and  
13 doing other things to keep the flow as best we could going  
14 during the days of that shutdown.

15           CHAIRPERSON WEISENMILLER: That's good. I also  
16 wanted to thank Laurie. I think it probably took some of  
17 us a little bit to figure out if we do have a second  
18 building in Sacramento and, you know, they were very good  
19 at sort of providing space for people. I had a meeting  
20 there.

21           But certainly, again, as we think forward on  
22 lessons learned, part of the message was that for those  
23 people who are on critical projects that they were very  
24 good at trying to facilitate people's access to computers  
25 and stuff, so they could keep those critical projects

1 going.

2           So, knock on wood, if it happens again, part of  
3 the message is that for the critical project people make  
4 sure they catch up with Drew to sort of be slotted in for  
5 that. And, certainly, appreciate Laurie's flexibility on  
6 helping things to keep rolling.

7           Public Adviser's Report.

8           MS. MATHEWS: Just briefly. I wanted to share  
9 some of the highlights, I just returned from South Africa.  
10 I did speak at a conference in Durban. But I did have a  
11 chance to travel to Johannesburg, and Cape Town, in which I  
12 was able to meet with staff in the Department of Energy,  
13 South Africa's Department of Energy, primarily the Deputy  
14 Minister's Office.

15           And there was just a lot of information that was  
16 shared with me. But some of the key points that I walked  
17 away with, explaining my role as a Public Adviser, trying  
18 to realize how they engage the general public, I did find  
19 out, they identified the three major issues they deal with  
20 are poverty, and equality, and unemployment.

21           And many of the provinces, up to 90 percent of  
22 households are not connected, so they don't have  
23 electricity.

24           And then one interesting point that I found is  
25 when I watched the news, just as we have a segment on

1 weather, maybe traffic, they have a segment on electricity  
2 usage. And they have alerts where it says, you know, turn  
3 off certain appliances, and they'll have a little icon.

4 But every day, in the morning, in the afternoon  
5 and in the evening news there is a report where they  
6 actually show the grid, and how much electricity is being  
7 used, and what the forecast is for the rest of the week.  
8 So, I thought that was pretty interesting.

9 And then they also shared about, obviously,  
10 efforts being put into renewables.

11 They share historically the country has, and  
12 probably the continent, has focused on mining  
13 infrastructure and now they're trying to focus on energy  
14 infrastructure for wind and solar.

15 And they love nuclear. And that was something  
16 very interesting. They have a lot of coal plants, but a  
17 lot of their outreach now is to demystify nuclear and to  
18 promote greater appreciation for the contribution that  
19 nuclear energy can provide.

20 COMMISSIONER MC ALLISTER: Okay, thanks very  
21 much. I was really jealous when I heard you were going  
22 because I've actually worked there quite a bit.

23 And the landscape there is quite amazing in the  
24 coal-producing areas because you drive around and sort of  
25 you see this big six-pack sitting there, and it's basically

1 a coal plant that's on top of a coal mine. And they do it  
2 incredibly efficiently there, for sure.

3 And their nuclear research has been cutting edge.  
4 You know, the pellet bed reactor was developed right there.

5 But on the -- I was working mostly on renewables  
6 issues, less on the utility scale stuff. But rural  
7 electrification, generally in the former homelands, you  
8 know, after apartheid ended. And there's a really  
9 interesting set of social issues, obviously.

10 But SCUM, in some ways, has been a really  
11 innovative utility in the technology application, but they  
12 really weren't set up to deal with those remote areas. And  
13 I think that legacy is ongoing, really.

14 You know, for example, they've been very  
15 innovative on the remote -- sort of, you know, remotely  
16 reading meters, and pre-pay meters, and things like that so  
17 they get their costs down.

18 But when the hiccups happened, you know, they  
19 weren't all that set up to deal with them.

20 But anyway, really fascinating and there's a lot  
21 to learn actually from that place. And it's not obvious  
22 how California can learn from them but, you know, they have  
23 done a lot of interesting stuff.

24 And then I wanted to also just point out that,  
25 actually, our universities here have a number of alums that

1 are South African, and are actually over there working.  
2 The director of their energy research efforts at the  
3 University of Cape Town is an alum of UC Berkeley, and got  
4 his master's degree there. There's a number of others.

5 MS. MATHEWS: I actually met a lot of alums from  
6 my college, Spellman and Morehouse College. I was shocked  
7 to see the --

8 COMMISSIONER MC ALLISTER: Well, yes, it's  
9 actually quite interesting, the fact that -- I mean, they  
10 really have topnotch professionals there, working on some  
11 of these issues. And when I worked there, you know, and  
12 it's been -- that was in the mid-nineties, mostly. But I  
13 was really surprised and struck by that because, you know,  
14 in the African context it's the main economy. But we don't  
15 think of it as kind of a world leader on some of these  
16 issues, but it really is.

17 Really, I'd love to hear more about your trip.

18 MS. MATHEWS: And then, of course, hydraulic  
19 fracturing in Karoo is kind of a new, developing probably  
20 in a couple of years. That's leading the way and a lot of  
21 effort's put into that.

22 COMMISSIONER MC ALLISTER: Great. Well, thanks  
23 for that report.

24 CHAIRPERSON WEISENMILLER: So, let's go to public  
25 comment. We have three public comments, which I'll just

1 take alphabetically, in the order I got them. Mike Gabel.

2 MR. GABEL: Good morning Commissioners. My name  
3 is Mike Gable, from Gable Associates. We're energy  
4 consultants in Berkeley.

5 As some of you know, I've been a tireless  
6 supporter and advocate for the energy standards for more  
7 than 30 years, and I wholeheartedly support implementation  
8 of the 2013 standards as an important step toward reaching  
9 zero net energy goals.

10 But please take note, we are only 82 days away  
11 from the currently scheduled start of the new standards.  
12 Despite heroic and great efforts by staff and contractors,  
13 we're still without fully functioning residential and  
14 nonresidential performance compliance software to use.

15 While I take no satisfaction in appearing here  
16 today to point this out, it is crucial that working  
17 professionals bring to your attention the negative impact  
18 of failing to postpone the January effective date of the  
19 standards.

20 The performance approach has been and will  
21 continue to be a crucial component in the success of the  
22 California Energy Code. When you model a proposed design  
23 with compliance software, the software, among other  
24 capabilities, sets the correct customized energy budget for  
25 that building.

1           Let me emphasize, the performance software  
2 actually becomes the standards for each and every project  
3 modeling with it. So, it's very simple, if the compliance  
4 software isn't ready, the standards really aren't ready,  
5 either.

6           I stay in close touch with many people involved  
7 in the software development process and I've been reviewing  
8 the latest test versions of the CEC's CVEC Residential  
9 Program.

10           The unfortunate fact is, again, despite great  
11 efforts by staff and contractors, that there's still too  
12 many key modeling, and compliance features, and  
13 capabilities still not working or missing for it to be  
14 fully ready next month, as promised.

15           The nonresidential public domain software is even  
16 further away from completion.

17           Perhaps the best path forward for ensuring an  
18 available nonresidential program is for the Commission to  
19 work with one or more private vendors to grant interim  
20 approval to a DOE-2 based compliance software version, but  
21 we see no definite progress on this front, either.

22           So, finally, if the Commission does not show, I  
23 think, what I feel is the requisite wisdom and courage to  
24 postpone the standards for a few months, perhaps up to six  
25 months maximum, then one message you'll be sending, whether

1 you intend it or not, is that the CEC has a poor  
2 understanding of how the standards are implemented, or how  
3 they function in the real world that includes a \$35 billion  
4 a year construction industry that will be seriously  
5 impacted.

6 But you'll also be saying that you don't care  
7 about providing the necessary tools to your strongest  
8 supporters in the trenches, trying to help the building  
9 industry find appropriate and cost-effective energy designs  
10 that meet the standards.

11 I'm really imploring the Commission to consider  
12 the current situation carefully and decide on an  
13 appropriate delay of the standards, perhaps at the November  
14 Business Meeting. Thank you.

15 CHAIRPERSON WEISENMILLER: Thank you for coming.  
16 I was going to ask Commissioner McAllister, I think Dave  
17 Ashuckian's here and I --

18 COMMISSIONER MC ALLISTER: Yeah, I believe we  
19 actually have some staff online, potentially.

20 But I wanted to just make very clear, so, you  
21 know, we've -- I know you've submitted a number of  
22 comments. Some of them, I think, last month and some more  
23 recently than that.

24 And, you know, your points are taken. I mean  
25 it's not that we're -- you know, I'm certainly not in

1 denial about this and I think staff isn't either. And as  
2 you indicated, they are really bending over backwards to  
3 get this work done, and making a lot of progress.

4           You know, part of the messaging is that we only  
5 have a Business Meeting once a month and to approve  
6 certain, specific things, but there's a lot going on at the  
7 staff level. And, you know, I gather you're aware of a lot  
8 of that.

9           So, you know, delay would have a lot of very  
10 negative impacts down the road and would really only jam us  
11 going forward.

12           So, I'm encouraging the staff and certainly  
13 encouraging this Commission to put the pedal to the metal  
14 and not delay.

15           But I think on your specific points and, you  
16 know, not knowing exactly where you're coming from in the  
17 marketplace and, you know, who your clients are, I'm sure  
18 you're under a lot of urgency to get going.

19           You know, we can have those, those specific  
20 conversations about how we can potentially remedy your  
21 issues, specifically, going forward.

22           But as an overall delay, I'm extremely hesitant  
23 to support that because I feel like we really need to keep  
24 it going. We're only going to get jammed in the 2016  
25 standards if we delay.

1           So, I do think we have -- is Martha online, or  
2 perhaps Dave has something to say about this with respect  
3 to sort of a progress update?

4           MR. BREHLER: For the record, this is Pippin  
5 Brehler from the Chief Counsel's Office.

6           I believe Martha Brook's online. I'll step to  
7 the podium and see if I can patch her in.

8           MR. ASHUCKIAN: Yeah, this is Dave Ashuckian, the  
9 Deputy Director for the Efficiency Division. And I just  
10 want to say that, you know, staff have addressed and  
11 repaired all the bugs that have been identified since the  
12 software has been approved last month.

13           We are on schedule, as planned, to finish the  
14 alterations in the "additions" section of the software in  
15 November.

16           And we are working with all the builders and  
17 others that come to us with issues on the software, so that  
18 it is operational.

19           But the basic software is operational for the  
20 2014 standards today.

21           COMMISSIONER MC ALLISTER: There definitely have  
22 been -- the building industry, CBIA, brought some issues to  
23 us last Business Meeting. I think we've been helping  
24 remedy those. And I think we're giving them comfort and  
25 helping them solve their issues.

1           You know, there's a little bit of a case-by-case  
2 basis here, but the core functionality of the software, as  
3 I understand it, is not -- really, we're not talking about  
4 underlying problems that are large enough to warrant a  
5 delay.

6           So, I would call on Martha, potentially, to talk  
7 about some of the specific issues.

8           MS. BROOK: This is Martha Brook. Can you hear  
9 me?

10          COMMISSIONER MC ALLISTER: Yes, we can hear you,  
11 Martha, go ahead.

12          MS. BROOK: So, I don't have too many things to  
13 add. I was just maybe going to make a suggestion that all  
14 the commenters today, who are speaking on this issue, could  
15 work directly with staff and we could begin to establish a  
16 priority list.

17          Because we know people want different things out  
18 of the software from the beginning and we do have -- right  
19 now we have a very detailed plan to implement different  
20 parts of the software, you know, beyond what's already  
21 there, all the way through, you know, December.

22          So, we can prioritize that list according to the  
23 needs of our stakeholders. And the more that they work  
24 directly with staff, the better we'll be able to do that.

25          COMMISSIONER MC ALLISTER: Great, thanks for

1 that.

2 I really appreciate your comment. I mean, I'm  
3 glad you were here today. I was kind of expecting you to  
4 be here last meeting but --

5 MR. GABEL: Well, I was in Chicago with my  
6 sister, who had a serious operation.

7 COMMISSIONER MC ALLISTER: Oh.

8 MR. GABEL: Can I just make one -- 15 seconds  
9 more of comment?

10 COMMISSIONER MC ALLISTER: Go ahead.

11 MR. GABEL: Just my concern is that I think  
12 there's a big disconnect between the people in the real  
13 world, in the field, using the software and what they  
14 observe to be the problem, and the staff's concerned with  
15 lots of things that are on their plate.

16 I'm just concerned that there's a really big  
17 disconnect and I think I'd like to try to talk more about  
18 that at some point.

19 COMMISSIONER MC ALLISTER: Well, you know, I  
20 would certainly encourage -- if you feel like you need to  
21 meet with my office, my door's open to that. And I think  
22 staff definitely has good intentions.

23 I see a lot of nodding heads on the relevant  
24 staff here, in the room.

25 Certainly, the goal is not to jam, it's to really

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1 get this done in a way that provides you with what you  
2 need.

3 MR. GABEL: Okay, thank you.

4 MR. ASHUCKIAN: And I would just like to  
5 encourage stakeholders to talk with us, directly to staff  
6 and identify the issues as early as possible so that we can  
7 work together to address those problems as they arise.

8 CHAIRPERSON WEISENMILLER: Okay, Mr. Tiffany?

9 MR. TIFFANY: Thank you, Commissioners, for  
10 allowing me to speak. My name is Ted Tiffany and I've been  
11 an advocate for code compliance for my entire working  
12 career, about 14 years, both in the energy consulting  
13 field, compliance enforcement for the utility incentive  
14 programs, working tirelessly with architects and engineers  
15 to guide compliance efforts.

16 And I also teach part-time at Sonoma State  
17 University on, specifically, performance-based energy code  
18 compliance.

19 So, I state that to bring you my perspective on  
20 the industry that I'm in, and teach and prepare a workforce  
21 for.

22 I've been through four major code cycles already  
23 in my career. This one has been the most challenging, yet.

24 Given the time frames in previous code cycles,  
25 we've been allowed six months to play with software, get

1 prepared, provide training for the industry, and get  
2 everybody up to speed.

3 Now, two and a half months out we are working  
4 with a brand-new compliance engine that nobody has seen  
5 before, and rare folks have worked with it.

6 And on that front we are, as an industry, and me  
7 as a professional, expert, are woefully behind schedule  
8 getting training on that.

9 There hasn't been scheduled training so far on  
10 the performance-based compliance that we need to prepare  
11 for.

12 A little bit about the commercial program, which  
13 I use mainly. I work on large commercial buildings and up  
14 to hospital scales.

15 The work flow that's set up with the commercial  
16 public domain software is through non-industry standard  
17 tools. Sketch up is not used in the commercial world past  
18 conceptual or schematic design, which requires us to  
19 completely redo work in our work flow to prepare it for  
20 Open Studio, another new tool, and the CEC's tool.

21 The work flow is unmanageable in the commercial  
22 scale that I work at.

23 No local jurisdiction plan review agency, that  
24 has a REACH Code, CALGreen, be it their own percent beyond  
25 Title 24, the utilities for incentive programs have had

1 viable time to work with the performance-based tools to  
2 evaluate their new performance goals.

3 Now, some of those will sunset with the oncoming  
4 of the new code, but some are written to 20 percent beyond  
5 the California Energy Code and will not, in effect, sunset  
6 with that change.

7 They have not had the available time to evaluate  
8 and do the cost-effective analysis to reestablish that  
9 percent beyond code. And I encourage that time be allowed  
10 with a six-month delay.

11 So, with that, the last three code cycles have  
12 allowed a delay for training. A 30-year industry in energy  
13 consulting has just been reduced to infancy and having to  
14 retrain on the software. We are not prepared.

15 COMMISSIONER MC ALLISTER: Thanks for the  
16 comment. I mean, I think I would just say, again, really a  
17 similar answer to Mr. Gabel. That, you know, really  
18 encourage you to directly relate with staff. Make sure  
19 that, you know, my office is up to date on your issues,  
20 absolutely open to that.

21 And also acknowledge, you know, your efforts on  
22 the zero net energy front and some of the really cutting  
23 edge stuff. And I think, you know, in a way maybe it is  
24 the bleeding edge at this point.

25 You know, and definitely don't want to minimize

1 that. And we have a lot of goals for which your  
2 participation and enablement is really key. We've got  
3 these really aggressive net zero goals. I mean, you know,  
4 thankfully at this point they're ten years off for  
5 commercial.

6 But really need to keep the train moving down the  
7 track and so don't want to delay that, don't want to impede  
8 that.

9 But, you know, again, I think getting manageable  
10 tools out there is a process and it really does depend on  
11 having stakeholder engagement actively. But, you know,  
12 very hesitant to delay for all the reasons I mentioned  
13 before.

14 But anyway, this is a conversation probably with  
15 staff to work through some of the issues and see what the  
16 path forward is.

17 MR. ASHUCKIAN: Dave Ashuckian, again. I just  
18 wanted to add that all the green standards for local --  
19 that local cities can adopt will not automatically roll  
20 into the 2013 standards. So, they have to come in and  
21 reapply for achieving those REACH Standards with California  
22 standards.

23 So, there will be no immediate requirement at the  
24 local level for going beyond our 2013 standards. There's  
25 no bright line there where they have to meet it. I mean,

1 they have to come back and reapply for that approval.

2 Now, we're in consultation with them to explain  
3 the process and get some information about -- there seems  
4 to be interest in some cities to do that, but there's not  
5 going to be any automatic rollover on the green REACH  
6 standards.

7 COMMISSIONER MC ALLISTER: Okay, thanks.

8 Martha, did you want to say anything on this  
9 topic? I think it's mostly about CBEC calm, right?

10 MS. BROOK: This is Martha. I would just --  
11 yeah, what we tried to get Mr. Tiffany to contact staff  
12 earlier and failed to do that. So, I definitely think  
13 that's the best way forward for us to understand his work  
14 flow issues and how we can help him through that.

15 We actually adopted our work flow setup because  
16 that type of X amount of data exchange is the industry  
17 standard for geometry, so we need to talk with him about  
18 that directly.

19 MR. TIFFANY: I'd welcome that. I've not had any  
20 direct contact from you. I have been providing beta  
21 comments with AC directly, but would love to talk to you  
22 about work flows.

23 MS. BROOK: Okay.

24 COMMISSIONER MC ALLISTER: Yeah, very much  
25 encourage that. So, thanks for being here today,

1 appreciate it.

2 CHAIRPERSON WEISENMILLER: Yeah, certainly want  
3 to thank both of you for being here and sort of calling our  
4 attention to where some of the implementation issues are.

5 I think everyone else on the dais knows that  
6 given the SONGS situation, if anything I'd prefer to  
7 accelerate the timing.

8 But, you know, it's obviously not possible. So,  
9 basically, at this stage trying to figure out how to make  
10 sure this works.

11 Okay, one last comment, Mr. Friedman.

12 MR. FRIEDMAN: Good afternoon Mr. Chairman,  
13 members, Robert Friedman today as a private citizen and  
14 Nissan Leaf EV owner.

15 My first observation is the abysmal state of a  
16 charging network in California. Once I sought to drive my  
17 Leaf to Berkeley. Thankfully, the City of Vacaville, on  
18 its own installed a Level 3 station that singlehandedly  
19 makes possible driving from the Bay Area to Sacramento.

20 With limited public charging support in Berkeley,  
21 I had to charge at a private home and ended up getting a  
22 parking ticket.

23 A second incident occurred when Vacaville's Level  
24 3 charger was broken. While a Level 2 charger worked for  
25 me, a poor airman from Travis Air Force Base was stuck for

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1 several hours on his way to the base.

2           Recently, I took a second drive to Berkeley. The  
3 Vacaville station was fine in the morning, but broken for  
4 the return. At 9:30 p.m. there were three Leafs waiting  
5 for several hours, including a woman by herself, that had  
6 to make it back to San Francisco, and one of your Energy  
7 Commission staffers, by the way. I made it home by  
8 midnight.

9           Why should a basic trip to the State Capitol be  
10 dependent on one city's decision to construct and maintain  
11 this charging station?

12           Further, from Sacramento I cannot go to Lake  
13 Tahoe, Reno, Oregon given the lack of a charging network.  
14 Thankfully, I still have my Prius.

15           My fear; backlash as word gets out and people  
16 claim EVs are hobbyist's car and all this public money used  
17 for incentives is down the drain. Imagine the discussion  
18 on certain talk radio stations.

19           Speaking of Oregon, look at any charging station  
20 map and you'll be amazed at their support. If I could just  
21 get my Leaf to the border, I could do many wonderful trips.  
22 I haven't found a way to do it, yet.

23           Why doesn't someone pick up the phone and see how  
24 Oregon and Washington State, for that matter, do it?

25           There's this great concept called the West Coast

1 Green Highway. It exists in Washington and Oregon. Per  
2 its website, it doesn't exist in California.

3 To conclude my first point, the CEC should  
4 identify California's deficiency in public charging  
5 stations and establish an immediate goal to implement  
6 Governor Brown's Executive Order.

7 Someone needs to come up with a basic plan. So,  
8 as you evaluate grounds for charging stations give priority  
9 to those stations that implement that plan.

10 Someone needs to work to fill in the many gaps EV  
11 owners face in California.

12 My second point concerns the significant cross-  
13 benefits from EVs on water quality not addressed in current  
14 programs.

15 I'm proud to say that my Leaf has no oil that  
16 needs to be changed, no oil filter, no transmission or  
17 radiator coolant, anti-freeze, nothing to drip, no  
18 externalities to cost society. The regenerative breaks  
19 significantly reduce toxic copper loading in water.

20 Yet, current electrified transportation program  
21 planning does not consider or recognize these cross-  
22 benefits.

23 If substantial reductions in water quality  
24 pollution justify even greater use of electrified  
25 transportation, then your work in energy planning,

1 especially clean renewables, gains a different perspective.

2 Now, all these can be linked together to truly  
3 put California on a greener road.

4 I must say there is something special about  
5 charging in Vacaville, underneath the large solar carport,  
6 knowing those electrons filling the battery are from the  
7 sun.

8 In closing, I'd like to relate a Facebook post  
9 within the San Francisco Bay Area and Nissan Leaf owners.  
10 A woman, a music teacher for the Berkeley Unified School  
11 District, wrote how sad she was that despite hours of  
12 effort she couldn't find a way to take her Leaf to Pismo  
13 Beach for a vacation. She had to take her old diesel  
14 truck.

15 Think of those air and water quality impacts that  
16 could have been avoided. People won't move into this  
17 future without the charging support.

18 I understand all the great publicity you talked  
19 about today, but I would urge all of you to get in my Leaf  
20 and try driving from the Bay Area to Sacramento and hope  
21 that the Vacaville station is working, and you'll get a  
22 different perspective.

23 Thank you. There's a lot of us EV owners that  
24 are looking forward to working with anyone who will try to  
25 address these issues. Thank you.

1                   CHAIRPERSON WEISENMILLER: Thank you.

2                   COMMISSIONER SCOTT: Sure, thank you for coming.

3 I would just note that on the Governor's Plan, in the Zero  
4 Emission Vehicle Action Plan, we are working very hard to  
5 implement, there's about 100, 123 or so action items in  
6 that that the Energy Commission is diligently working on to  
7 try and accomplish and support of getting the additional  
8 infrastructure out there.

9                   We do have, as part of our Investment Plan, for  
10 the program that I was speaking of earlier today, have set  
11 aside monies that go to helping address the EV  
12 infrastructure charging issues.

13                   I think that we are, and I hear you, and we're  
14 working very hard to try to figure out, you know, some of  
15 these workplace charging options which would put in place  
16 more places for folks to be able to stop.

17                   We're looking at multi-family dwellings, so that  
18 it opens up the market to folks who may not have, you know,  
19 a single-family home.

20                   And we're also looking at some of these  
21 destinations, like you mentioned.

22                   There are other folks who work on this as well,  
23 like NRG. And we're trying to make sure that the work that  
24 we're doing complements the additional private work that's  
25 taking place out there.

1           I felt like I had -- oh, and the other thing, so  
2 and we've just today, if you heard on our Business Meeting  
3 agenda, we do have now a Zero Emission Vehicle Ombudsman  
4 that will be working to also help us, right, as part of the  
5 Governor's Office of Business and Economic Development, to  
6 help us continue to think through these critical  
7 infrastructure issues, and troubleshoot them, and solve  
8 them, and help us to continue to move forward on this.

9           But it's something we're very much aware of and  
10 working very diligently on.

11           COMMISSIONER HOCHSCHILD: I'd like to say that I  
12 really thank you for coming. I, personally, really  
13 appreciate that feedback. And I guess this is the first  
14 time I've heard that Oregon and Washington are that much  
15 further ahead.

16           Do you happen to know, off the top of your head,  
17 how many stations per capita those states have relative to  
18 California?

19           MR. FRIEDMAN: Commissioner, congratulations on  
20 your appointment.

21           All I know is there's a website, the West Coast  
22 Green Highway. If you go up the Interstate 5 corridor,  
23 probably every 40 to 50 miles there's a Level 3 charging  
24 station, all the way from the Oregon border with California  
25 up to Vancouver.

1           There's also -- some of them spill off to the  
2 coast and some of them spill off inland on the interstate.

3           So, essentially, if you have any EV on the market  
4 today, anywhere on the main routes in Oregon and  
5 Washington -- for example, if you live in Portland, you can  
6 own a Nissan Leaf and in that two-state area basically be  
7 assured of being able to drive anywhere you want to.

8           It was interesting, a couple of weeks ago I made  
9 a similar public comment before the ARB and one of the  
10 Board members actually fessed up that she had to move her  
11 Leaf from Los Angeles to Davis, and she had to trailer it  
12 in a car. So, she was -- you know, there's all sorts of  
13 irony there but, I mean, that's the sad state of the fact  
14 that Interstate 5 in California, that infrastructure  
15 doesn't exist. Whereas, Interstate 5 in Oregon and  
16 Washington every 40 or 50 miles it exists today.

17           And it's mapped out. It's just very public, very  
18 transparent and you have confidence in the ability to use  
19 your car for anything but a -- and don't get me wrong, I  
20 really enjoy my car. I have no -- I mean, it's a  
21 tremendous car. For the driving I do, it's perfect.

22           I'm thankful I have my 2005 Prius, otherwise I  
23 wouldn't be enjoying my trips to Napa or my trips to Lake  
24 Tahoe, either.

25           But I just would urge all of you to look at that

1 West Coast Green Highway. And it's not fantasy, it's what  
2 exists today. Thank you.

3 CHAIRPERSON WEISENMILLER: Okay, good. Thanks.

4 No one's on the phone. This meeting is  
5 adjourned.

6 (Whereupon, at 12:22 p.m., the Business  
7 Meeting was adjourned.)

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