

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

California Energy Commission DOCKETED BUS MTG
TN 3002 DEC 19 2013

In the Matter of:)
)
Business Meeting)
_____)

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
HEARING ROOM A - FIRST FLOOR
SACRAMENTO, CALIFORNIA

WEDNESDAY, DECEMBER 11, 2013
10:00 A.M.

Reported by:
Kent Odell

Commissioners Present (*ViaPhone)

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

Staff Present:

Rob Oglesby, Executive Director
Michael Levy
Kevin W. Bell, Senior Staff Counsel
Alana Matthews, Public Advisor
Martha Brook, Senior Mechanical Engineer,
Building Standards Office
Eurlayne Geiszler, Building Standards Office
Galen Lemei, Senior Legal Counsel
Harriet Kallemeyn, Secretariat

Item No.

Paul Kramer	3
Chris Kavalec	4
Christine Collopy	5
Martha Brook	6
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Joe Loyer	9
Le-Quyen Nguyen	10
Michelle Tessier	11
David Nichols	12
Rizaldo Aldas	13
James Folkman	14
Raquel E. Kravitz	15

Others Present (* Via WebEx/Phone)

Catherine Kniazewycz, Director of Architecture,
University of California, Office of the President
Mike Gabel, Gabel Associates, LLC
Patrick Splitt, App-Tech, Inc., Santa Cruz
Mike Hodgson, President of ConSol, representing
California Building Industry Association
Gene Thomas, Ecology Action
James Zhan, Project Manager, Department of Building
Inspections, City and County of San Francisco
Erik Emblem, Joint Committee on Energy and
Environmental Policy

Others Present (* Via WebEx/Phone)

Tom Enslow, Esq., Adams, Broadwell, Joseph and Cardozo,
on behalf of National Energy Management Institute
Committee (NEMIC)
Tom Garcia, CALBO
Russ King, on behalf of CABEC Board of Directors, Member
Meg Walther, Natural Resources Defense Council
Gary Andis, Testing Adjusting and Balancing Bureau (TAB)
Tom Meyer, National Environmental Balancing Bureau (NEBB)
Mike Bachand, CalCERTS
Ted Tiffany, Guttman+Blaevoet+Consulting+Engineers
Kevin Gilleran, Gilleran Energy Management
George Nesbitt, HERS Rater
Paul Doppel, Mitsubishi Electric
Ryohei Hinokuma, Daikin
*Martin Kleinbard, Electrical Contractor to Eastern Sierras
*Karim Amrane, Air-Conditioning, Heating and
Refrigeration Institute (AHRI)
Kristen Castaños, counsel for Bottle Rock Power
Donald Mooney, on behalf of Interveners David Coleman and
Friends of Cobb Mountain
John Hess, Friends of Cobb Mountain, Cobb Valley
Property Owner
Brian Ludicke, Planning Director, City of Lancaster
Troy Bevilacqua, SunPower Corporation, New Homes
Business Unit
Fred Stefeng, Vice President of Customer Experience,
SunStreet Energy Group, a wholly owned subsidiary of
Linnar Corporation
Manuel Alvarez, Southern California Edison (SCE)
*Steve Zeretti, Solar Energy Industries Association
Seth Seaberg, CEO, TREXA Corporation
Lee Huang, Eneron, Inc.
Maria Stamas, Natural Resources Defense Council (NRDC)
Matthew Plummer, Pacific Gas & Electric Company (PG&E)
Honguan Sheng, Southern California Edison (SCE)
*Mike Franco, Sempra Energy Utilities

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P R O C E E D I N G S

DECEMBER 11, 2013 10:11 a.m.

CHAIRMAN WEISENMILLER: Good morning.

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

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

CHAIRMAN WEISENMILLER: Good morning.

So we're going to do a little juggling on the agenda and I'll just flag those for a second. So in terms of an order, after the Consent Calendar, we're going to deal with Items 5 through 9. At 11:00, we will take up Bottle Rock and when we come back, depending upon the timing, we will either pick up the Demand Forecast or the remaining items. But anyway, we at least -- we'll have to play it by ear on some of the timing issues today. But anyway, that's the current block one of what we're going to do, at least for I think part of the morning.

So let's actually all start out with a minute of silence to reflect on our loss of a great man, Nelson Mandela.

[Silence]

Okay, back to more mundane things. So

1 Consent Calendar.

2 COMMISSIONER DOUGLAS: I move the Consent
3 Calendar. Oh, I'm sorry.

4 COMMISSIONER MCALLISTER: I wanted to
5 disclose on Items 1C (*sic*) and 16 (*sic*) that my
6 wife is a member of the U.C. Davis King Hall Law
7 School faculty. I'm not recusing myself, none of
8 the items have to do with the law school at U.C.
9 Davis, but they do have to do with the U.C.
10 system, so I'm recusing myself on those two items
11 -- I mean, I'm sorry, I'm not recusing myself on
12 those two items, I'm just disclosing that
13 relationship. Thank you.

14 COMMISSIONER DOUGLAS: I'll just add on
15 to that, that this spring I'll be teaching a
16 Renewable Energy Law course at the U.C. Davis Law
17 School, so, again, I'm not recusing myself, but I
18 am disclosing that.

19 CHAIRMAN WEISENMILLER: Okay, do I have a
20 motion?

21 COMMISSIONER DOUGLAS: Move Consent.

22 COMMISSIONER MCALLISTER: Second.

23 CHAIRMAN WEISENMILLER: All those in
24 favor?

25 (Ayes.) The Consent item passes

1 unanimously.

2 MR. LEVY: Pardon me, just to clarify the
3 record that should be Item 15, not 16, I think,
4 Commissioner McAllister, and 1B. The Agenda was
5 revised.

6 COMMISSIONER MCALLISTER: Sorry, my
7 apologies. My note was from Legal and was a
8 little bit outdated, I guess, or the agenda
9 changed afterwards.

10 MR. LEVY: Our apologies. Thank you.

11 CHAIRMAN WEISENMILLER: Okay. So let's
12 go on to Item 5, which is Revised Effective Date
13 of 2013 Building Energy Efficiency Standards.
14 And first I want to note and remind everyone that
15 what we're looking at today, what's on our agenda
16 and what we're concerned with today, is a delay
17 in the adoption or the implementation of the
18 Building Standards. We are not reopening what's
19 in the Building Standards and that is not the
20 purpose for today's conversation. So staff,
21 please.

22 MS. COLLOPY: Good morning, Chair and
23 Commissioners. I'm Christine Collopy, Deputy
24 Division Chief of the Efficiency Division. I am
25 here today to seek your approval of a proposed

1 resolution changing the effective date of the
2 2013 Building Energy Efficiency Standards, Title
3 24, Parts 1 and 6, and the energy provisions of
4 Part 11, Cal Green.

5 From January 1, 2014 to July 1, 2014, no
6 changes to the substance of the Regulations are
7 being proposed. We would like to thank industry
8 stakeholders for your cooperation and comments
9 during this time.

10 Today's Business Meeting Agenda includes
11 four items related to the 2013 Building Energy
12 Efficiency Standards. This Agenda item relates
13 to the change in the Effective Date of the 2013
14 Standards, and the three items to follow this
15 item relate to the possible approval of software
16 versions for both Residential and Nonresidential
17 Buildings, including Item 6, EnergyPro Version
18 6.0, as an alternative calculation method for
19 demonstrating performance compliance with the
20 Residential Provisions of the 2013 Standards.
21 And Item 7 and 8, which are related to the 2013
22 Public Domain Compliance Software Version 1D,
23 used to demonstrate performance compliance with
24 the 2013 Standards for Residential and
25 Nonresidential Buildings, respectively.

1 Together, these software updates provide
2 users with the most up to date software possible,
3 plus these new versions have more functionality
4 than earlier versions. As new versions of the
5 software become available, staff will bring them
6 back to you for your consideration at future
7 business meetings.

8 For this item today, we are seeking a
9 six-month change in the effective date of the
10 Standards implementation because we have heard
11 overwhelming comments from the Building industry
12 that they do not have the complete set of
13 performance compliance software tools, and they
14 have not received the training they need to fully
15 understand and use the public domain compliance
16 software for the 2013 Standards.

17 Pursuant to Public Resources Code Section
18 25402.1, the Energy Commission establishes public
19 domain compliance software to estimate the energy
20 consumed by buildings. This software serves two
21 distinct purposes in the Energy Commission's
22 Building Standards Program: first, Energy
23 Commission's public domain compliance software is
24 made available at low or no cost for the Building
25 industry to use, if it chooses, to complete the

1 performance compliance approach under the
2 Standards; second, it serves as a point of
3 reference for the potential approval of private
4 vendor software as an alternative calculation
5 method.

6 The Energy Commission's 2013 public
7 domain compliance software consists of two tools,
8 one for low rise residential buildings, and the
9 other for high rise residential and non-
10 residential buildings known as CBECC-Res and
11 CBECC-Com, respectively. CBECC-Res software has
12 been available for public review and use since
13 July 2013 and versions of CBECC-Res for newly
14 constructed homes have been approved at the
15 Energy Commission Business Meetings for the last
16 three months that was September, October and
17 November of 2013.

18 CBECC-Com has been available for public
19 review and use since September 2013 for newly
20 constructed buildings and additions to existing
21 buildings only. And although another update of a
22 CBECC-Com is on today's meeting Agenda for your
23 consideration, a version of CBECC-Com for
24 alterations to existing buildings will not be
25 ready for your consideration until April of 2014.

1 CBECC-Com user interface is very different from
2 past public domain compliance software provided
3 by the Commission. And using this software
4 effectively requires training that has not yet
5 been offered by Energy Commission or other
6 entities.

7 It is the Energy Commission who is to
8 establish a public domain computer program which
9 enables the building industry to estimate the
10 energy consumed by buildings. Under the
11 Standards adopted, private vendor compliance
12 software is required to compare against the
13 Commission's public domain software for
14 certification.

15 The Energy Commission has supported the
16 marketplace for many years by being transparent
17 in its methods for approving private vendor
18 compliance software tools, and by funding the
19 development of the reference method that is
20 critical in the comparative testing of these
21 tools.

22 The approval of the private EnergyPro
23 software for residential newly constructed
24 projects is one of the software items on today's
25 business meeting agenda, again for your

1 consideration. We expect this tool to be back at
2 the business meeting in early 2014 for your
3 consideration as an approved tool for alterations
4 and additions of existing homes. However, there
5 has been no compliance software approval
6 applications received by the Energy Commission
7 for non-residential buildings. This means that,
8 for the first time in many years, the public
9 domain compliance software, CBECC-Com, must be
10 used to complete the performance compliance
11 approach for the 2013 standards until such time
12 that other compliance software tools are complete
13 and approved by the Energy Commission.

14 The Energy Commission needs the next six
15 months to provide the training and education
16 necessary in partnership with the Utilities,
17 building officials, and energy consultants, to
18 teach the industry how their proscriptive
19 requirements can be met cost-effectively, and
20 also to demonstrate the functionality of the
21 public domain compliance software such that the
22 performance compliance approach may be used in
23 lieu of meeting all proscriptive requirements.

24 In revising the effective date, we are
25 working closely to coordinate this action with

1 our sister agencies such as the Building
2 Standards Commission and the Department of
3 Housing and Community Development, and are
4 reaching out to local jurisdictions and
5 interested persons to ensure that this change is
6 communicated to all those that are effected and
7 to ensure that all disruptions are minimized.
8 The Building Standards Commission has a scheduled
9 Commission meeting on Wednesday, December 18th, to
10 consider approving the Energy Commission's action
11 to change the effective date of the 2013 Building
12 Energy Efficiency Standards, Title 24, Parts 1
13 and 6, and the 2013 California Green Building
14 Standards Code, Title 24, Part 11.

15 I respectfully request your approval of
16 the proposed resolution changing the effective
17 date of the 2013 Building Energy Efficiency
18 Standards until July 1, 2014. Again, no changes
19 to the substance of the regulations are being
20 proposed. With me today is Eurllyne Geiszler of
21 the Building Standards Office, Martha Brook,
22 Senior Mechanical Engineer of the Building
23 Standards Office, and Galen Lemei, Senior Legal
24 Counsel to assist me in responding to any of your
25 questions today. Thank you.

1 CHAIRMAN WEISENMILLER: Thank you. Let's
2 hear public comment. We have a fair amount.
3 Again -- well, first let me correct myself and
4 say that we're revising the Effective Date of the
5 Standards, but also again to remind people that
6 what's been notified and what we're concerned
7 today is revising the Effective Date of the
8 Standards. Anyone who has comments on the
9 substance of the Standards, that's not what is at
10 issue today, so please limit your time on
11 comments to the effective date issues. Certainly
12 there are public comments later and we are happy
13 to hear from you, and we have your written
14 comments.

15 So with that, let's start with UC,
16 Catherine Kniazewycz. Hopefully I didn't butcher
17 it more than the last time.

18 MS. KNIAZEWCZ: Good morning,
19 Commissioners. I'm Catherine Kniazewycz,
20 Director of Architecture at University of
21 California, Office of the President. Thank you
22 for considering today our request of last month
23 to delay the effective date of the new Energy
24 Standards for a few months until the necessary
25 software and tools can be completed, and training

1 as you mentioned.

2 Commissioner McAllister asked me last
3 month how many projects in the U.C. system will
4 be in design and subject to the new Code during
5 the first six months of 2014. I polled the
6 campuses and we have at least 15 major projects
7 representing most of our campuses, and we also
8 queried CSU and they came up with at least nine.
9 So just between these two agencies, we're looking
10 at 24 projects that would have had to go through
11 your exceptional process to be designed in the
12 early months of next year, and it sounds like we
13 all agree that probably isn't practical.

14 The University of California will
15 continue to follow our own policy of meeting the
16 2008 Energy Standards by 20 percent in the
17 interim if the effective date of the Code, of
18 course, is postponed to July. In the meantime,
19 we're also going to work with our consulting
20 engineers, including Ted Tiffany, to help our
21 campuses understand the application of the 2013
22 Code to our projects. Thank you very much.

23 CHAIRMAN WEISENMILLER: Thank you. Let's
24 go to Mike Gabel.

25 MR. GABEL: Thank you. Good morning,

1 Commissioners. I understand and appreciate that
2 the CEC staff and contractors have worked
3 exceptionally hard to prepare for this January 1st
4 effective date, so first off, thank you to all
5 the people who have worked hard putting in many
6 hours trying to get the new Standards in place.
7 It is regrettable that essential client software
8 is not yet ready, but it is also crucial that the
9 Commission now do what is absolutely necessary to
10 properly ensure a successful Standards launch.

11 As you know, I've been a reluctant, but
12 outspoken advocate for this postponement only
13 because of the urgency of the situation, but I'd
14 like to pledge my own efforts towards the timely
15 completion of all compliance software programs
16 seeking CEC approval. I intend to work with CEC
17 staff and others to test newly incorporated
18 capabilities in the public domain programs, and
19 I'm happy to support ongoing efforts by the CEC,
20 by CABEC, by the Utilities Codes and Standards
21 team, and by others to offer trainings as soon as
22 compliance software is reasonably complete.
23 Gabel Associates will continue its effort to help
24 implement and train people for the new Standards.

25 Finally, the Energy Commission must now

1 genuinely appreciate the fact that this delay is
2 only a first step in getting the new Standards to
3 function in the real world. Equally important is
4 for the CEC staff and contractors to cooperate
5 with others and be flexible in addressing both
6 critical software development factors and a
7 feasible timeline for getting compliance software
8 ready by July 1st. Toward this end, the
9 Commission needs a revised game plan that
10 stakeholders outside the CEC staff also believe
11 is feasible and likely to succeed. I urge that
12 the Commission staff take seriously and consider
13 carefully new suggestions on how to best provide
14 Nonresidential Compliance Software in the next
15 six months. Some of these suggestions may not
16 fit within the compliance software development
17 plan that the CEC originally envisioned a few
18 years ago, but in order to support the
19 implementation of the new standards, all
20 plausible ideas for completing and approving
21 usable and fully functioning compliance software
22 versions should be explored. Thank you.

23 CHAIRMAN WEISENMILLER: Thanks. Pat
24 Splitt.

25 MR. SPLITT: Good morning, Commissioners

1 and everyone else. I am Pat Splitt, Energy
2 Consultant from App-Tech in Santa Cruz, and I
3 basically support the delay of the Standards. I
4 think the six months is needed. And one item I
5 just want to refer to that I think should be
6 taken care of in this six months is, at the last
7 meeting I responded to a comment of support to
8 other people for a promise or meeting the new
9 Standards could be done by meeting an exceptional
10 method, or exceptional design, and there was a
11 legal interpretation that I believe was
12 incorrect, and I now have the data in front of me
13 and, for an exceptional design, the application
14 that is required is four copies of signed
15 application with the following materials: a copy
16 of the plans, a statement explaining why meeting
17 the energy budget cannot be demonstrated using
18 the calculation method as it is, and
19 documentation from the enforcement agency -- this
20 is the Building Department -- for every one of
21 these you need documentation from the Building
22 Department stating that the energy budget
23 requirements cannot be demonstrated using
24 approved calculation method and the design
25 complies with all other legal requirements. That

1 means you have to have completed a complete set
2 of plans and submitted it to them, and had the
3 Building Department already approve it before I'd
4 be eligible for applying for an exceptional
5 design. So this is totally unworkable. A Cal
6 Build isn't going to want to have their people
7 having to fill out these forms every time
8 somebody has a question for the Energy
9 Commission. And as far as the exceptional
10 method, that requires right now a \$2,000
11 application and a rulemaking. So those aren't
12 going to work, but what I'm suggesting is there
13 is a problem, but you don't have a method set up
14 that everybody knows about to solve it. So I
15 think somehow you have to come up with some sort
16 of methodology that everybody knows about when
17 they have a problem, that --

18 CHAIRMAN WEISENMILLER: Okay, but again,
19 right now we're just dealing with delay, so if
20 you want to deal with this issue further with the
21 staff afterwards that would be great.

22 MR. SPLITT: Okay. That was it. Other
23 than that, I'm all in favor of it.

24 CHAIRMAN WEISENMILLER: Okay, thanks.
25 Okay, let's go on to Mike Hodgson.

1 MR. HODGSON: Good morning, Chair
2 Weisenmiller and Commissioners. I'm Mike Hodgson,
3 President of ConSol. And I'm here representing
4 the California Building Industry Association as
5 their Chair of their Energy Committee. Bob
6 Raymer, their Technical Director, is on vacation
7 and sends his best wishes from Maui.

8 CBI would like to enter testimony of a
9 support letter for the adoption of the revised
10 effective date to July 1, 2014 for the 2013
11 Standards. I would like to read a few paragraphs
12 of the letter of support and the signatures of
13 the letter. Signatures of the letter include the
14 California Building Industry Association, the
15 California Apartment Association, the
16 International Council of Shopping Centers, the
17 California Manufacturers and Technology
18 Association, American Institute of Architects,
19 California Chapter, the American Council of
20 Engineering Companies of California, the National
21 Association of Industrial and Office Properties,
22 California Business Properties Association, the
23 Building Owners and Managers of California (BOMA
24 Cal), Retail Industry Leaders Association, Rural
25 County Representatives, and the California

1 Chamber of Commerce.

2 "On behalf of the organizations cited
3 above, we would like to extend our strong
4 support for the adoption of Agenda Item 5.
5 Adoption of this item would establish a
6 revised effective date of July 1, 2014, for
7 the 2013 Building Energy Efficiency
8 Standards. Over the past few months, the
9 CEC, industry and local government have come
10 to realize several of the key compliance
11 tools and data registries will not be fully
12 functional by January 1, 2014, and lacking a
13 delay in the effective date, the transition
14 to the new standards will become extremely
15 difficult and impossible for others.
16 Allowing for an additional six months to
17 identify and resolve issues with the
18 performance compliance tools and to get the
19 data registries up and running will
20 significantly smooth the transitional path to
21 these important energy saving standards.
22 Industry looks forward to working with the
23 CEC on the efforts in the coming months. As
24 a separate note, we would like to extend the
25 special thanks to CEC staff members David

1 Ashuckian and Eurlyne Geiszler for their
2 efforts in getting the early adopter program
3 off the ground over the next few months. The
4 Building industry is moving into the 2013
5 Standards with new projects and we need an
6 avenue for compliance. Many companies have
7 shown an interest in moving forward and the
8 new Standards ahead of the effective date so
9 these compliance tools will need to be
10 operational in the next few months. We
11 support the adoption of Item 5.”

12 Thank you for your time, and if I may
13 answer any questions, I’m available.

14 CHAIRMAN WEISENMILLER: Okay, thank you.
15 Let’s go on to Gene Thomas, Energy Ecology
16 Action.

17 MR. THOMAS: Thank you. I’m Gene Thomas,
18 Senior Energy Analyst with Ecology Action, and
19 we’re a nonprofit implementer of utility
20 programs, about \$30 million currently. Since we
21 began, we’ve delivered over 420 gigawatt hours
22 and about 70 of savings and about 70 percent of
23 that came from lighting retrofits. We’ve also
24 consulted extensively with CEC staff on the Title
25 24 2013 language relating to lighting retrofits.

1 So in brief, we agree that the current
2 iteration of the compliance software doesn't
3 provide a sufficient feature set and that fact in
4 itself warrants a six-month postponement. But
5 there are additional factors that we think are
6 equally compelling that call for a delay in the
7 implementation. One of those is a shortage of
8 certified acceptance testers. We can count only
9 about 200 individual statewide certified to
10 perform acceptance testing, that's far short of
11 the 300 minimum set forth in the Code, which in
12 itself is a deficient number, and this will
13 bottleneck jobs and result in significant delays
14 in increased cost. Even if CEC temporarily
15 allows noncertified contractors to do the testing
16 and complete the forms, we believe many
17 jurisdictions will not accept them because the
18 forms specifically require documentation that
19 verifies certification. So moving the effective
20 date to July 1 will enable many more contractors
21 to get training and certification, and that will
22 minimize jurisdictional and customer confusion
23 and program disruption.

24 There is also a lack of jurisdiction
25 readiness. We've looked into and communicated

1 with a number of Building Departments and we're
2 not happy about their level of understanding of
3 the new Code, especially regarding lighting
4 retrofits. This points to a significant need for
5 more training for Building Departments and
6 Inspectors. Also, Building Departments aren't
7 staffed or prepared to handle the huge increase
8 in permit applications, certainly tens of
9 thousands annually, for all the lighting
10 retrofits that didn't previously require them.
11 And as one of the previous people spoke to,
12 there's considerable uncertainty with the
13 documentation requirements from one jurisdiction
14 to the next. For example, the plan reviewer
15 might expect to be provided with documents
16 outside of the scope of work of the retrofit
17 project, like electrical line drawings, building
18 plans -

19 CHAIRMAN WEISENMILLER: We have your
20 comments in writing. Commissioner McAllister has
21 a really hard stop, so I'm going to have keep
22 moving people along.

23 MR. THOMAS: Okay.

24 CHAIRMAN WEISENMILLER: So if you want to
25 wrap up right now?

1 MR. THOMAS: Yeah. Another issue is how
2 to avoid creating program black holes because of
3 localities that use permitting as a revenue
4 generator, and we've seen the example of a
5 locality that their fees are actually greater
6 than the cost of materials in the retrofit, and
7 so we think the Commission should consider giving
8 guidance to permitting jurisdictions to fast
9 track lighting retrofit projects and set
10 acceptable permitting cost parameters.

11 CHAIRMAN WEISENMILLER: Okay, but again,
12 we have a really hard stop, so thank you, we have
13 your written comments, again, for everyone. And
14 if we could from now on just stay at two minutes,
15 that would be good. But again, the only issue is
16 really delay today, not the substance of the
17 standards. So if you can keep your comments to
18 that and keep it to two minutes that would be
19 great. So the next speaker is James Zhan, CCSF.

20 MR. ZHAN: Good morning, Commissioners.
21 My first time here. My name is James Zhan. I'm
22 the Project Manager for the Department of
23 Building Inspections, City and County of San
24 Francisco. My daily responsibility involves
25 energy and mechanical Code Plan checks, so I'm

1 here to support the delay. It will make it a lot
2 easier for the Building community at large, as
3 well as our staff Plan Reviewers and Inspectors,
4 alike.

5 I personally recently organized a
6 training for the Department, some 100 Building
7 Inspectors, Plumbing Inspectors, Electrical
8 Inspectors, and Housing Inspectors, on the 2013
9 Code, and the feedback I'm getting is that it
10 will be a tremendous help if you can delay the
11 effective date by six months so we can get the
12 staff better prepared, not to mention the better
13 readiness of the software on the Code.

14 CHAIRMAN WEISEMILLER: Okay, thank you.
15 Erik Emblem, Joint Committee.

16 MR. EMBLEM: Good morning, Commissioners.
17 My name is Erik Emblem, I'm with the Joint
18 Committee on Energy and Environmental Policy.
19 And I'll keep it very short. But I'm here to
20 pose the delay and just make a couple
21 considerations on the rationale to oppose.

22 This is a huge document that a lot of
23 people put a lot of time in developing, and it is
24 put together in congruency with other State
25 Plans, specifically the Long Term Action Plan.

1 And by moving things six months, it's actually
2 like hitting a piece of a mobile, you're putting
3 everything else out of balance. We've already
4 begun carbon auctions on AB 32, we've already
5 begun processes for allocations of carbon auction
6 proceeds to help mitigate environmental impacts
7 of carbon into the air, and a big component of
8 reaching those goals are these Energy Efficiency
9 Standards.

10 And I would like to suggest that maybe
11 instead of a full implementation, that you
12 consider a partial implementation. I understand
13 that you have some needs to do on the modeling
14 software, but perhaps rolling out the
15 prescriptive portion of the Code on January 1st
16 might be advisable, that would get people kind of
17 starting to ramp up. And I know that there's
18 been a lot of work going on the compliance side,
19 I know the Utilities have been working hard. I
20 serve on a couple of committees, one with the
21 Western HVAC Performance Alliance, and also with
22 the Code CIAG, Improvement Action Group, and this
23 is important that we get the thing moving. And
24 maybe instead of having a full force all at one
25 time, we can look at this thing as kind of a

1 phase-in approach. Just my thoughts. Thank you.

2 CHAIRMAN WEISENMILLER: Thanks for being
3 here. Tom Enslow.

4 MR. ENSLOW: Good morning, Commissioners.
5 Tom Enslow with the law firm Adams, Broadwell,
6 Joseph and Cardozo, here today on behalf of
7 NEMIC, National Energy Management Institute
8 Committee. NEMIC is a Program Administrator for
9 TAB, which is one of the entities designated
10 under the 2013 Energy Code to become a Mechanical
11 Acceptance Test Technician Certification
12 provider.

13 Organizations like NEMIC and TAB and the
14 contractors and workers that they certify have
15 put tremendous resources and time gearing up for
16 the January 1, 2013 implementation date. And
17 delaying the Code six months, it's important to
18 keep in mind that you're also delaying the
19 opportunity to recoup the investments of the very
20 organizations that you depend upon to implement
21 the Code. This is money and jobs that would be
22 lost and not recovered, as well as energy savings
23 that would be lost and not recovered. So if
24 there is a way to implement part of the Code
25 sooner, we would urge the Commission to take that

1 path.

2 We'd like to acknowledge, however, that
3 the Commission is in a tough spot here and is
4 going to have to make a decision that's going to
5 make a lot of people unhappy no matter which way
6 they go. And we have full faith the Commission
7 is going to not take this decision lightly and to
8 take the path that they feel is best for the
9 State of California. And so however the
10 Commission decides, you know, we stand behind
11 them and we will continue to provide our support
12 in implementing this Code. Thank you.

13 CHAIRMAN WEISEMILLER: Thank you. Thank
14 you very much for being here. Tom Garcia, CALBO.

15 MR. GARCIA: Good morning, Commissioners
16 and Chair. My name is Tom Garcia. I'm
17 representing CALBO, I'm the Chair of the CALBO
18 Energy Committee, and we are in support of moving
19 the Standards off six months. While we have been
20 staunch supporters of a January 1st implementation
21 to match up with all of the other Codes, we
22 understand that this situation that we're in
23 really isn't workable for the contractors and
24 designers and so forth. One of the things that
25 has been a concern of CALBO on and on is bringing

1 the Energy Code in with the other Codes so that
2 it streamlines and feels like it's just as
3 important as all the other Codes. And energy
4 savings is important to CALBO, but we need to
5 reduce confusion, and unfortunately this even
6 moving the Standards off to July will add
7 confusion and it makes it harder for us to
8 enforce the Standards when everybody doesn't
9 understand what's happening, so we would just ask
10 that, in this six months, you spend all the time
11 you can looking at ways to make it very clear for
12 Building Departments and Contractors what needs
13 to be done if you have alternative methods of
14 doing things, somehow give out very clear
15 guidance as to what those methods are.

16 And also look at the forms. One of the
17 things that we've always been concerned about is
18 making the forms clear and reducing the number of
19 forms. So CALBO is again in support of moving
20 the Standards and, again, thanks to all of the
21 staff for their hard effort, I know this has been
22 a big lift and it's unfortunate that we haven't
23 been able to make it. Thank you.

24 CHAIRMAN WEISENMILLER: Thank you. Let's
25 go to Russ King.

1 MR. KING: Commissioners, my name is Russ
2 King, I'm here on behalf of CABEC Board of
3 Directors, of which I am a member. I'd like to
4 read part of a letter to be put into the record
5 regarding the postponement of the effective date.

6 CHAIRMAN WEISENMILLER: Well, again, if
7 we have it in the record, we don't need to read
8 it in. You could certainly summarize it.

9 MR. KING: It hasn't been submitted yet.

10 CHAIRMAN WEISENMILLER: Okay. Well, put
11 it in, yeah. Great.

12 MR. KING: "CABEC, the California
13 Association of Building Energy Consultants is a
14 400-member organization that was formed in 1986
15 to educate and certify consultants who work with
16 the Building Energy Efficiency Standards. By a
17 majority vote, the Board of Directors of CABEC
18 supports the proposed change in the effective
19 date of the 2013 Standards from January 1st to
20 July 1st, 2014. This six-month delay is essential
21 to address serious problems in the public domain,
22 residential and non-residential software."
23 That's it.

24 CHAIRMAN WEISENMILLER: Thank you. Meg
25 Waltner. A pleasure to see you here today.

1 MS. WALTNER: Meg Waltner with the
2 Natural Resources Defense Council. We're here to
3 express our disappointment in the delay, but not
4 to oppose it. We appreciate the CEC staff's hard
5 work getting the compliance software ready and
6 understand that the delay is necessary given the
7 state of the compliance software and the need to
8 train the industry on the new development tools.
9 As we all know, Title 24 2013 Standards have
10 significant benefits, including the need to build
11 six large power plants, Southern California
12 spends billions on their energy bills, and
13 preventing the emission of several million tons
14 of carbon dioxide. Smooth and successful
15 implementation of the 2013 Standards is critical
16 to their effectiveness and to achieving these
17 benefits, and that's why we're here today not
18 opposing the delay. We would like to point on
19 that this delay is not insignificant. Looking
20 back at the first six months of this year,
21 building permits were authorized for over 18,000
22 homes and 24,000 multi-family buildings.
23 Assuming construction rates stay the same this
24 coming year, this means over 40,000 residential
25 buildings that will be allowed to use 14 to 25

1 percent more energy than they would have under
2 the new Standards.

3 We're also disappointed that the delay of
4 the 2013 Standards is putting off stakeholder
5 engagement on the 2016 Standards, and we urge the
6 CEC not to let this delay go beyond July 2013,
7 and not to push back work on the 2016 Standards,
8 or to interfere with the achievement of the
9 potential energy savings in both residential and
10 nonresidential buildings in the next update of
11 the Code. Thank you.

12 CHAIRMAN WEISENMILLER: Thank you. Gary
13 Andis, TAB.

14 MR. ANDIS: Thank you. Gary Andis
15 representing Testing Adjusting and Balancing
16 Bureau. TAB would like to take this opportunity
17 to express the support to the Commission
18 Department staff that has been working with us
19 during the development of this program. We do
20 understand that there will be occasional bumps in
21 the road as we go forward and completing this
22 program development.

23 In order to maintain this program's
24 progressive movement forward, all parties
25 involved, we need to work on implementing

1 communication during the ongoing development
2 process and that goes both internally and
3 externally. TAB is requesting the CEC to
4 implement a plan of enforcement for this program
5 to successfully serve the citizens of the United
6 States or the citizens of the State of
7 California, it would clearly define requirements
8 and procedure guidelines -

9 CHAIRMAN WEISENMILLER: Okay, but again,
10 today we're just looking at delay. We're
11 certainly happy if you have anything in writing
12 to submit on enforcement and compliance.

13 MR. ANDIS: We do.

14 CHAIRMAN WEISENMILLER: Okay, thank you.
15 Anything else on delay?

16 MR. ANDIS: No, we're just going to go
17 forward and see what we can do, but we really
18 hope that the communications open up some more so
19 we can get a clear understanding of what's going
20 on.

21 CHAIRMAN WEISENMILLER: Okay, no, that's
22 great. Thank you for being here. Tom Meyer from
23 NEBB.

24 MR. MEYER: Good morning. My name is Tom
25 Meyer. I'm the Director of Technical Programs

1 for the National Environmental Balancing Bureau,
2 also known as NEBB. We're working with TAB and
3 the CEC to get the program going, as you probably
4 understand. Thank you for the opportunity for
5 NEBB to voice our thoughts and concerns regarding
6 revising the effective date of the 2013 Building
7 Energy Efficiency Standards.

8 Our concerns lie not with the proposed
9 change of the effective date, but more so that we
10 were unaware of its consideration. We were not
11 privy to the circumstances surrounding the need
12 for the extension, so we cannot address them
13 directly. We do believe this apparently
14 unavoidable delay will erode industry confidence
15 in the program. We have nothing but praise and
16 compliments for the CEC staff in the Enforcement
17 and Implementation Divisions. Unfortunately, we
18 feel the CEC staff and those organizations
19 working to develop the implementation have been
20 put into a position where more delays will occur
21 if communication is not improved between the
22 departments within the CEC and the developmental
23 organizations. We believe three things must be
24 present for Title 24 Mechanical Exceptions
25 Testing to obtain the outcome that we're all

1 working for: Continuity, Communication and
2 Confidence. Continuity occurs when we are
3 consistent with our timeline, our message, and
4 our people. Delays will occur. All of us are
5 aware of the reality of things. The idea is not
6 to make the delays self-inflicted through poor
7 communication and coordination. This is when
8 confidence is lost. Confidence lost by the
9 Contractors we are encouraging to go through the
10 Certificate process, confidence lost by those
11 organizations investing tens of thousands of
12 dollars, hundreds of hours, and irreplaceable
13 opportunity costs to support the CEC and this
14 very appropriate program. When considering
15 modification of the timeline, please evaluate the
16 cause of the delay and the effect revising the
17 timeline. Consider: as things stand now, there's
18 potential for additional delays. Again, consider
19 the need for continuity, communication and
20 confidence. I am available for any questions
21 that you may have.

22 CHAIRMAN WEISENMILLER: Okay, thank you.

23 MR. MEYER: Thank you for your time.

24 COMMISSIONER MCALLISTER: So thank you
25 very much. I unfortunately, for reasons that are

1 very much beyond my control, I do have to step
2 out prior to 11:00, and you know, I think
3 everybody in the room, certainly staff and many
4 of you who have been here at previous meetings
5 where we've talked a lot about these standards,
6 understand my level of ownership, and feeling of
7 how important these are. So, you know, your
8 comments up to now have been very much taken to
9 heart and reflect my feelings, as well.

10 You know, I do believe this is an
11 unavoidable step. I think that to the extent
12 that there are tradeoffs between getting it done
13 in a timely fashion and getting it done right,
14 with quality and with stakeholder buy-in, this is
15 something that I believe we have to do so that we
16 get the quality right, so that we get the
17 clarity, many of the things that have been
18 brought up thus far, and I reckon will be brought
19 up as we round out the comments, which there are
20 several left.

21 So I think all of us are disappointed in
22 different ways with this, but nobody would have
23 chosen to have a delay; but I think we have to
24 look at where we are and understand and recognize
25 that this has been a very large lift with respect

1 to developing new software, the vision behind
2 this compliance, the Alternative Compliance
3 Mechanism (ACM) for both residential and nonres,
4 is sound. And it's going to serve the Commission
5 and the State very well going forward for the
6 long term, that's my belief, and that's why I
7 fully support this change.

8 I think long term, having it be open
9 source, and having it be kind of a more
10 accessible and yet modern sort of up-to-date
11 approach for doing this is the recipe for success
12 and meeting our longer term goals that we have in
13 the state. So we have big goals for 2020 -- 2016
14 certainly is a milestone on that path, big goals
15 for 2020 and beyond 2030, and 2050.

16 So what I believe we're doing here is
17 sort of paving the road forward for the long
18 term. In that respect, while I don't want to
19 minimize the timeframe, six months, in that
20 respect six months begins to not look quite so
21 dire as far as foregoing a little bit of savings
22 in the near term so that we can get it right in
23 the long term. It is a big lift and I have to
24 commend staff, Martha and the team, Christine,
25 Eurllyne, in Dave's Division, the Efficiency

1 Division, for the incredible lifts that they're
2 doing daily. I mean, I see you guys losing sleep
3 and I know how much you also take this to heart.
4 But the fact is, it's a team effort, and so I
5 would implore the stakeholders and a couple of
6 you -- I think Mike Gabel and a couple of others
7 indicated -- that you are willing to really roll
8 up your sleeves and test and provide feedback and
9 get involved in developing this thing. You're in
10 the marketplace and we need that feedback
11 directly from the marketplace.

12 So I think the path forward to really get
13 it done in a timely fashion by July 1, having
14 done the marketplace education, the outreach to
15 the Building Departments, and getting it ready
16 for prime time so that, when it's required,
17 people know what the heck they're supposed to do,
18 really is a team effort beyond the Commission, it
19 really is interaction with the marketplace, the
20 stakeholders, the agencies on the acceptance
21 testing, and bringing those ecosystems altogether
22 so we're on the same page.

23 And the reason we're in this position is
24 because that is a lot of work and for I think a
25 number of reasons we could articulate, you know,

1 it just has taken longer than we had anticipated.
2 When we get to the point where some of our key
3 stakeholders are really feeling that they don't
4 have alternatives that are workable, we have to
5 put this on the table, so this is certainly not
6 meant to be any sort of precedent setting, but it
7 is an acknowledgement, I think, of the fact that
8 this particular cycle is quite a large lift. So
9 you know, process improvement going forward I
10 think is important and we should define ways
11 that, when we then do the next iteration we have
12 the communication channels and the feedback that
13 is happening in real time as things move forward,
14 rather than sort of after the Commission has sort
15 of circled the wagons to get the heavy lifting
16 going.

17 So I think those process improvements, we
18 need to lay those out much more intentionally
19 going forward. And so I would suggest agreement
20 with some of the comments today. But I won't get
21 to hear the rest of the comments, I will
22 certainly review them later on, and I believe
23 that the vote will be kept open so that I can
24 actually vote on this item -- so anyway, thanks
25 for indulging me here in the middle, I know this

1 is a little bit out of the ordinary, but I do
2 have something I have to go do and I'll be back
3 here for the rest of the Business Meeting after
4 lunch. So thanks very much.

5 CHAIRMAN WEISENMILLER: Okay, so back to
6 the list again. Let's try to stay at two minutes
7 and, again, try to stay focused on the delay.
8 I'm certainly happy to have communications on the
9 process improvements, but certainly we will read
10 your stuff in writing. Okay, Mike Bachand,
11 CalcERTS.

12 MR. BACHAND: Good morning,
13 Commissioners, Executive Director Oglesby. My
14 name is Mike Bachand, I'm the President of
15 CalcERTS, a HERS provider. I fully support the
16 Commission in their work and what they've done.
17 We've been working very hard with staff and will
18 continue to do so regardless of the outcome of
19 this particular proceeding, so we want that known
20 upfront.

21 I'm not sure why we are not able to parse
22 out the proscriptive piece of this. We think
23 that the benefits for doing that would be to
24 involve the Building Departments earlier on with
25 a simpler process that we're ready to do, that

1 would be an easier learning curve for the more
2 complicated new construction process that
3 probably does need to be delayed - reassigned to
4 July. I guess "delayed" is not the correct legal
5 term to use. Okay, so -

6 CHAIRMAN WEISENMILLER: Revising the
7 effective date.

8 MR. BACHAND: Thank you. And so I see a
9 lot of lawyers, and Commissioner Douglas, too, so
10 -- the other thing is that this would involve,
11 and we know we're losing some benefits here, it
12 would get the Climate Zones 3 through 7 that have
13 not been on the prescriptive package yet, it
14 would help them begin to get into the process a
15 little sooner, so we still are proposing that if
16 it can be done and there are maybe legal issues
17 and so forth, parsing out the proscriptive part
18 for alterations to existing homes, residential,
19 to allow that to proceed on January 1st. Thank
20 you very much.

21 CHAIRMAN WEISENMILLER: Thank you. Ted
22 Tiffany.

23 MR. TIFFANY: Thank you, Commissioners. Ted
24 Tiffany, Guttman+Blaevoet+Consulting+Engineers,
25 also part time teacher at Sonoma State University

1 specific to Energy Code Compliance. I want to
2 thank everybody's efforts in the last couple
3 months and the engagement with the staff. I am
4 in favor of this delay. I'm working with AEC on
5 the software applications, beta testing that, and
6 I'm also working with the commercial vendors, and
7 I will continue to support the CEC staff and the
8 software vendors to improve the situation we're
9 in. I wanted to apologize to Mr. McAllister
10 about the ObamaCare reference, but I want to make
11 sure that you guys understand that good software
12 user engagement and that level of participation
13 is key to a smooth rollout.

14 I want to use the rest of my time to
15 really address the parsing out the mandatory and
16 proscriptive elements out of the Performance
17 Code. We've done a lot of work with U.C. and a
18 number of other elements to look at how we
19 implement only a proscriptive application, and in
20 terms of mechanical and lighting and proscriptive
21 may be easy, the architectural proscriptive
22 elements are very very challenging and the
23 proscriptive applications are nearly obsolete in
24 high performance buildings. For the glazing
25 requirements alone, there's no allowed tradeoff

1 in the proscriptive method from the glazing
2 requirements to the wall systems, so you can't
3 take a credit from a wall system to a window
4 glazing system, except through the performance
5 approach. And in the performance approach right
6 now, we can't do an envelope only calculation in
7 the tools, that's one thing we need to get
8 developed, and I'm working with staff to help
9 develop that.

10 The glazing requirements for Lake Tahoe,
11 a solar heat gain coefficient of .25 required,
12 would actually drive up energy use in that
13 climate, so the proscriptive approach is
14 functionally obsolete for architectural systems
15 in Climate Zone 16 and throughout the Bay Area
16 we've proven that level of glass is not helpful
17 to energy use in the Bay Area. That's been true
18 over the last 10-15 years of the Standards. So
19 please do not consider parsing out proscriptive
20 and mandatory, it needs to go as one element.
21 And we need to have functional performance
22 software to apply the performance applications.
23 Thank you for your time.

24 CHAIRMAN WEISENMILLER: Thank you. I had
25 said Bottle Rock at 11:00, but what I'm going to

1 do is keep this open and go through it, so those
2 many of you who are here for this item, so we
3 will transition to Bottle Rock after we go
4 through this.

5 Okay, Kevin Gilleran.

6 MR. GILLERAN: Good morning. My name is
7 Kevin Gilleran. I'm the principal of Gilleran
8 Energy Management, which has a staff of nine
9 people who on a daily basis work with the Energy
10 Code on implementation through various Building
11 Code requirements, tax credit programs, LEED
12 programs, etc. And what I'd like to do is state
13 that I am supportive of the revising of the
14 effective date for the Energy Code.

15 I have to echo some of the other
16 speakers, our disappointment that this may be
17 happening, but I think it is vital that we have a
18 smooth transition to the new Energy Code as it
19 is. If we have perfect implementation of
20 software and hardware and building codes and
21 trainings, there's going to be massive changes in
22 the industry because of this. If we have an
23 imperfect implementation, it's just going to be
24 further chaos. So I'm looking forward to seeing
25 as smooth of a transition as possible to the 2013

1 Energy Code. And to be honest with you, it could
2 have a significant impact for myself and my staff
3 in an economic way if implementation were to
4 occur in January because of the inability to
5 actually do work in the commercial building
6 environment. So thank you very much for your
7 time, look forward to hopefully hearing a new
8 effective date. Have a great day.

9 CHAIRMAN WEISENMILLER: Okay, thank you.
10 George Nesbitt.

11 MR. NESBITT: George Nesbitt, HERS Rater.
12 I oppose the delay for many of the reasons that
13 have already been stated, as well as we've got
14 utility programs that, you know, they're planning
15 their cycle based on the 2013 Code. We have
16 local jurisdictions that have already repealed
17 Green Building Ordinances based on the 2008 Code,
18 some have adopted already based on the 2013, plus
19 six months from now we're going to have the same
20 issue, implementation problems, enforcement
21 problems. In 27 years as a contractor, the
22 Energy Code has been virtually irrelevant and
23 unenforced in my practice. And when it is, it's
24 often wrong. So in six months, we're going to
25 have these same issues.

1 We've had a year and a half since it's
2 been adopted, plus we had over a year before that
3 to substantially know what was coming. There has
4 been plenty of time to roll out training
5 certifications and whatnot. The software is a
6 real issue and we bit off more than we could chew
7 because this is a difficult thing, and it is the
8 right thing to do. What I think we could do is
9 implement the 2013 Code, but allow the
10 performance path to be done with 2008 software,
11 with a percentage above minimum being Code as a
12 middle path because, in six months, even though
13 the residential software is further along, you
14 know, it still won't be quite 100 percent. So
15 the delay in the last minute is not good and it
16 doesn't help.

17 CHAIRMAN WEISENMILLER: Okay, thank you.
18 Okay, the next group is a little confusing, but I
19 have a couple gentlemen in the room from HRI and
20 Mitsubishi.

21 MR. DOPPEL: Good morning, Commissioners.
22 Paul Doppel, and I am with Mitsubishi Electric,
23 and the HRI reference is because I'm a Products
24 Section Chair there for the section that
25 represents Variable Refrigerant Flow, or VRF

1 Systems. And my comments today carry the full
2 support of HRI and --

3 CHAIRMAN WEISENMILLER: Yeah, they're on
4 the phone, so they will come up later, so I just
5 want to clarify that part.

6 MR. DOPPEL: Well, they know I'm here. I
7 promise they know I'm here, so... But we want to
8 express our support of the delay. We are
9 regretful that we have to do this delay. VRF
10 systems are highly effective and one of the
11 things that makes them very effective is the fact
12 that you can have multiple indoor units, up to 50
13 per indoor system, so that gives you the
14 capability of being very efficient all year.
15 What we want to do is talk about an
16 interpretation of the Code that's going to cost
17 more and cost more energy possibly than it is
18 going to save, and that is the application of VRF
19 systems to economizers. And Mr. Oglesby has
20 agreed to meet with us, and we appreciate the
21 Commission's opportunity to do that, and again,
22 we are very interested in saving energy, we want
23 to support this, but we also want to make sure
24 there's a clear interpretation of what the
25 Commission says. So, thank you.

1 CHAIRMAN WEISENMILLER: Thank you, that's
2 great. I certainly encourage you to meet with
3 staff to try to work through the interpretation
4 questions. We have Mr. Hinokuma, please.

5 MR. HINOKUMA: Good morning. I am Ryohei
6 Hinokuma from Daikin. And Daikin is HVAC
7 Manufacturer and produces Variable Refrigerant
8 Flow systems like Mitsubishi does. Given the
9 Chairman's request to limit our comments to the
10 delay of the implementation, I would simply say
11 that Daikin is here to support the comment just
12 made by Mr. Paul Doppel of Mitsubishi on behalf
13 of HRI, to speak for myself. Thank you very
14 much.

15 CHAIRMAN WEISENMILLER: Thank you. Thank
16 you for being here. Now we have -- I believe
17 everyone in the room has spoken, and so we have
18 two parties on the phone. Let's start with Karim
19 Amrane from AHRI.

20 UNIDENTIFIED SPEAKER: He has
21 disconnected, sir.

22 CHAIRMAN WEISENMILLER: Okay, that
23 clarifies the confusion on that. So Martin
24 Kleinbard, an electrical contractor.

25 MR. KLEINBARD: Good morning. Martin

1 Kleinbard, Electrical Contractor to the Eastern
2 Sierras. In reviewing all the comments, I'm kind
3 of -- obviously there's a need to delay the
4 implementation of the Code, but I do wish to
5 comment because I'm a little saddened and I would
6 like it to be on schedule for the reasons that
7 many have stated as it just presents a little
8 more chaos in implementation in the future.

9 I too know that enforcement has been a
10 great problem in the past, however, as a
11 contractor, there's quite a bit of lack of
12 availability of training for the AT acceptance
13 testing technicians given by either utility
14 companies or colleges, or whatever. A lot of the
15 classes are in the major city centers, and we're
16 in a rural area and there's not much available on
17 the Internet, and I'm sure we're not alone. I
18 know that, by the way the structure was set up
19 for the acceptance testing and technicians was to
20 allow any contractor in the proper fields to be
21 party of the acceptance testing and not to have
22 it be an exclusive and private industry to where
23 if this delay was not implemented, you would
24 allow for possible extortion rates and whatnot
25 upon project owners to get things tested and

1 comply. So on the basis of that, if there was
2 any way to continue with the current date and not
3 do the delay, but allow people who are in current
4 training or signed up to be testing to continue
5 to sign forms as they would have normally done in
6 the past, I would be in support of that. To
7 further delay, I think, is just another thorn in
8 the side of people accepting the Energy Code and
9 the enforcement from the local jurisdictions. I
10 guess that's the gist of my comments.

11 CHAIRMAN WEISENMILLER: Okay, thank you.
12 And certainly on the training, I would encourage
13 you to talk to staff and the Utilities on making
14 sure there's a suite of options for you.

15 Staff, do you have any responses to the
16 comments we've heard?

17 MS. BROOK: This is Martha Brook from the
18 Standards Development Office. I think that we're
19 very supportive of the comments, I think we do
20 want to work with the industry to make sure they
21 have the training necessary to understand the
22 stringency increases in the Standards. And I
23 guess some of the comments that I heard in
24 regards to the problems with the proscriptive
25 requirements, I would really encourage the

1 industry to participate in our rulemaking process
2 so that we understand much much earlier than
3 today that there's problems with our proscriptive
4 requirements. So we really do depend on the
5 industry to participate in our public process
6 during a rulemaking to identify issues with our
7 proscriptive requirements. And it's way too late
8 now to do anything about those problems until we
9 open up another rulemaking. So I would again
10 just encourage people to participate with us and
11 identify problems early in the rulemaking process
12 so that we can then have the time and opportunity
13 to address them and to correct them if they are
14 really problematic.

15 I think that we do have a plan and
16 schedule in place to get stakeholder involvement
17 and review and training of our software. I would
18 say for the record that it is available now for
19 learning the tool and to really educate the
20 industry on the fundamental change in the public
21 domain compliance software. So I really
22 encourage people to work with us now and not wait
23 for three or six months before they start to
24 learn the software. It is available now for
25 download and, as Christine said in her

1 presentation, we have new versions of the
2 software for your consideration today.

3 CHAIRMAN WEISENMILLER: Thank you. Okay,
4 so we have the gentleman from AHRI on the line,
5 so please go forward. Okay, while we're waiting,
6 I would note that we did receive a handout from
7 Mitsubishi which everyone on the dais now has and
8 that will be docketed.

9 MR. AMRANE: This is Karim Amrane. Do
10 you hear me?

11 CHAIRMAN WEISENMILLER: Yes, we do.
12 Please go ahead.

13 MR. AMRANE: Okay. Oh, thank you. Good
14 morning, my name is Karim Amrane and I'm with the
15 Air-Conditioning, Heating and Refrigeration
16 Institute, AHRI. AHRI is a trade association
17 representing manufacturers of heating and air-
18 conditioning and refrigeration equipment. And
19 I'm here to speak in support of at this time
20 delaying the implementation of the effective
21 date. AHRI has independently contacted the CEC
22 and requested some extension to give
23 manufacturers more time to comply with one
24 section of the Code, which had to do with full
25 detection diagnostics on economizers. And so we

1 welcome, really, the term extension. However, we
2 would like also to bring up another issue that I
3 know it's not the purpose of these proceedings
4 today, but we would like at least the staff to be
5 aware that there is an issue with the economizer
6 requirements on variable refrigerant flow
7 systems, and we will be contacting the CEC staff
8 to raise this issue because we believe it's very
9 important. Thank you very much.

10 CHAIRMAN WEISENMILLER: Thank you.

11 Okay, Commissioners, let's start talking about
12 Item 5.

13 COMMISSIONER DOUGLAS: Well, I have a few
14 comments on Item 5. I, like Commissioner
15 McAllister, appreciate the turnout today and
16 appreciate the thoughtful comments that we've
17 gotten from our stakeholders on this item. It is
18 disappointing to be in a position of having to
19 consider putting off the effective date of the
20 Building Standards. And I also agree with
21 commenters who said that it is disruptive in the
22 sense that the Standards are connected with other
23 processes. And so it's going to be a
24 communications challenge, it's going to be
25 implementation challenge, and it's going to be a

1 cost in terms of foregone savings of energy
2 because the Standards are going to be in effect
3 later.

4 And in spite of all of that, you know,
5 it's very clear to me that we're at a place where
6 deferring the Standards until July is the right
7 thing to do for purposes of ensuring that we have
8 the compliance tools that are necessary for the
9 industry. So I am going to support this item.

10 I do want to say that, and I think one or
11 two speakers brought this up, you know, I really
12 do not want to be back here in July with half
13 this room arguing that, you know, they still
14 don't have what they need, or maybe don't, and so
15 I really want to ask staff and stakeholders to
16 work proactively not only to get the work done on
17 the compliance software, but also to help set and
18 meet and communicate expectations as to what our
19 role is and what we are going to get out and make
20 available, and what we view as the responsibility
21 of the industry to build their knowledge of the
22 tools that are currently out, and to be in a
23 position to quickly implement, and to have a
24 reasonable set of tools, but yet potentially not
25 everything that everyone might want. And I say

1 that because I think in areas like this, we could
2 conceivably create a performance tool for all
3 sorts of things. But what I'm really looking for
4 is what is the basic set of tools or the basic
5 package that we need in order to meet the
6 deadline and have the standards be effective in
7 July. And so I think that, as much as anything,
8 it's going to involve communication and working
9 together and commitment from stakeholders, as
10 well as commitment from staff so that we can meet
11 our July goal and be on the same page. I think
12 that's generally what I wanted to say. I think
13 that this is difficult, but doable, it's a
14 difficult decision for us to delay implementation
15 of the standards and not one that's taken lightly
16 as I think other stakeholders mentioned. So I
17 appreciate the support and the hard work of
18 everybody that has helped us get to this point,
19 and I'll look forward to hearing comments from my
20 colleagues, as well.

21 COMMISSIONER HOCHSCHILD: So my daughter
22 is just at the age where she's starting to do
23 homework and she's always trying to get it done
24 quickly, I'm trying to get her to do it well; the
25 goal is to do both, but it's more important to do

1 it well than do it quickly, and I think that's
2 what applies here and I think this is the right
3 step, so I support Commissioner McAllister's
4 recommendation.

5 COMMISSIONER SCOTT: And I would just
6 like to add I'd like to echo Commissioner
7 Douglas's comments on appreciating the good
8 turnout and the thoughtful comments, and that
9 we've got a process here at the Commission that
10 allows for such. As the public member, I am
11 really happy to hear that we've had touch points
12 for stakeholder engagement all through the
13 process, both we've had it so far and we're going
14 to have it ongoing, and so I heard a lot about
15 opportunities for trainings, continued meetings
16 with staff, meetings with our Executive Director,
17 meeting with the Commissioners, and so I just
18 appreciate that we've got that as part of this
19 process here.

20 CHAIRMAN WEISENMILLER: Well, as the
21 scientist on the Commission, I would say that,
22 and I think all of you heard me initially say
23 that, if anything, I would have liked to have
24 moved the Standards up in time, as opposed to
25 back in time, but as a scientist, I do have to

1 deal with reality and sort of what the actual
2 situation is, and I think we're all faced with a
3 situation where we're taking a big step with
4 these Standards, you know, it's the biggest
5 decrease we've ever done, and certainly we've
6 added a number of other heavy lifts, and
7 certainly appreciate the staff has given it their
8 best efforts and sort of done the work activities
9 to pull this off, and we didn't quite get there.
10 And I think in terms of recognition of the
11 implications of this, you know, I think our
12 California economy is just sputtering back in the
13 new construction area and that we do have to take
14 this difficult decision.

15 Now, all of us are very obviously focused
16 on greenhouse gas issues, climate change, and
17 trying to deal with that reality. But, I mean,
18 again, it's not a single action, it's not a
19 single day, it's not what we do in the next six
20 months, it's what we do with the rest of our
21 lives. And so certainly we will be between now
22 and 2020, we will go through this a couple more
23 times. And between now and 2030, we're going to
24 go through it a lot more times. And as we go
25 forward, we're going to keep going until we get

1 it right. And certainly, I ask all of you to
2 help us, work together with us, certainly we've
3 had for almost 40 years a relationship with the
4 building community, certainly this is going to go
5 on for another 40 years. And as with any
6 relationship, we all have to work at it and we
7 all have to work at communication. So certainly
8 I encourage all of you to work together with us
9 to get this right.

10 Obviously, you know, I think all of us
11 when we wake up in the morning, we look at our
12 iPhone and discover some app has just been
13 updated; this software will be updated over time,
14 and as Commissioner Douglas said, it's important
15 that we get the key features that you need, not
16 necessarily the ones you want, but the ones you
17 need in place for the successful launch. But I
18 think it's, you know, I'm sorry about the step
19 we're taking, but again, we have to do this. So,
20 again, I appreciate your being here to talk to us
21 about the issues and, again, encourage you to
22 continue that communication.

23 COMMISSIONER DOUGLAS: If there are no
24 other comments, I move Item 5.

25 COMMISSIONER SCOTT: Second.

1 MR. LEVY: Commissioners, could we move
2 adoption of the Resolution for Item 5?

3 COMMISSIONER DOUGLAS: I move adoption of
4 the Resolution for Item 5.

5 COMMISSIONER SCOTT: Second.

6 CHAIRMAN WEISENMILLER: All those in
7 favor?

8 (Ayes.) This item passes four to zero
9 with one abstention, or one not here.

10 CHAIRMAN WEISENMILLER: So I had
11 indicated two contradictory statements, 1) that
12 we were going to deal with this item, the package
13 of items 5, 6, 7, 8, and 9, and we were going to
14 deal with Bottle Rocket at 11:00, so at this
15 point let's transition to Bottle Rock and
16 encourage everyone to either go to lunch, come
17 back, I assume we'll be back at either 1:00 or
18 1:30, but I would check with the Public Advisor
19 for those of you coming back.

20 (Off the record.)

21 (Back on the record.)

22 CHAIRMAN WEISENMILLER: Okay, so for
23 those of you who were on the last item, I would
24 encourage you to go out of the room, into our
25 freezing atrium to continue your conversations,

1 and so we can pay attention to this particular
2 matter. So let's go on to what is Item 3, Bottle
3 Rock Geothermal Power Plant Project, 79-AFC-4C.
4 Paul Kramer, would you go forth?

5 MR. KRAMER: Good morning. As the agenda
6 says, the Bottle Rock Power Plant project,
7 actually Geothermal Power Plant Project, is a 55
8 Megawatt geothermal generating facility. It's
9 located in the Geysers geothermal area, which is
10 south of Clear Lake. It was licensed in 1980,
11 operation began in 1985, but was suspended in
12 1990 and restarted again in 2006. The subjects
13 of the Amendment Petition before you today are
14 two conditions that were imposed in 2001 at the
15 time of the transfer of ownership from the
16 Department of Water Resources, which was the
17 original developer, to the predecessor to the
18 current owner, Bottle Rock Power, LLC.

19 One of those conditions required a \$5
20 million bond to secure the cost of closure of the
21 facility, the other required a \$10 million
22 environmental impairment insurance policy. Last
23 year, Bottle Rock amended its purchase contract
24 with DWR to eliminate both the insurance and bond
25 requirements which were also a feature of that

1 contract. It then cancelled the bond and David
2 Coleman, who is one of the interveners in this
3 proceeding, as well, he filed a complaint that
4 the contract amendment and the cancellation of
5 the bond violated the condition that it have a
6 bond.

7 In February, a committee composed of
8 yourself, Chair Weisenmiller as the Associate,
9 and Commissioner Douglas as the Presiding Member,
10 ruled that the condition to have a bond and
11 insurance remained in effect and that the
12 cancellation of the bond violated the condition.
13 Because the insurance had never been canceled,
14 that portion of the condition was found not to
15 have been violated.

16 The complaint committee said that the
17 requirement to reinstate the bond could be stayed
18 if Bottle Rock filed an Amendment Petition to
19 formally request either a reduction or a removal
20 of the bond and insurance requirements. Bottle
21 Rock also appealed that Committee ruling to the
22 full Commission, and that appeal is on hold
23 pending the outcome of this amendment proceeding.

24 While Bottle Rock's Petition to Amend
25 requested removal of the insurance requirement,

1 it has since agreed to maintain the insurance in
2 effect, so it was seeking to eliminate or reduce
3 the bond requirement.

4 The committee of Commissioners Douglas
5 and Scott held a hearing in Cobb, California near
6 the facility last month on November 18 and it
7 issued a Proposed Decision that is before you
8 today, which upholds the bond requirement, but
9 reduces the amount from \$5 million to \$1.34
10 million plus a 25 percent contingency amount, and
11 it recommended phasing in the amount of the
12 contingency over the years 2015 through 2019. So
13 in 2019, the total amount of the bond -- or,
14 we've taken to using the term "financial
15 assurance" because the Decision also allows for
16 the possibility of some other mechanism other
17 than a bond such as a trust fund or a letter of
18 credit, the total would be \$1,676,875.

19 In response on Friday, Bottle Rock
20 proposed an alternative phase-in schedule that
21 reduces the amount they have to put up initially
22 and requires larger annual payments over those
23 same years to get to the same number that the
24 committee was recommending for 2019. Their
25 justification was financial information in the

1 form of a November 30th balance sheet that they
2 attached to their request. On Monday, I prepared
3 a table and filed a table just to help everyone
4 compare the two -- and it's on the screen right
5 now -- to the compare the two proposals. On the
6 left is the Proposed Decision, and you can see it
7 starts with the higher number and has smaller
8 subsequent payments to get to that same \$1.6
9 million, closer to \$1.7 actually number. Bottle
10 Rock starts out about \$600,000 less, and
11 therefore they have to pay quite a bit more in
12 the subsequent years to get up to that same
13 number. And this, of course, assumes that there
14 are no adjustments, but one of the other
15 provisions of the proposed conditions is that
16 every three years the estimate of the amount of
17 the cost of closure will be revisited, so we can
18 update it. It may go up, it may go down, but we
19 just want to see that that is periodically
20 reviewed so that it -- you know, we don't fall
21 behind the curve in some way.

22 Yesterday, Donald Mooney, sitting a
23 couple seats to my left, who was counsel for the
24 Interveners David Coleman and Friends of Cobb
25 Mountain, he filed objections to Bottle Rock's

1 filing on Friday. He asked that if the
2 Commission was going to consider modifying the
3 payment schedule as they request, that it first
4 refer the matter back to the committee for
5 further hearings, so that they could go into
6 Bottle Rock's finances in more depth.

7 At the hearing, Bottle Rock basically was
8 unwilling to discuss their finances in any
9 detail, and then the project landowner commented
10 yesterday, and I don't think they'll be here
11 today, they thought they would not be available,
12 but they said that they agreed with the ultimate
13 amount that the committee recommended and they
14 did not object to the proposed modifications from
15 Bottle Rock.

16 Randall Fung, who was one of the
17 commenters at the hearing in Cobb filed written
18 comments yesterday. He prefers that the bond
19 remain at \$5 million. He also believes that the
20 cost estimate failed to include some costs. I'm
21 not going to go into the details of that right
22 now, but it's all in his written response. And
23 he opposes phasing in. He's concerned that the
24 project is precarious at the moment, in his eyes,
25 and that the money to properly close it needs to

1 be in hand right away.

2 If you approve the proposed decision, my
3 plan is to docket it in Monday, and that would
4 start the time clocks on Court challenges, and
5 also reconsideration petitions to the Commission.
6 I'm able to answer any questions.

7 CHAIRMAN WEISENMILLER: No questions.
8 Let's go on to the Applicant, then staff, and
9 then Interveners.

10 MS. CASTAÑOS: Good morning, Chair
11 Weisenmiller, Commissioners. I'm Kirsten
12 Castaños. I'm counsel for Bottle Rock Power in
13 this matter. I just want to first thank the
14 Committee and Hearing Officer Kramer for their
15 thoughtful consideration of our petition and
16 really very prompt decision in this matter. As
17 we discussed at the hearing, it is very important
18 to Bottle Rock to achieve resolution of this
19 matter as quickly as possible and we do look
20 forward to having a decision today. As noted in
21 our comments that we submitted Friday, and as
22 Hearing Officer Kramer has mentioned, we do not
23 object to the decision, but we have proposed an
24 alternative payment plan to fund the total amount
25 that the committee has determined is appropriate

1 for closure for this project. And the basis for
2 that is really because we believe that it
3 reflects appropriate and responsible business
4 management and it will facilitate the ongoing
5 investment in the expansion of this project, and
6 ensure that the project has available cash and
7 address the current financial circumstances of
8 the project. So we look forward very much to
9 your decision today and to resolving this issue
10 and moving forward with the investment and
11 expansion of this renewable clean base load power
12 plant in Lake County. Thank you very much. And
13 I should also mention, as well, Brian Harms, the
14 President of Bottle Rock, is here to answer any
15 questions if you have any. Thank you.

16 CHAIRMAN WEISENMILLER: Okay, thank you.
17 Staff?

18 MR. BELL: Thank you, Chairman. Kevin W.
19 Bell, Senior Staff Counsel on behalf of staff.
20 Staff has read and considered the Proposed
21 Decision and agrees with the Proposed Decision.
22 A couple of comments. I do need to point out
23 that the Project Owner's current obligation until
24 the Commission takes some action is to maintain a
25 \$5 million bond. Through these proceedings, the

1 Project Owner has provided enough information to
2 justify lowering that bond amount to a certain
3 amount and through these proceedings we've
4 determined that was \$1,341,500 plus a 25 percent
5 contingency fee.

6 Last week, the Project Owner provided a
7 Word document showing some of their finances. I
8 just point out that this information was not
9 provided during the hearings, was not submitted
10 under oath, and was not considered by the
11 Committee. Additionally, the number that they're
12 proposing in their alternative of \$709,000 is an
13 amount that has been bouncing around since July
14 of this year when the Project Owner filed a
15 response to staff data request. It's an amount
16 that was rejected by the Committee through these
17 hearings.

18 Staff's position is that the Commission
19 should adopt the Proposed Decision as written and
20 rejected the alternative proposal. As I said,
21 this is an amount that has been around since
22 July, it's an amount that was brought up by the
23 Project Owner throughout the proceedings, and was
24 rejected by the committee.

25 CHAIRMAN WEISENMILLER: Thank you. I

1 would just note that obviously financials had
2 been filed, but they are not in the record at
3 this point, that certainly is one of the open
4 issues at this stage in this case.

5 MR. BELL: Correct. Yeah, as Mr. Kramer
6 said, the Project Owner has been -- I'll use the
7 term "reluctant" to provide any financial
8 information to justify their position.

9 CHAIRMAN WEISENMILLER: That's right. I
10 just wanted to make sure that all parties
11 understand that it's not in the record at this
12 point. Certainly one could move it, and we could
13 come to a decision on that, but it's been filed,
14 but not - at this point it's not in the record.

15 MR. BELL: Thank you.

16 CHAIRMAN WEISENMILLER: Go ahead.

17 MR. MOONEY: Thank you. Donald Mooney on
18 behalf of Interveners David Coleman and Friends
19 of Cobb Mountain. And I'll just kind of pick up
20 where the conversation kind of left off here with
21 regards to the financial information that is
22 Attachment B to the December 6th submittal from
23 Bottle Rock. And if it's not clear in my
24 correspondence for Monday, or I guess yesterday,
25 we formally objected to that being included in

1 the record because, as Mr. Bell indicated and I
2 indicated in my letter, essentially the close of
3 evidence was at the hearing. We have asked
4 repeatedly for financial information, Bottle Rock
5 has repeatedly refused, Mr. Harms testified under
6 oath that it was confidential information, that
7 it would not be provided, then they provide a
8 snapshot of a balance sheet, snapshot in time, it
9 doesn't allow any of the parties or the committee
10 to have any kind of information as to the
11 finances. I think there's real concerns about
12 Bottle Rock's finances, they've just given us a
13 quick snapshot, it was not based upon a
14 Declaration, it was not subject to any kind of
15 cross examination, so we think it should be
16 excluded from the record and not taken into
17 consideration in the Commission's review of the
18 Proposed Decision.

19 That being said, I'd also like to point
20 out what Mr. Bell said, that they do have
21 currently a \$5 million bond requirement. What
22 the committee's Proposed Decision, which we do
23 not object to and in many ways support, reduces
24 their bond requirement or financial assurance
25 requirement, by almost 70 percent.

1 And one other point I'd like to make is
2 that they're concerned about the payment, but
3 less than a year ago, or about a year ago or so,
4 they cancelled their \$5 million bond requirement.
5 There's nothing in the record or their financials
6 that indicates the money that was saved from
7 that, from not maintaining that bond or the money
8 that was received back from maintaining that
9 bond, where is that? Why can't that money be
10 used? Those are the types of questions that we
11 would want to ask if Bottle Rock was willing to
12 discuss its finances.

13 And I would also like to point out, as we
14 pointed out in the hearing, well, two things, 1)
15 the amount of financial assurances, financial
16 assurance requirement, the bond requirement,
17 should not be based upon ability to pay, it
18 should be based upon what is required for
19 closure. And Bottle Rock has continually argued
20 that it should be based upon their ability to
21 pay, but without providing any kind of financial
22 information. We think that, first of all, it's
23 not based upon ability to pay, it's based upon
24 what is required for closure, and 2) they haven't
25 provided any evidence with regards to their

1 ability to pay, absolutely none other than some
2 unsupported statements from Mr. Harms. And
3 Bottle Rock has the burden of proof. And they
4 have continually failed to meet their burden of
5 proof, and they've refused to meet their burden
6 of proof.

7 So we would support the committee's
8 Proposed Decision and ask you adopt it as
9 proposed. Thank you.

10 CHAIRMAN WEISENMILLER: Would anyone else
11 like to speak on the record? Public comment?

12 MR. HESS: Good afternoon, Commission.
13 My name is John Hess, Friends of Cobb Mountain, a
14 property owner in Cobb Valley. My concern, as
15 has been suggested by Don Mooney, is with the
16 request that the Commission modify the
17 committee's proposed payment schedule, of the
18 closure assurance amount, questions have been
19 raised already regarding BRP's protest as to its
20 inability to meet the financial burden of full
21 and immediate payment of the closure assurance
22 amount. According to BRP's amended PPA approved
23 by the CPUC September 2012, BRP needs to deliver
24 15 megawatts by early 2018 and a field that DWR
25 abandoned in 1990 due to lower than expected

1 generation. There have been promises that newer
2 technology will be able to increase that amount.
3 But it's also curious that PG&E has lowered its
4 maximum to 25 megawatts from the permitted 55
5 megawatts.

6 I feel there are a number of different
7 scenarios under which BRP or the project might
8 fail and as an LLC could simply close up shop and
9 walk away, leaving the public with the burden of
10 cleanup. Common sense to me suggests that the
11 full amount be made payable immediately to hedge
12 against such future possibilities. Failing that,
13 I would certainly recommend that you support your
14 committee as a recommendation payment schedule as
15 they've put before you now. Thank you.

16 CHAIRMAN WEISENMILLER: Thank you. Okay,
17 I think at this stage I would ask Commissioner
18 Douglas if she wanted to make a few comments. I
19 think in terms of after that, we will go into
20 closed session, although again, I think for the
21 applicant, basically one of the things you're
22 going to have to decide is whether you want a
23 decision today, or whether you want to reopen the
24 record and to get the financials in.

25 MS. CASTAÑOS: We would like a decision

1 today.

2 CHAIRMAN WEISENMILLER: Okay, thank you.

3 COMMISSIONER DOUGLAS: I'll just make a
4 couple of brief comments, and then I think we may
5 wish to go into closed session for deliberation
6 on this item.

7 The committee, as was noted, held a
8 hearing in the vicinity of the project at Cobb
9 Mountain and it was a very well attended hearing,
10 we heard a lot of public comment. We really
11 focused our inquiry on the appropriate amount of
12 the closure bond and we did not have evidence in
13 the record on Bottle Rock's finances and the
14 committee -- I'm saying "the committee," I'll
15 speak for myself right now, and Commissioner
16 Scott may want to add on -- but I felt as though
17 that was fine because we were focusing our
18 inquiry on the correct amount of the closure
19 bond. So I think we have a record on which we
20 can make a decision today. It's helpful to hear
21 the response from Bottle Rock, or on, you know,
22 are you interested in reopening the record with
23 not only that information that you'd like to
24 submit, but probably additional financial
25 information or inquiries that would make this an

1 issue in this case, it really hasn't been, and I
2 don't think it really needs to be. So those are
3 my comments. I think we have a Proposed Decision
4 that we're prepared to consider today. I'd like
5 to hear from other Commissioners and I think it
6 might benefit us to have a deliberative session
7 just to talk about the state of the evidence in
8 the case.

9 CHAIRMAN WEISENMILLER: So we're going to
10 go into closed session now. We'll be back in
11 session at 1:00. Thank you.

12 (Closed session at 11:45 a.m.)

13 (Open session at 1:09 p.m.)

14 CHAIRMAN WEISENMILLER: So let's go back
15 in session. Mr. McAllister?

16 MR. MCALLISTER: So I wanted the record
17 to show that I did support Item 5, so I would
18 vote Aye on that, so if Harriet could make sure
19 that that goes in the record.

20 CHAIRMAN WEISENMILLER: Yes. Harriet,
21 will you please reflect that in the Minutes?

22 Okay, so Commissioner McAllister supports
23 Item 5, so if you could reflect that in the
24 Minutes that effectively the vote was five to
25 zero? Thank you.

1 COMMISSIONER DOUGLAS: So the Commission
2 is obviously back and we've had our session for
3 deliberation on Bottle Rock. I wanted to express
4 at this point some more of my views on this
5 matter and we'll see if Commissioner Scott or
6 other Commissioners would like to speak.

7 The committee took real efforts and took
8 some pains to try to get to the bottom of the
9 question that was before us and, in my view, the
10 question before us was, what is the appropriate
11 amount of the closure bond? That's really what
12 we focused on. We heard a lot of input from
13 Bottle Rock, from staff, from the Interveners,
14 also from the community and other stakeholders,
15 and there's no question it was really important
16 to us to take the environmental responsibilities
17 that we have at the Commission seriously and
18 effectuate the intent of the Commission in
19 requiring that there be adequate safeguards for
20 having the closure funding available for the
21 facility for when it is needed, hopefully far off
22 into the future because we're also, of course,
23 very interested, and I think the Decision
24 reflects our interest in also preserving existing
25 jobs in this industry and preserving existing

1 renewable energy generation. And so that's really
2 a lot of the input we got, it's a lot of the
3 balance that you see in the Proposed Decision.

4 There is a process going forward to make
5 adjustments to the right amount of funding for
6 closure, and I think that's appropriate because
7 that's a number that may go up, and it may go
8 down, and it's a number that over time I think
9 all of the parties have agreed is appropriate to
10 have that process and provide for needed
11 adjustments going forward. And I said before we
12 went into session, but I want to repeat, we
13 really did not look at or consider finances or
14 any financials in this Decision, we really
15 focused on the case at hand and the issues before
16 us.

17 One of the things we did to try to
18 balance the need for having funding on hand for
19 closure costs and also acknowledging some of the
20 uncertainty and some of the possibility for
21 changed circumstances in the future is providing
22 for the contingency that was an issue that was
23 discussed at some length in our hearings, but
24 phasing that contingency in, and I think that's
25 also appropriate because, as time goes on, things

1 can change and the contingency is, I think, not
2 something that you need to have in hand the day
3 of today, but it is something that can be phased
4 in. So those are some of the issues that we
5 tried to balance. I think the committee struck a
6 reasonable balance and what I've heard from the
7 parties today has generally led me to maintain
8 that view.

9 I don't know, Commissioner Scott, or
10 other Commissioners, if you'd like to speak.

11 CHAIRMAN WEISENMILLER: I should just be
12 very very clear to people that Applicants on the
13 6th, their letter in the docket had an Attachment
14 B and Attachment B will not be admitted into the
15 record as it's untimely, lacks foundation, and
16 parties have not had a chance to do cross
17 examination on it. So with that clarification.

18 COMMISSIONER SCOTT: Thank you. I just
19 wanted to -- I won't repeat everything that
20 Commissioner Douglas said, but I did want to echo
21 what she said. I think that we spent a lot of
22 time listening very carefully to everyone on
23 these important issues and we had very thoughtful
24 comments from a broad set of stakeholders, so
25 thank you to everyone for your engaged

1 participation on this. I agree that we struck
2 the right balance between protecting the
3 environmental between supporting renewables and
4 preserving jobs, so that's all I'll add.

5 CHAIRMAN WEISENMILLER: I was going to
6 say, it appears that the committee struck a very
7 Solomonic decision on what's a difficult issue.
8 I think all of us, again, really are trying to
9 develop renewables, we're trying to really
10 preserve jobs, and we're trying to protect the
11 environment. And that's what we're trying to do
12 here today. So this is Item 3.

13 COMMISSIONER DOUGLAS: All right, so with
14 that, I'll move approval of Item 3, and there is
15 one thing I'll say, but maybe after the vote.

16 COMMISSIONER SCOTT: Second.

17 CHAIRMAN WEISENMILLER: All those in
18 favor?

19 (Ayes.) Item 3 passes unanimously.

20 COMMISSIONER DOUGLAS: All right, and I
21 just wanted to briefly extend my appreciation to
22 all the parties. We were able to have a really
23 efficient hearing, get a lot of information out
24 on the table, and to the committee, a very well
25 attended hearing. So we appreciated the

1 community participation. There were some issues
2 raised by the community that were outside of the
3 scope of the hearing, raised in comment, and
4 you'll find in part of the Decision requests that
5 staff look into some of those issues and just
6 report back to us, so I would appreciate that, as
7 well. Thank you.

8 MR. KRAMER: Thank you.

9 MS. CASTAÑOS: Thank you.

10 CHAIRMAN WEISENMILLER: Thank you.

11 Thanks, Mr. Kramer. Okay, in terms of where we
12 are, the reality is that the schedule today has
13 been in flux and will stay in flux. Originally,
14 we were trying to deal with items 5, 6, 7, 8 and
15 9 in a block, we made it through Item 5 and at
16 the same time we were supposed to do Bottle Rock
17 starting at 11:00, so at this point, we will go
18 back to Items 6, 7, 8 and 9, and then that still
19 leaves the Demand Forecast, and there's one issue
20 my staff and Edison are in conversations trying
21 to clarify, and so I'm encouraging them to
22 clarify that while we work through business.

23 So with that, let's go on to Item 6,
24 EnergyPro Version 6.0, Residential Compliance
25 Software. And Martha Brook again.

1 MS. BROOK: Good afternoon. As mentioned
2 in Agenda Item 5 this morning, we are seeking
3 your approval of EnergyPro Version 6 submitted by
4 EnergySoft as 2013 Residential Standards
5 Compliance Software for newly constructed homes.
6 This is the first instance of a private vendor
7 incorporating the Energy Commission's 2013
8 Standard Compliance Manager Software Application
9 Programming Interface into its compliance
10 software tool. As such, this is an agenda item
11 to be celebrated.

12 The Energy Commission as well as the
13 Building industry have wanted this to happen for
14 many years. For the first time, all residential
15 compliance software tools approved for the 2013
16 Standards will use the same analysis engine and a
17 single set of implemented rules to implement the
18 performance compliance approach for low rise
19 residential buildings.

20 This means that all residential
21 compliance software tools will yield the same
22 compliance results for a given building, which
23 although a reasonable expectation has
24 historically been very difficult to achieve. At
25 this time, we are seeking your approval for

1 EnergyPro Version 6 for newly constructed
2 buildings. We expect that EnergySoft will
3 continue to work with us over the coming weeks to
4 implement the alterations scope of the
5 performance compliance approach, and we will be
6 back at a future business meeting to seek
7 approval of EnergyPro for use with existing
8 building alterations. I'm available to answer
9 any questions that you have.

10 CHAIRMAN WEISENMILLER: Okay. I believe
11 we have Mr. Splitt, we have a couple parties who
12 want to address this specific item.

13 MR. SPLITT: Pat Splitt from App-Tech
14 again. I wasn't sure what was going to happen,
15 so I just got on the list, so pretty much I'm in
16 favor of this, except for the fact that, as far
17 as I know, there's no software that totally meets
18 the requirements of the ACMs, and I'm just
19 assuming that Martin -- he's going to be applying
20 again before next July for revisions, and that
21 ultimately before July 1st it will meet all the
22 requirements of the ACM.

23 MS. BROOK: Well, yes. In terms of
24 alterations to existing buildings, that is not
25 included in what we're approving today, and if

1 there is any significant change to what the
2 Energy Commission has issued for that compliance
3 manager API, then we'll ask Martin to come back
4 and reapprove that software. We're not --

5 MR. SPLITT: And you're approving this to
6 go into effect July 1st, so people won't be able
7 to use this before July 1st for compliance, that's
8 right?

9 MS. BROOK: That's correct. This is for
10 the 2013 Standards.

11 CHAIRMAN WEISENMILLER: But hopefully
12 people are using it to find any issues.

13 MS. BROOK: Absolutely. Hopefully, yeah.

14 CHAIRMAN WEISENMILLER: Mr. Nesbitt.

15 MR. NESBITT: George Nesbitt, a HERS
16 Rater, and I wear many other hats. This is
17 today's hat.

18 MS. BROOK: I only remember that hat,
19 George.

20 MR. NESBITT: If I took it off, you
21 wouldn't recognize me, so I left it on today. I
22 would like to suggest that we make the approval
23 of EnergyPro conditional as happened in 2008, as
24 a lot of the issues with trying to get EnergyPro
25 to calculate correctly and closer to Micropas,

1 also because we don't have a full function of
2 CBECC-Res yet, it's close. But also, one thing
3 we talked about the past two years as part of the
4 whole software development process was the need
5 to have people like me review software. So even
6 though the Energy Commission is in control of the
7 calculation engine itself, it comes down to how
8 well does it communicate, and those of us that
9 work in the world know that things don't always
10 communicate. So we talked about having people
11 like myself review and EnergyPro Version 6 has
12 not been available for review by anyone yet. So
13 I would just say, considering the state of the
14 calculation engine and everything else, that we
15 just make it clear it is a conditional approval.

16 CHAIRMAN WEISENMILLER: Thank you.

17 COMMISSIONER MCALLISTER: I just wanted
18 to ask Martha, could you describe sort of the
19 nature of the internal tests that the Commission
20 executes in order to be comfortable that it
21 passes sort of the muster as far as this
22 particular step we're voting on right now?

23 MS. BROOK: Yeah, we do two different
24 types of tests, we have a static proscriptive set
25 of tests that the vendor is required to complete

1 and submit the results of those tests through the
2 Energy Commission, so review that set of tests;
3 it basically walks through different features of
4 a newly constructed building to confirm that the
5 compliance analysis results are consistent with
6 the reference method, which in this case is using
7 that same application programming interface, is
8 included here. And then we also do quite a bit
9 of spot checking, that's what Dee Anne Ross of
10 our staff has been busy doing for the last
11 several weeks. And we also review the user's
12 manual to make sure that it's actually explaining
13 the new requirements for the 2013 Standards and
14 other aspects of the software correctly.

15 And in terms of what George said, in terms of
16 getting outside parties to review the software,
17 Martin Dodd did release a Beta version of the
18 software to whoever he chose to release it to, we
19 didn't direct him to do that. I think that
20 George's suggestion is ideal, and if we had ample
21 time to do the review and analysis we would ask
22 for outside reviewers to check in before we did
23 the approval process. Because we didn't have
24 ample time, we didn't do that. However, we do
25 have in our Regulations, in the ACM Approval

1 Manual, quite specific items where anybody can
2 protest our public domain software, or any other
3 third party software, and basically make a claim
4 to the Commission that it should be decertified
5 and the Commission has to have a due process for
6 reviewing that and making the determination of
7 whether or not software should be decertified.
8 So certainly that is always available to the
9 industry stakeholders. We'd rather do it
10 informally, and I think George's suggestion would
11 fall into that informal process. And, I mean, we
12 could do that. Because of the change in
13 implementation date, we can do that now. And we
14 have the time to -- you know, the Commission
15 doesn't have the resources to organize a Beta
16 test review for every single third party
17 software, but we could encourage the vendors to
18 do that as EnergySoft did in this case, and I
19 guess we'd have to talk a little bit more about
20 how to get people who don't want to pay for the
21 software to have the same ability to review it
22 before we approve it, so there's a lot of kind of
23 sticky points about process that we haven't
24 worked out because this isn't, again, a formal
25 requirement of ours. And that's kind of where

1 we're at.

2 COMMISSIONER MCALLISTER: Okay, I guess I
3 would just suggest now that we have a little bit
4 of time that that process of evaluation and
5 tweaking is in everybody's best interest, and
6 particularly the market's best interest.

7 MS. BROOK: Absolutely and --

8 COMMISSIONER MCALLISTER: EnergySoft, you
9 know, has an incentive to get it right, as well,
10 as does George, so I think it's a process --

11 MS. BROOK: And actually it's been very
12 very productive, our work with EnergySoft on
13 this, I mean, we've identified problems with his
14 software, he's identified problems with our API,
15 so it's been a very productive process and I
16 think, you know, a vote of confidence for the
17 vision that we have for people using our
18 underlying analysis.

19 COMMISSIONER MCALLISTER: Yeah, I think,
20 I mean, there are really two issues as I
21 understand, one is making sure that the
22 calculation kernel takes in the right information
23 and operates appropriately and puts out the right
24 results in accordance with the inputs, right?
25 And so that's sort of a mechanistic evaluation

1 that things are functioning properly. And so
2 that's a big chunk of what we're able and what's
3 necessary to do today, right? And then the other
4 is sort of any issues with the calculation
5 engine, itself, which is kind of a separate
6 issue; EnergySoft is not responsible for that
7 piece, right?

8 MS. BROOK: That's correct.

9 COMMISSIONER MCALLISTER: So I'm
10 comfortable with this.

11 CHAIRMAN WEISENMILLER: Yeah, well I'm
12 certainly again going to encourage parties as we
13 move forward on the software on all -- I won't
14 make this comment on every single one of these,
15 but again, encourage people to use it, find out
16 where some of the weaknesses are, communicate
17 your findings certainly to Martha, certainly to
18 the Executive Director, certainly to Andrew,
19 we're all prepared to listen on this. But again,
20 we have time to work through this stuff, but
21 let's not take advantage of the time to get it
22 right.

23 COMMISSIONER MCALLISTER: I'll just point
24 out, six months is still not that long, so we
25 still are on a tight timeline here, so I think

1 we're under no illusions that we're off the hook,
2 right? Because we're not. Great, well, thanks.
3 So I will -- this is Item 6, correct?

4 MS. BROOK: We have another comment here.

5 COMMISSIONER MCALLISTER: Oh, sorry.

6 Mike, come on up.

7 CHAIRMAN WEISENMILLER: No card, but come
8 forward.

9 MR. HODGSON: I apologize for no card,
10 but this is really a question through the Chair
11 to Martha about a statement you just made that
12 seems to be contradictory to our understanding.

13 CHAIRMAN WEISENMILLER: Good, let's
14 clarify it.

15 MR. HODGSON: One of the things the
16 building industry -- this is Mike Hodgson of
17 Consol representing California Building Industry
18 Association -- one of the things that we are
19 trying to move forward with as smoothly as
20 possible is the adoption of the 2013 Standards by
21 early adopters. So we have builders who are
22 currently starting new projects and it makes
23 absolutely no sense for them to build under the
24 2008 Standards when it's going to take them five
25 to seven months to get their models ready, and by

1 the implementation date, now they're building a
2 product different than what their models look
3 like. So we thought we had the approval -- and
4 I'm just looking for clarification -- for us to
5 do that and apply to a Building Department we
6 have to use 2013 software. And the statement
7 that was just made is this software can't be used
8 until July 1st. And I just wanted to make sure I
9 understood things, that we did have software
10 available to the industry to use to analyze and
11 to build to the 2013 Standards, and that one of
12 the softwares could also be EnergyPro.

13 MS. BROOK: That's right. I guess I
14 mischaracterized that. I mean, you can use it,
15 you don't need to use it.

16 MR. HODGSON: Thank you.

17 CHAIRMAN WEISENMILLER: Yeah, I was going
18 to say, in fact, I was going to double check if
19 our attorneys wanted to opine here.

20 MR. LEMEI: I think you got it right.

21 MR. HODGSON: Thank you for that
22 clarification.

23 CHAIRMAN WEISENMILLER: Sure. Go ahead.

24 MR. SPLITT: Again, a clarification I
25 didn't understand, then. Does that mean, then,

1 specifically just for subdivisions where there's
2 a multiple unit ongoing plan, not somebody who
3 just has one house that they want to --

4 CHAIRMAN WEISENMILLER: I was going to
5 ask Galen --

6 MR. SPLITT: The other question is
7 actually he wants to get started, but does that
8 actually mean he can submit to a Building
9 Department, say, in May under the 2013 Standards
10 and have them approve it? I haven't seen
11 anything that said that's allowed.

12 MS. BROOK: Eurlayne is coming up, thank
13 goodness.

14 MR. SPLITT: I'm not necessarily against
15 it, but --

16 CHAIRMAN WEISENMILLER: No, it's a very
17 good question, I would just make sure that we
18 have the correct answer. So certainly we're
19 surrounded by attorneys, some of whom we love,
20 but anyway, that we get their guidance here.

21 MS. GEISZLER: We've been working, the
22 Energy Commission has been working with the early
23 adopters. A couple of Business Meetings ago, Bob
24 Raymer came in and specifically asked about
25 builders that wanted to meet the 2013 Standards

1 early. There's no reason why a Builder cannot
2 continue to pursue down that path. But like
3 Martha said, they're not required to use the
4 software, but they can elect to use the software,
5 and there's also cooperation and coordination
6 going on with the utilities in their incentive
7 programs to work with those early adopting
8 builders, as well.

9 MR. SPLITT: But the question is, are the
10 Building Departments allowed to accept that
11 before July 1st?

12 MS. GEISZLER: Yes, they are. And the
13 Building Departments are each looking at that
14 individually. I've spoken to a few of them
15 directly and, in fact, they prefer because the
16 rest of the Building Code is going to continue to
17 go into effect January 1st. So for the
18 Mechanical, the Plumbing, the Electrical, the
19 plan sets that they'll be receiving will all be
20 with the new standards for the other 11 parts of
21 the Building Code. So, yes.

22 MR. SPLITT: Okay, well, I think maybe
23 there should be some official word that goes out
24 so everybody else is --

25 MS. GEISZLER: We're working on that.

1 MR. LEMEI: So I'd just like to speak up
2 that I think I understand the question, and I
3 think that Eurllyne's answer is right for the most
4 part, but there could be some nuances here, so
5 I'd like to, before giving a definitive answer to
6 the question, have an opportunity to work with
7 Mr. Splitt and make sure that we fully understand
8 the question and give a fully accurate answer.

9 COMMISSIONER MCALLISTER: Okay, I'll move
10 Item 6.

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRMAN WEISENMILLER: All those in
13 favor?

14 (Ayes.) Item 6 passes unanimously.

15 CHAIRMAN WEISENMILLER: Let's go on to
16 Item 7, which is 2013 Public Domain Residential
17 Compliance Software. And again, this is Martha
18 Brook.

19 MS. BROOK: Good afternoon again. Also
20 mentioned in Agenda Item 5 this morning, we are
21 seeking your approval of CBECC-Res Version 1D,
22 2013 Residential Standards Compliance Software
23 for Newly Constructed Homes, as well as
24 alterations and additions to existing homes.

25 As an amendment to this agenda item, we

1 are not seeking your approval for a delegation of
2 authority to the Executive Director for future
3 CBECC-Res approvals at this time.

4 CBECC-Res Version 1D includes all
5 previously approved features for newly
6 constructed homes, plus the ability to complete
7 the performance compliance approach for
8 alterations and additions to existing homes
9 consistent with the requirements of the 2013
10 Standards. This version of CBECC-Res also
11 corrects software bugs previously identified. If
12 you choose to approve this item, you will also be
13 approving the decertification of all previous
14 versions of CBECC-Res. And I'm here to answer
15 any questions that you have.

16 CHAIRMAN WEISENMILLER: Thank you.
17 Again, I think, Mr. Splitt, do you have a comment
18 on this?

19 MR. SPLITT: I ran out for a second. Oh,
20 well, the question I had had to do with giving
21 the Executive Director this option.

22 MS. BROOK: We're not asking that.

23 CHAIRMAN WEISENMILLER: We're not asking
24 for that.

25 MR. SPLITT: Okay, you're not going to do

1 that.

2 MS. BROOK: No.

3 MR. SPLITT: Okay, because that's a
4 problem. Would it be like at the next meeting or
5 -- I had some problems with it, so anyway we can
6 talk about it later if --

7 MS. BROOK: We should probably talk --
8 before you come and complain about what we ask
9 for, we should probably do that as soon as
10 possible.

11 MR. SPLITT: Okay, well, the main
12 question I had, though, is if the Executive
13 Director is going to refer the public domain, you
14 should do it for the other software, too. That
15 doesn't make any sense because, if the public
16 domain gets changed, they're going to have to
17 make their changes anyway, and you're going to
18 have to end up dealing with the thing twice.

19 MS. BROOK: Okay.

20 MR. SPLITT: And it also probably should
21 include changes to the registry and the
22 registers, that maybe that doesn't have to go
23 back through the Commission; but the problem I
24 had is the software, the public domain software,
25 has two sections, the Compliance section and a

1 section that sets the budget. So like the
2 Compliance Manager.

3 MS. BROOK: Uh-huh.

4 MR. SPLITT: So I don't think that
5 anything that can actually change the basic
6 budget, the goal, should be approved by the
7 Executive Director, and that should still have to
8 go to the Commission.

9 MS. BROOK: Okay.

10 CHAIRMAN WEISENMILLER: Okay, again, let
11 me encourage you to talk to staff. I mean, our
12 intent at some point is to keep this at the
13 Commissioner level, this (quote unquote) "model
14 issue and generalness" for this specific one, so
15 we make sure it's on track. Now, at some point,
16 this is going to become fairly routine, we hope,
17 and as I said, my analogy is you wake up and you
18 discover your iPhone app is updated, and at that
19 point, you know, we would like to see this more
20 delegated at that point. But, again, that is
21 sort of a very broad level. Commissioner
22 McAllister or legal has --

23 COMMISSIONER MCALLISTER: And just to
24 reinforce that point that the Chair was making, I
25 mean, we all know this is critical path bread and

1 butter stuff for the Energy Commission and, you
2 know, we want to establish a very clear record
3 that the oversight at the Commission level has
4 been here at each substantive step, and so that
5 is just good practice. And to the extent that it
6 becomes sort of operational and, as the Chair
7 said, routine, then certainly those sorts of
8 decisions in consultation with staff, the
9 Executive Director at a kind of operational
10 level, absolutely is appropriate. But we're not
11 quite there yet in that we don't know exactly
12 when we will be at the point where this is less
13 mission critical and more just ongoing
14 implementation. And so I think that is just by
15 way of context, I think, for this discussion.
16 It's certainly a discussion we're all engaged in,
17 just sort of keeping pulse on the process.

18 MS. BROOK: Uh-huh.

19 CHAIRMAN WEISENMILLER: So, George
20 Nesbitt.

21 MR. NESBITT: George Nesbitt. So I have
22 supported the idea of having a core calculation
23 engine since the beginning because I'm both a
24 Micropas and an EnergyPro user, and was well
25 aware that you got very different answers, which

1 is unacceptable. So I've absolutely supported
2 it, I've been able to review it since like late
3 May, early June, I've generally been impressed.
4 My largest complaint is it's slow, far too slow.
5 Monday, actually, we had a webinar and we
6 reviewed the existing plus alteration
7 implementation, and I think basically right now
8 we're sort of 90-95 percent there. We're
9 actually pretty darn close on the residential.
10 As a Micropas user, I experienced complete
11 ability to do what's allowable by Code. The
12 thing is, as an EnergyPro user, I have long been
13 constrained by lack of functionality and not
14 being able to do what the Code allows me to do.
15 So it's very important that ultimately -- and it
16 may not be by July 1st -- that the calculation
17 engine has full Code functionality. You know,
18 like I say, we're probably 95 percent there, it's
19 going to take some arguments and a while probably
20 to get some things, but overall, I mean, this was
21 a tremendous task to take on and, you know,
22 software development is no easy thing. And so
23 certainly the fact that we're behind where we
24 wanted to be is, I don't think, a reflection on
25 staff or the team. I think they're trying really

1 hard and, you know, I'm willing to support it any
2 way I can. I'm not a programmer, but I can
3 probably do some stuff, some of the data routine
4 stuff to help get it fully usable.

5 CHAIRMAN WEISENMILLER: Thank you.

6 Anyone else? A motion?

7 COMMISSIONER MCALLISTER: All right, I
8 will move Item 7.

9 MR. LEMEI: Commissioners? Can I just
10 clarify that you are moving the Proposed
11 Resolution?

12 CHAIRMAN WEISENMILLER: Yes. Thank you.

13 COMMISSIONER MCALLISTER: Okay, so moving
14 the Proposed Resolution as part of Item 7 or as
15 Item 7.

16 MR. LEMEI: In both 7 and 8 there's
17 written resolutions.

18 COMMISSIONER DOUGLAS: Second.

19 CHAIRMAN WEISENMILLER: Thank you. So I
20 have a second?

21 COMMISSIONER DOUGLAS: Yes, for the
22 Resolution.

23 CHAIRMAN WEISENMILLER: All those in
24 favor?

25 (Ayes.) The Resolution for Item 7 is

1 passed unanimously.

2 CHAIRMAN WEISENMILLER: Let's go on to
3 Item 8, which is 2013 Public Domain
4 Nonresidential Compliance Software. And once
5 more, Martha Brook.

6 MS. BROOK: For the last time today, and
7 also as previously mentioned in Agenda Item 5, we
8 are seeking your approval of CBBEC-Com Version 1D
9 as 2013 Nonresidential Standards Compliance
10 Software for Newly Constructed Buildings. Also
11 as an amendment to this agenda item, we are not
12 seeing your approval for a delegation of
13 authority to the Executive Director for future
14 CBBEC-Com approvals, for the reasons noted.

15 CBBEC-Com Version 1D includes all
16 previously approved features plus the ability to
17 complete the performance compliance approach for
18 newly constructed buildings with the following
19 features: parallel fan powered boxes, variable
20 speed cooling towers, heating and ventilation
21 systems with no cooling, daylighting controls,
22 and exterior building shading devices. This
23 version of CBBEC-Com also corrects software bugs
24 previously identified and includes a new function
25 to visualize the day lit spaces of building

1 designs, which should greatly facilitate day
2 lighting control specifications by CBECC-Com
3 users.

4 If you choose to approve this item, you
5 will also be approving the decertification of all
6 previous versions of CBEC-Com. And I'm here to
7 answer any questions that you have.

8 CHAIRMAN WEISENMILLER: Thank you. Once
9 more, I have some comments on this. First, let's
10 start out with Mike Gabel.

11 MR. GABEL: Mike Gabel, Gabel Associates.
12 Thanks. Just a brief comment. I know that the
13 Commission is going to approve this today and I
14 understand the reasons, but I think for the
15 future Code cycle, it's really important to think
16 about public domain software and private domain
17 software are meeting the same criteria for
18 capabilities and functions, which right now they
19 are two different sets of standards. There's the
20 Commission doesn't have to meet legally the
21 requirements of all of them at the time -- this
22 is being approved today, it doesn't meet all the
23 same requirements, so I'm thinking in the future,
24 to really study this issue and really consider a
25 way of sending the right message to the industry,

1 that the State's software and the public domain
2 software have to meet exactly the same criteria
3 to be approved. Thanks.

4 CHAIRMAN WEISENMILLER: Thank you. Pat
5 Splitt.

6 MR. SPLITT: Pat Splitt from App-Tech
7 again. Basically I just wanted to -- this
8 comment deals with both res and nonres, but in
9 particular nonres. And I'm concerned about
10 support for this software, I haven't heard
11 anything about it, especially the nonres where
12 it's built up of several different modules.

13 MS. BROOK: Uh-huh.

14 MR. SPLITT: If I'm a user and I have a
15 problem, I need one point of contact which I'm
16 proposing be a special Energy Commission hotline,
17 or somebody who is going to monitor -- take my
18 problem and figure out who to best address it,
19 and then make sure that it actually gets
20 addressed so that I don't end up with a problem
21 where, if I go to the Energy Commission, they
22 say, "Well, it's not our problem, it's someone
23 else's." You go to the vendor, he says, "It's
24 not my problem, it's this interface that converts
25 my stuff into the format the Energy Commission

1 needs." Go to somebody else and they say it's a
2 problem in Sketchup, Sketchup says, no, it isn't.
3 I'll never get an answer. And the only way of
4 solving this is, since you've created this
5 monster, somebody at the Energy Commission has to
6 be responsible to make sure that, when there's a
7 problem, somebody makes sure that it gets
8 addressed. And in particular, if it's a third-
9 party vendor where I'm sure the Commission staff
10 now is thinking, "Well, we'll be off the hook,
11 they'll have to support it," but if it's a third-
12 party vendor who only created an interface,
13 that's all he's going to support. And if I call
14 him up and say I have some sort of problem, you
15 know, it's not coming up with the right
16 calculation, and he says, "Well, we sent the data
17 correctly to the next guy down the line, it's not
18 our problem." And so this person at the Energy
19 Commission has to not only know their software,
20 they have to know all the softwares so they can
21 know how to figure out how to get the problem
22 fixed.

23 CHAIRMAN WEISENMILLER: Thank you. Let's
24 go on to George Nesbitt.

25 MR. NESBITT: George Nesbitt. I spent a

1 lot more time on low rise residential than
2 nonres, but it is relevant. The difference
3 between this and the low rise residential product
4 is you do not have to use this software, so
5 EnergyPro hopefully will come in and get re-
6 approval for their nonres product within the next
7 six months. So just in case this does not move
8 along enough, you know, we do have a backup plan.

9 What I really like, and I haven't
10 actually spent time playing with the software
11 yet, is the Sketchup input interface, so one of
12 the problems we have in this industry with energy
13 modeling is it's very easy to have a building
14 here and create an energy model that is not that
15 building. So I don't know if we wrote it
16 anywhere, but ideally the compliance
17 documentation would include some sort of picture
18 of the graphical model, some sort of plan output,
19 so that you can actually see that it is the right
20 building, although my understanding is currently
21 you can't alter it within the calculation engine,
22 but that doesn't mean you couldn't draw the wrong
23 building. And I'd also like the Sketchup for low
24 rise residential. That's -- I imagine it can't
25 be that hard to do, but that's been one of my

1 dreams as a graphical interface for my energy
2 modeling, rather than having to go and figure it
3 all out myself.

4 CHAIRMAN WEISENMILLER: Martha, do you
5 have any comments on either of the two question
6 points?

7 MS. BROOK: I guess I should comment on
8 the support for the public domain software. I
9 think this is a pretty big issue that the
10 Commission has to discuss, so I don't want to
11 provide an answer today, but you probably don't
12 remember, but back in September I did a
13 presentation and, you know, I kind of went
14 through the whole background and our vision for
15 our software, and one of the things I
16 deliberately said in that is that public domain
17 software is limited by the amount of publicly
18 available resources. And the support for the
19 software, like having somebody that answers phone
20 calls from users for the software, we have never
21 provided that support in the past historically,
22 and we don't have the resources to do that, and
23 that's one reason why we are trying to keep the
24 public domain software at low or no cost, because
25 we do not provide user support. We're providing

1 more user support today with Dee Anne Ross and
2 other staff than we ever have in the past, which
3 is great that we're doing that, but we do have
4 very significant limitations in that regard, and
5 I don't think we have mandated requirements to
6 provide ongoing unlimited user support for public
7 domain software. It's for better or for worse,
8 you know, you get what you pay for in terms of --
9 what people are paying for in terms of that
10 third-party software, they are paying in large
11 part for user support and guidance and help
12 through the process because the vendors that
13 provide compliance software end up being very
14 very good experts in implementing the Standards
15 through the performance compliance approach and
16 they give that counsel to their clients. And
17 that's worth a lot of money and that's built into
18 the charges for their software. We're not doing
19 the same thing, we're not charging for the
20 software, nor do we have the ability to provide
21 unlimited support for it. And so I think as an
22 agency we need to decide if we're still okay with
23 that --

24 CHAIRMAN WEISENMILLER: We should have
25 that follow-up conversation. I think the two

1 obvious points are that obviously California has
2 as a state a lot of capability in software. Now,
3 the bad news is that just about every major
4 software project the State has done, even simple
5 payroll systems, has been a total flop, so I'm
6 not quite sure that saying we will somehow
7 magically be able to deal with those questions,
8 so we do come back to resources confidence and
9 value. But it's certainly a good question.
10 We're certainly not going to resolve it today,
11 but it's certainly --

12 MR. SPLITT: I'd just like to suggest
13 that you're assuming that if the third-party
14 vendors are going to do this, you have to require
15 it.

16 MS. BROOK: Appreciate that.

17 COMMISSIONER MCALLISTER: To some extent,
18 you know, we have a large building industry in
19 this state, it's a big state, it's a big economy,
20 and that in and of itself provides some implicit
21 need for these services. And so, to the extent
22 that non-Commission resources are brought to bear
23 through that process, you know, to satisfy that
24 demand, I mean, I think we want to sort of
25 encourage that and know it's happening and --

1 MS. BROOK: And I think that's
2 historically what the Commission has done. In
3 terms of the whole laying out in Regulations how
4 we will approve third-party software, we really
5 are considering the marketplace to provide that
6 need. And the other thing is that the
7 performance compliance approach does not have a
8 requirement of being no cost. It's a choice,
9 it's a compliance choice that each building
10 project owner and client or agent are making, and
11 the cost of the software and the support of the
12 software is part of that choice.

13 COMMISSIONER MCALLISTER: You know, I
14 think, again, that if we think about this as a
15 program, that people actually have to participate
16 in and they have to choose a path, we have to
17 comply with Regulations, it has to do the right
18 thing, that response to policy and statute in
19 California, there are various paths to get us
20 there, we want to design that process such that
21 it is as accessible as possible while still
22 maintaining the technical rigor. And so we think
23 about it as a program and choose a path that's
24 simpler or more straightforward, lower
25 transaction costs, and then facilitate that path.

1 We don't have to be the bottleneck within that
2 path. And so obviously that's sort of a 30,000
3 foot characterization of this, but I think not
4 all paths are created equal and we want to be a
5 participant and a driver, likely, of kind of
6 having that develop in the marketplace. I mean,
7 clearly we're a key Actor here, but we're not
8 going to be doing everything, and so we want to
9 make sure that the other stakeholders in this
10 that are doing pieces of it are qualified and
11 doing the right job. But thanks, a lot. Any
12 other comments? I will move Item 8.

13 COMMISSIONER DOUGLAS: Second.

14 MR. LEMEI: Resolution.

15 COMMISSIONER MCALLISTER: Sorry.

16 CHAIRMAN WEISENMILLER: Okay, so we're
17 moving the Resolution.

18 COMMISSIONER MCALLISTER: Moving the
19 Resolution for Item 8.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in
22 favor of the Resolution for Item 8?

23 (Ayes.) The Resolution for Item 8 is
24 adopted.

25 MS. BROOK: Thank you.

1 COMMISSIONER MCALLISTER: Thanks, Martha.

2 CHAIRMAN WEISENMILLER: Practice, right?

3 Okay, so let's go on to Item 9, City of Lancaster
4 Energy Ordinance. Joe.

5 MR. LOYER: Commissioners. Joe Loyer.

6 The City of Lancaster will provide Standards and
7 Procedures with this Ordinance for builders of
8 newly constructed residential buildings to
9 install solar energy systems in an effort to
10 achieve energy savings and greater usage of
11 alternative energy with the goal for the city of
12 being the first Net Zero City in the State of
13 California.

14 The City of Lancaster submitted this
15 application to the Energy Commission for approval
16 to exceed the 2013 Building Energy Efficiency
17 Standards, however, due to the proposed change of
18 the implementation date of the 2013 Standards,
19 staff recommends that the application be approved
20 for both the 2008 Standards and the 2013
21 Standards.

22 The cost-effectiveness analysis that was
23 provided in the application by the City considers
24 only the 2013 Standards; however, given that the
25 2013 Standards are approximately 25 percent more

1 efficient than the 2008 Standards, it is staff's
2 opinion that any ordinance shown to be cost-
3 effective under 2013 Standards is definitively
4 cost-effective under the 2008 Standards.

5 Therefore, staff recommends the
6 application be approved for both the 2008 and
7 2013 Standards and that the Energy Commission
8 Resolution be signed. Also, we have a
9 representation from the City, Brian Ludicke,
10 Planning Director, City of Lancaster.

11 CHAIRMAN WEISENMILLER: Mr. Ludicke,
12 please step forward. We'd love to hear your
13 presentation. Thanks for coming today.

14 MR. LUDICKE: Thank you. We in the City
15 are excited about this. The City of Lancaster
16 has a very firm and strong commitment to
17 alternative energy development. As indicated in
18 the presentation, our Mayor, Mayor Parris, and
19 the members of the City Council are determined
20 that we will be the first Net Zero City in
21 California. At the present time, I did check
22 before I left, we have approximately 50 megawatts
23 worth of solar energy that is located within the
24 City limits, counting both behind the meter types
25 of projects and commercial-scale utility.

1 Based on expected development of
2 additional projects during the year 2014, we
3 believe that that will be at about 200 megawatts
4 by the start of 2015. We feel that this
5 component that is before you is an important part
6 of that overall mix. We certainly are supportive
7 of the staff's recommendation to you and we would
8 ask for your concurrence.

9 CHAIRMAN WEISENMILLER: Thank you very
10 much. Thanks for being here. Commissioners, any
11 questions or comments for this gentleman?

12 COMMISSIONER DOUGLAS: Just a brief
13 comment. I've had the opportunity to visit the
14 City of Lancaster and meet the Mayor and some of
15 the senior City staff, and I just want to say
16 that they are taking some very impressive
17 leadership in the area of clean energy, and I'm
18 pleased to see them arrive at this point where
19 we're considering approval of this item, and I'm
20 looking forward to continued leadership from the
21 City of Lancaster and continued partnership
22 moving forward. So thank you.

23 MR. LUDICKE: Thank you.

24 COMMISSIONER HOCHSCHILD: I'd just like
25 to add, if you could convey to the Mayor, I

1 really think that Lancaster has distinguished
2 itself by doing this, I think it's quite
3 uncommon, actually, for cities to come and go
4 above and beyond the already rigorous standards
5 that we're setting, and I think this is a really
6 a path breaking act, so I want to congratulate
7 you and the rest of your team at the City for
8 doing this.

9 MR. LUDICKE: Thank you. I will take the
10 message back.

11 COMMISSIONER MCALLISTER: I want to
12 reiterate both of those comments and reinforce,
13 you know, we do relatively routinely improve
14 above and beyond types of initiatives in the
15 Building Code by local jurisdictions. You know,
16 now that we're really getting up there in terms
17 of efficiency of new construction, it's a bigger
18 lift each round of Standards, and so you're to be
19 especially commended, I think, being first out of
20 the gate in this upcoming round. And you know,
21 we talked a little bit about the marketplace, and
22 sort of how it functions, well, the marketplace
23 can't really function if somebody is not out
24 there demonstrating what's possible. And that
25 provides a huge messaging benefit to California.

1 And so your leadership by example is really to be
2 commended on that front, and we hope others will
3 take notice and learn from you, and that you'll
4 be engaged with us going forward so that we can
5 deepen that kind of involvement and uptick. So,
6 thank you.

7 MR. LUDICKE: Thank you.

8 CHAIRMAN WEISENMILLER: Chief Counsel?

9 MR. LEVY: Yes, Chairman and
10 Commissioners, I apologize, but just to make this
11 easier for the Commission, just due to the nature
12 of some of the items, there are written
13 Resolutions for some of the items, but if we just
14 make a record now that when you move to approve
15 the item, if there is a written Resolution, that
16 means that you're moving to approve the written
17 Resolution. You don't need to say it, we'll just
18 understand it, and I've made a record of it.
19 Okay?

20 CHAIRMAN WEISENMILLER: Thank you.

21 COMMISSIONER MCALLISTER: Thank you for
22 bailing me out, I appreciate that.

23 MR. LEVY: We'll make sure in the future
24 that the agenda reflects that there's a written
25 resolution when there is one, it's not, and so

1 that's what the issue is.

2 CHAIRMAN WEISENMILLER: Okay, thanks.
3 Again, as Commissioner McAllister indicated,
4 other cities certainly will move forward, you're
5 the first city, and we're sure you're not the
6 last.

7 COMMISSIONER HOCHSCHILD: I would move
8 the item.

9 COMMISSIONER DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: All those in
11 favor?

12 (Ayes.) This Resolution also passes
13 unanimously.

14 CHAIRMAN WEISENMILLER: In terms of
15 order, let's go on to 10. And Item 10 is New
16 Solar Homes Partnership Guidebook. And Le-Quyen.

17 MS. NGUYEN: Hi, good afternoon Chairman
18 and Commissioners. My name is Le-Quyen Nguyen.
19 I am the Renewable Energy Division's Program Lead
20 for the New Solar Homes Partnership Program. I
21 have with me Christa Salo from our Legal Office.

22 We are seeking your approval of our
23 proposed revisions to the New Solar Homes
24 Partnership Guidebook. The New Solar Homes
25 Partnership Program, also known as NSHP, provides

1 financial incentives to encourage the
2 installation of eligible solar energy systems on
3 new residential construction located in specified
4 investor-owned utility territories.

5 The NSHP Program began in January 2007
6 with the goal of installing 360 megawatts of
7 solar by the end of the program in 2016. Since
8 the last major Guidebook revision in January
9 2012, staff has received many comments from
10 stakeholders to streamline the program.

11 A staff workshop was held on August 6th
12 of this year to consider revisions for public
13 comment. A subsequent Draft NSHP Guidebook was
14 posted for public comment on October 18th and it
15 was well-received. All stakeholder comments were
16 extensively reviewed and vetted.

17 Staff is proposing a significant number
18 of revisions and improvements to the NSHP
19 Guidebook. The purpose of these revisions is to
20 streamline the program, encourage program
21 participation, address stakeholder concerns, and
22 align the NSHP Guidebook with current market
23 conditions. The proposed revisions include
24 changes to the reservation and payment claim
25 requirements, processes and required forms, the

1 incorporation of relevant portions of the overall
2 program guidebook, the incorporation of the 2013
3 Building Energy Efficiency Standards, changes to
4 the Energy Efficiency Requirements and Processes,
5 the creation of a Code compliant incentive level,
6 as well as a modified incentive decline schedule
7 and process, a standardized reservation period
8 for virtual net metered projects, the creation of
9 a partial payment option for projects that are
10 also participating in their utilities' energy
11 efficiency new construction program, the
12 consolidation of some application project types
13 into a more flexible option for builders called
14 Large Developments, the implementation of a
15 reservation decrease schedule, the allocation of
16 reservation funding to the project itself, not to
17 the individual sites within the project, and
18 finally, a Guidebook Effective Date of January 1,
19 2014.

20 I respectfully request your approval of a
21 Resolution for the adoption of the proposed
22 revisions to the New Solar Homes Guidebook. At
23 this time, I would be happy to take any questions
24 or comments you may have.

25 CHAIRMAN WEISENMILLER: Thank you. Let's

1 take public comment and then we'll come back to
2 you to respond to those, or if we have other
3 questions for you. So let's start with Mike
4 Hodgson.

5 MR. HODGSON: Commissioners, Mike Hodgson
6 representing CVIA. There is a letter that is
7 already in the docket, so I will not read the
8 letter, but I want to highlight three basic
9 areas. We strongly approve the revisions to the
10 New Solar Homes Partnership. It's the addition
11 of the new Code Compliance Incentive Levels, the
12 new partial payment options, and the flexibility
13 being offered to those who want to go to 2013
14 Standards early, those are very important to us
15 and they're in the Guidelines, and we appreciate
16 those alterations or edits, and we support Agenda
17 Item 10.

18 CHAIRMAN WEISENMILLER: Thank you. Troy
19 Bevilacqua.

20 MR. BEVILACQUA: Good afternoon,
21 Commissioners. Thank you for the opportunity to
22 speak. My name is Troy Bevilacqua, I work for
23 the SunPower Corporation for the New Homes
24 Business Unit, and we are here today to strongly
25 support the adoption of the new Guidebook, which

1 we believe will help maintain the participation
2 and expand participation in a successful program.
3 Thank you.

4 CHAIRMAN WEISENMILLER: Thank you for
5 being here. Fred Stefeng from Lennar

6 MR. STEFENG: Thank you for having me.
7 Mr. Chairman and members of the Commission, my
8 name is Fred Stefeng and I'm the Vice President
9 of Customer Experience of SunStreet Energy Group,
10 which is a wholly owned subsidiary of Linnar
11 Corporation, one of the nation's leading home
12 builders.

13 SunStreet is a new subsidiary of Linnar
14 that owns and manages residential hosted solar
15 systems included in production homes Linnar
16 builds and sells today. I am pleased to be able
17 to offer these remarks regarding our views on the
18 New Solar Home Partnership and recent proposed
19 changes to the seventh version of its Guidebook.

20 First, a little background on Linnar.
21 Our commitment to solar is evident in the more
22 than 3,000 solar homes built since 2006, most of
23 which are right here in California. Importantly,
24 these solar homes offered throughout the
25 company's California footprint generally cater to

1 first time homebuyers and move-up buyers, not the
2 luxury segment. Linnar is intently focused on
3 affordability and affordability of solar.

4 Since the beginning of your program,
5 Linnar has learned firsthand the benefits of the
6 New Solar Home Partnership and the company has
7 come to appreciate and admire the hard work of
8 the program staff under the capable direction of
9 Le-Quyen Nguyen. One of the most important
10 lessons learned is that consumers must understand
11 the financial benefits of solar as much as they
12 do the environmental ones. In fact, our
13 experience suggests that solar resonates more
14 strongly as you move down the affordability
15 scale, given that the monthly savings are that
16 much more meaningful.

17 This bottom line approach inspired the
18 creation of SunStreet and its unique PPA; the
19 system installed at no additional cost on every
20 SunStreet home provides each unit of solar energy
21 back to the home owner at a guaranteed 20 percent
22 discount to retail electricity rates for the next
23 20 years. We call it our Solar 2020 plan. And
24 it would not be possible today without the New
25 Solar Home Partnership.

1 To date, Linnar is rolling out this
2 program in more than 80 communities in
3 California. Together, Linnar and Sunstreet make
4 it affordable to the average home buyer. Our 20
5 percent discount guarantee in turn makes home
6 ownership more affordable to the middle class
7 Californians.

8 We have received numerous inquiries from
9 areas around the country wanting Linnar to expand
10 the program there. Clearly, the work that we are
11 pursuing here in California is setting the tone
12 for the rest of the nation. In a testament to
13 the leadership of Governor Brown, the
14 Legislature, the Public Utilities Commission, and
15 this Energy Commission, who have enabled the
16 creation of a compelling consumer focused program
17 which guarantees discounts across all price
18 points.

19 We have made several comments to this
20 version of the Guidebook and thank the staff for
21 accommodating many of our requested changes,
22 including the final subdivision map change, the
23 build-out schedules, and then the pooling of
24 money within communities.

25 Separately, our trade association, the

1 CBIA, which has already spoke today, has made
2 additional comments on behalf of the industry,
3 which include but are not necessarily limited to
4 the limitation of recapture requirements. I will
5 not address these remarks in the balance of the
6 comments, other than to reiterate Linnar's full
7 support of these proposed changes. These changes
8 are integral in establishing a stable set of
9 rules under which production businesses like
10 Linnar can implement its long-term programs
11 without the fear of the rules changing half-way
12 through and reducing the administrative burden
13 and cost implementing the program.

14 Ultimately, we believe these changes, if
15 adopted, will provide a path to sustainable cost
16 reductions as the NSHP sunsets. As with any
17 constructive partnership, we feel obliged to
18 continue to make suggestions to improve this
19 important program. Specifically, we ask the NSHP
20 to release existing solar reservations regardless
21 of communities under which they were originally
22 reserved to the earliest possible construction
23 dates which meet the program requirements. This
24 portability of rebate at any community within the
25 state should materially advance the original

1 objectives of the program. Clearly, solar now is
2 more valuable to Californians than solar later.

3 While we have discussed with staff the
4 potential abuse here, we are sympathetic to the
5 concern, but we also feel the benefits of
6 accelerated adoption may outweigh the potential
7 risks. Therefore, we look forward to working
8 with the Commission and the staff to find ways to
9 redeploy existing reservations towards projects
10 with more immediate timelines.

11 In closing, Linnar would like to
12 reiterate its thanks to Governor Brown, the
13 Legislature, the California Public Utilities
14 Commission, and the Energy Commission and its
15 staff for their steadfast support of the NHSP and
16 the leadership underlining its current
17 authorizations. Together, we're doing great
18 things for California homeowners and at the same
19 time showing the nation how solar can be
20 affordable and environmentally helpful. Thank
21 you very much for hearing us.

22 CHAIRMAN WEISENMILLER: Thanks for being
23 here today. Manuel Alvarez, Edison.

24 MR. ALVAREZ: Good afternoon,
25 Commissioners. Manuel Alvarez, Southern

1 California Edison. We filed a letter on Monday,
2 I believe, and actually we'd like to support the
3 adoption of the report today. But I wanted to
4 raise two issues that we presented to you.

5 The first issue deals with the grace
6 period. The proposal is to have 60 days grace
7 period, I guess we're asking for that to be
8 eliminated given the nature of a New Homes Solar
9 Program. It deals with the occupancy when
10 occupancy is taken on a particular piece of
11 property in terms of it being complete. If you
12 give a grace period of 60 days, you're basically
13 moving from a new home to an existing home, and
14 perhaps at that point the existing home should
15 participate in the other solar programs,
16 California's Solar Initiative Program, instead of
17 the New Homes Solar Program. So that's an issue
18 we'd like you to consider.

19 The other issue is the Code Compliant
20 Incentive. We're suggesting that the incentive
21 be increased for those who go above Tier 1 and
22 Tier 2 from the \$.25 that you have currently, to
23 an additional \$.25, so make it \$1.50 in total.
24 And those are the two items we're asking you to
25 consider. So with that, that's it.

1 CHAIRMAN WEISENMILLER: Thank you. We
2 have at least one party on the phone. Steve
3 Zeretti of Solar Industries Association.

4 MR. ZERETTI: Yes, thank you. Can you
5 hear me?

6 CHAIRMAN WEISENMILLER: Yes.

7 MR. ZERETTI: Great. Good afternoon.
8 Steve Zeretti with the Solar Energy Industries
9 Association, which is a national group for the
10 United States Solar Industry. I just wanted to
11 first say that our industry does deeply
12 appreciate Commissioner McAllister's leadership
13 on what we feel are really the most fundamental
14 revisions to this program since the program
15 began. To the industry, that signals a clear
16 commitment to achieving the program's megawatt
17 goals that were set by the Legislature, so we do
18 thank you and your staff for this hard work.

19 Now, as you're aware, the cost for solar
20 panels has declined drastically over the past
21 years, and with that decline much of the
22 industry's focus is now turned to other
23 improvements to decrease install costs, including
24 reducing the industry's soft costs such as
25 permitting and regulatory requirements where this

1 may be feasible.

2 So at this point, we feel that the added
3 flexibility for builders and streamline
4 requirements provided as part of the Codes
5 revisions will greatly alleviate the soft costs
6 of this program and really ensure that ratepayers
7 are able to more fully maximize incentive
8 payments.

9 So SEIA and its member companies look
10 forward to working closely with the Commission
11 and staff as these revisions are implemented and
12 we would certainly welcome the opportunity for
13 further revisions and program tweaks to make sure
14 that the program goals are met and the new
15 housing solar market is transformed. So thank
16 you again for this.

17 Also, if I could, I've been asked by
18 SolarCity to read some prepared remarks for the
19 record. They apologize for not being able to
20 stay for this portion of the meeting, but they
21 want to get their thoughts on the record.

22 CHAIRMAN WEISENMILLER: That would be
23 good. I noticed they were on and then had
24 dropped off, but if you could provide their
25 comments, that would be good.

1 MR. ZERETTI: Yeah. I'll just read their
2 prepared remarks briefly:

3 "Solar City strongly supports the
4 proposed revisions to the New Solar Homes
5 Partnership Guidebook and sincerely thanks
6 Commissioner McAllister for his leadership in
7 recognizing the need to fundamentally reform
8 and streamline the program in order to meet
9 the 400 megawatt statutory goal of the
10 program by 2016. We believe that, in
11 totality, the revisions, many of which were
12 joint recommendations by the Solar and
13 Building industries, reflect the realities of
14 how homes are built and the long lead times
15 and uncertainty associated with the
16 construction cycle, housing market, and
17 consumer demand. Given the number of
18 significant revisions, smooth implementation
19 by staff and program administrators, and
20 outreach to builders and the solar industry
21 will be critical. As such, SolarCity asks
22 for close and continued dialogue with both
23 industries, whether in an informal
24 stakeholder group, or otherwise. Meeting
25 about 85 percent of the program goal in three

1 years will be daunting, so it is imperative
2 that all stakeholders work collaboratively,
3 and be forced to sit in the same room to
4 ensure that we keep our eye on the prize. We
5 also look forward to working with the
6 Commission on outstanding issues such as HERS
7 verification, which we understand falls under
8 the purview of another regulatory
9 proceeding.”

10 Thanks for the opportunity to speak.

11 CHAIRMAN WEISENMILLER: Thank you.

12 Staff, do you have any responses to comments or
13 questions that were raised? Or, actually, so
14 George?

15 MR. NESBITT: Yeah, I had a card, I
16 thought I marked it. George Nesbitt, HERS Rater.

17 CHAIRMAN WEISENMILLER: Yeah, sorry.

18 MR. NESBITT: I urge you to strike
19 several items from the new Guidebook. I've been
20 a supporter of NSHP from the beginning and
21 promoted it, even though CSI had larger rebates
22 and you didn't have to hire and pay for a HERS
23 Rater. I worked on many projects initially that
24 the HERS Rater was never called out until
25 construction was completed, yet, you know, I

1 always got the job done. I've commented
2 extensively at workshops and on previous
3 Guidebook revisions, it took I think two years
4 and three Guidebooks to get clarity that a HERS
5 Rater is needed during rough construction as part
6 of the program.

7 There are definitely positive changes in
8 this Guidebook, but there are two that I think
9 really are very difficult to stomach. The one
10 that is most difficult is waiving plan check for
11 the new CABEC CEA designation. For one, it's not
12 offered. Of course, we just delayed the 2013
13 Code and parts of this Guidebook, of course, are
14 based on the 2013 Code. But what waiving plan
15 check will do is it opens up the program to fraud
16 and incompetence and, yes, even by people who
17 will be certified as CEAs that are currently
18 CEPs, CEAs that have been doing this for decades.
19 And I've watched it happen before my eyes. I
20 have lost work from solar installers because I
21 have enforced your shading rules, and it cost
22 them rebates, so I no longer get referrals.
23 Waiving the plan check strikes at the credibility
24 of a program. If we're giving away public money,
25 we need to know, and the only way we know,

1 considering the lack of enforcement by local
2 jurisdictions, is through utility rebate program
3 plan checks -- not perfect, but a hell of a major
4 step up.

5 The other issue is different rebate
6 incentives for nonprofit versus for profit
7 developers. Every affordable housing project I'm
8 aware of is a partnership, and often the
9 nonprofit side, it's the small part, the only way
10 they build it is by partnering with people that
11 are for profit, that have tax liabilities, and
12 that can write off all the tax credits. They
13 have no incentive, for profit or not, to install
14 solar systems on residents' apartments if they
15 don't get any financial gain for it. They have
16 no incentive. So to give them less money just
17 doesn't make sense. Enough said.

18 CHAIRMAN WEISENMILLER: Staff, any
19 comments on the comments we've gotten.

20 MS. NGUYEN: Yes. So there were I
21 believe four issues that were brought up, the
22 first one was from Edison, they asked that we
23 remove our 180-day allowance and change that to
24 zero. In the Guidebook, we had proposed changing
25 that 180-day flexibility to 60 days, so allowing

1 a solar permit to be issued as long as it has 60
2 days after the Certificate of Occupancy, and
3 staff had moved forward with the 60 days instead
4 of going forward to zero and talking to
5 stakeholders, they were legitimate concerns that,
6 you know, there are situations where it's the
7 intent to pull the solar permit prior to your
8 Certificate of Occupancy; however, due to
9 permitting delays that may be out of the
10 applicant's control, that permit may be issued
11 after that Certificate of Occupancy. And in
12 those cases, they would not be eligible for the
13 program. In addition, there's also instances
14 where a builder may have decided not to go solar,
15 and then, seeing the success in maybe another
16 community, changed their mind at the last minute,
17 and again it takes some time to pull a solar
18 permit. So having that 60 days in there does
19 allow some flexibility to increase solar and
20 transform the market. In addition, it's very
21 likely that, if you're pulling a solar permit,
22 you know, very late, you're not going to risk
23 pulling that permit after your Certificate of
24 Occupancy, knowing that it may not happen within
25 the allotted timeframe, and so most people will

1 try and pull that permit prior to their
2 Certificate of Occupancy.

3 The second issue that Edison brought up
4 was increasing the Tier 1 from \$1.25 to \$1.50 a
5 watt, they felt that the \$.25 differential
6 between the Code compliant incentive and the Tier
7 1 incentive was not enough. And so when we were
8 looking at this, we did work with stakeholders to
9 look at the amounts that we should provide to
10 each incentive level, and what we have done is,
11 for the Code compliant and the Tier 1, there is a
12 25-cent differential, but then, for the Tier 2 to
13 encourage people to go to that higher level of
14 energy efficiency, for the 2013 standards, we did
15 offer a higher incentive. So instead of the
16 normal \$1.50, which would be a 50-cent
17 differential, to begin the program or this Code
18 compliant incentive, we changed that to \$.75,
19 which is actually \$1.75 versus \$1.00.

20 The next comment was from George Nesbitt
21 regarding the plan check requirement being
22 removed. That was also something that we
23 discussed extensively with stakeholders. In
24 terms of the plan check being removed, that's
25 only for 2013 Standards projects that have an

1 energy consultant who meets a certain
2 certification. As George mentioned, that
3 certification won't be available for some time
4 until probably late next year, and so until that
5 time we're going to continue to do 100 percent
6 plan checks. Now, when it does come time where
7 those 2013 Energy Consultants are available, the
8 Energy Commission has still reserved the right to
9 request a plan check for any project at any time.
10 In addition, we have still kept in our Energy
11 Efficiency Field Verification, so the HERS Rater
12 will go out there during payment -- or prior to
13 payment -- to make sure that whatever energy
14 efficiency measures we were told would be
15 installed were actually installed on that home.

16 The next issue that George Nesbitt
17 brought up was the nonprofits versus for profit
18 companies, so basically the tax exempt versus
19 non-tax exempt companies. If a company is tax
20 exempt, then they qualify for a higher affordable
21 housing incentive, and if a company is non-tax
22 exempt, meaning they pay taxes, then they're
23 eligible only for our market-rate housing
24 incentive. And we felt that if you are a company
25 that pays taxes, you have the option to take

1 advantage of the Federal Tax Credits and
2 appreciation, whereas companies that do not pay
3 taxes do not have that option to get those other
4 benefits. And so we thought, to make it more
5 equitable and provide additional support for
6 those companies that cannot take advantage of
7 depreciation and Federal Tax Credits, we would
8 still keep them with higher affordable housing
9 incentives.

10 CHAIRMAN WEISENMILLER: Thank you.

11 COMMISSIONER MCALLISTER: So thanks for
12 that presentation. I want to commend Le-Quyen
13 and the team for their tremendously hard work
14 over a lot of months to work with my office and
15 stakeholders to update the Guidebook. And I'm
16 very happy with where it's at. I feel just from
17 a perspective of making the changes that are
18 necessary to decreased transaction costs, to help
19 people participate, but frankly without relaxing
20 the rigor or the end result in any way, I
21 believe, we've really kind of got our cake and
22 now we're in a position where we're going to
23 hopefully eat it.

24 So those opportunities in this
25 environment are fairly rare, and I think this was

1 a clear place where acknowledging the fact that
2 the housing market has changed from when this
3 program originated back in the mid-2000's, and
4 updating it to meet the demands of the current
5 marketplace -- when this program was first, you
6 know, when SB1 and the CSI nexus sort of first
7 came into being, we were in a very different
8 place in the housing market, and there was a
9 feeling that imposing lots of sort of somewhat
10 external, or additional requirements onto the new
11 construction industry with respect to the process
12 for applying to this program, and really linking
13 it very tightly with energy efficiency, I mean, I
14 think there were decisions along the way that --
15 I'm not calling them bad decisions, but I think
16 it burdened the program with a lot of
17 requirements that, at the end of the day I think
18 we've seen in hindsight limited participation and
19 increased transaction costs, and we are trying to
20 fix that now with this Guidebook Update. In no
21 way minimizing the fact that those items are good
22 things to do, but really just recognizing that
23 there are other forums in which many of them need
24 to be treated. And so I feel like if you do the
25 numbers, we in order to meet the goals, the

1 megawatt goals of this program, we need to get
2 solar onto a high percentage of upcoming new
3 construction, residential construction in the
4 state. And in order to meet that need, in order
5 to get very high participation rates, we needed
6 to think outside the box, and I think we've done
7 that. We've added a compliance-only tier, it's
8 not exactly compliance only, it's compliance with
9 energy efficiency only, not counting the solar in
10 the compliance path, but it is a more entry-level
11 participation that is going to be a lot more
12 doable, and that enabled us to then streamline in
13 other ways. So I feel that hopefully we're going
14 to see the kinds of participation that we believe
15 is going to happen.

16 So, anyway, rather than go on, I want to
17 commend the staff. I'm really excited to see the
18 new iteration of the program, I'm really excited
19 to keep working on any details that come up that
20 need further consideration, I'm sure -- I know
21 there are some, but you know, the guiding
22 principle in this program really needs to be
23 let's do what it takes to make it work, let's do
24 what it takes to get people to participate, to
25 get solar on new construction, and achieve the

1 market transformation that we're all looking for.
2 And that's been the intent all along, and I think
3 now operationally we're much more likely to make
4 that happen in the timeframe we must. So, again,
5 thanks to staff and certainly looking forward to
6 continuing to hold hands with the stakeholders
7 and work with staff to make it happen.

8 COMMISSIONER HOCHSCHILD: I just wanted
9 to add my thanks actually to Commissioner
10 McAllister for pioneering this. I think this is
11 exactly the kind of fresh look -- we have a
12 tendency as people to kind of do the same thing,
13 you know, because we're comfortable doing what we
14 were doing before, and I just feel like this is
15 actually a very important milestone in the
16 program. And Commissioner McAllister and I first
17 met in 2007 when we served on the New Solar Homes
18 Advisory Committee under Chair Pfannenstiel, and
19 it's just important to look back for a minute
20 where we were at that time. There was literally
21 zero percent adoption of solar in new home
22 construction, it wasn't happening at all. And
23 today we have very large players, some of them in
24 the room today, Linnar and others, who are
25 adopting this.

1 With that said, we are still far behind
2 where we need to be and we're I think going to be
3 lucky to get to 15 percent of new homes built
4 with solar, the goal was to get to 50 percent a
5 year from now, so we have a long way to go, and
6 Le-Quyen, I want to thank you in particular, you
7 gave me a briefing on this a few days ago, and I
8 just feel like this is going to be a much more
9 friction-free process and I'm very impressed with
10 your team's work, and I've seen you and the rest
11 of your team listen to a number of stakeholders
12 and digest those comments and put together this
13 packet, so thank you. And thanks to you,
14 Commissioner McAllister.

15 COMMISSIONER DOUGLAS: I'll just briefly
16 say, as well, this isn't new either, but I want
17 to join Commissioner Hochschild in thanking
18 Commissioner McAllister for his leadership on
19 these Guidebook provisions and thanking staff. I
20 think that this was needed and this is going to
21 help us working with the industry, working with
22 the solar and the building industry and other
23 stakeholders to meet our goals for solar, help
24 move the market forward by reducing transaction
25 costs, by maintaining rigor, but making the

1 program work more effectively; I think that we're
2 going to see results for a longtime to come, so
3 this is -- I definitely strongly support this.

4 COMMISSIONER MCALLISTER: One brief
5 point. So the other thing I want to say, I
6 think, it's sort of a meta message, it's not
7 specific to this program and the changes in this
8 particular Guidebook, but I do think the Energy
9 Commission historically has had a certain sort of
10 Code, you know, Title 20, Title 24, citing a few
11 core responsibilities that we're all familiar
12 with. As things become in many ways more
13 complex, or at least more vertical where there's
14 a small scale, there's everything from the
15 largest power plants down to the individual new
16 home, you know, 1 kilowatt solar system, and when
17 we're talking about Smart Grid, we're talking
18 about a lot of demands on the electric system
19 that all the agencies are engaged on, I think, at
20 a granularity that is unprecedented.

21 And the needs of policy and particularly
22 implementation of policy are changing, and I'm
23 excited about this area as an example of kind of
24 the competence in interactions with the
25 marketplace and kind of running programs that

1 work, and that people feel they get a proper
2 treatment, and it enables us to turn around, be
3 more flexible, and sort of more quick on our
4 feet. And so I think, no pressure to the team
5 here, but I do think that, as we're being asked
6 to do more things, that are increasingly market
7 oriented, we need to keep in mind at the
8 Commission that our stakeholders are out there
9 and have a lot of valid things to say, and that
10 listening and being flexible in the right way is
11 something that is also good for policy
12 implementation, and good for the state,
13 basically. So I think this is one example of
14 sort of a program administration role that's
15 relatively new for the Commission, that is I
16 think something we really need to show our
17 competence in and ensure that we're confronting
18 these new issues with the right capabilities.
19 And I think, in this case, we absolutely are.
20 With that, I'll move Item 10.

21 COMMISSIONER SCOTT: Oh, I was just going
22 to pile on the thanks to you for the great job
23 that you did and to Le-Quyen for the excellent
24 briefing a couple days ago, as well.

25 CHAIRMAN WEISENMILLER: Ditto.

1 COMMISSIONER SCOTT: I'll second.

2 CHAIRMAN WEISENMILLER: Okay, so we have
3 a motion and it's been seconded. All in favor?

4 (Ayes.) This item passes unanimously.

5 CHAIRMAN WEISENMILLER: Okay, let's go on
6 to Item 11, TREXA Corporation. Michelle Tessier.
7 This is going to be ARFVTP Funding and this is a
8 \$2,447,653 grant.

9 MS. TESSIER: Good afternoon,
10 Commissioners. My name is Michelle Tessier and I
11 work in the Emerging Fuels and Technologies
12 Office.

13 COMMISSIONER MCALLISTER: Could you put
14 the microphone just a little bit closer? Great.

15 MS. TESSIER: Today's staff is seeking
16 approval of a Grant Agreement with TREXA
17 Corporation for \$2,447,653 in Alternative and
18 Renewable Fuel and Vehicle Technology Program
19 funds. TREXA will provide the same dollar amount
20 in match funds for this project.

21 TREXA Corporation, a California-based
22 manufacturing company will build-out and validate
23 a pilot production assembly line to manufacture a
24 cost competitive All-Electric Vehicle Platform
25 which will be integrated into a variety of non-

1 road and fleet applications. This project will
2 enable specialty vehicle developers to design and
3 build custom vehicles for their fleets,
4 specifically using the TREXA Electric Drive
5 Platform.

6 The goal of this project is to develop a
7 sustainable zero carbon transportation platform
8 available for multiple uses in order to expand
9 the number of electrical vehicles available for
10 fleets, public agencies, businesses, and
11 citizens, and accelerate the adoption of electric
12 vehicles in California.

13 It is anticipated that TREXA will have
14 the capacity to produce their Electric Vehicle
15 Platform in quantities of 100 units per month
16 starting in mid-2014. They're located in San
17 Pedro, California, at the Port of Los Angeles.
18 This project will be part of PortTech Los
19 Angeles, which is a business incubator focused on
20 clean technology at the Port in Southern
21 California.

22 The project is expected to immediately
23 and directly support 26 jobs; in addition, it
24 will create 50 indirect jobs during the project,
25 and over 100 new jobs once the facility is fully

1 staffed and operational.

2 In closing, staff asks the Commission to
3 support the approval of Agenda Item 11 for a
4 grant agreement with TREXA Corporation in the
5 amount of \$2,447,653. I am available to answer
6 any questions you may have, and also, Seth
7 Seaberg, CEO of TREXA, is on the phone to answer
8 any questions you may have.

9 CHAIRMAN WEISENMILLER: Mr. Seaberg,
10 thanks for being on the phone. I don't know if
11 you want to say anything at this stage, or just
12 wait for questions.

13 MR. SEABERG: I'm happy to just say right
14 off the bat that we are very grateful for this
15 award and the opportunity to work with the Energy
16 Commission and be a part of California's effort
17 to create jobs and bring new Electric Vehicle
18 Tech to the global market. You know, in
19 California we're clearly the leader in the
20 technology R&D, and the way we see it going, that
21 we're moving into an era that's going to make our
22 state the leader in sustainable manufacturing, as
23 well. So I'm happy to answer any questions about
24 our business and the opportunity here.

25 CHAIRMAN WEISENMILLER: Thank you.

1 Commissioners, any questions or comments?

2 COMMISSIONER SCOTT: I will move Item --

3 COMMISSIONER HOCHSCHILD: I'm sorry, just
4 -- where will the manufacturing line be?

5 MR. SEABERG: Well, this is an amazing
6 story, there is an incredible transformation
7 taking place at the Port of Los Angeles in the
8 San Pedro area, and what's happening is an effort
9 to modernize these amazing turn of the century
10 facilities and attract sustainable businesses and
11 manufacturing companies, and our facility is
12 located in an incredible building at the original
13 Port of Los Angeles in City Dock number 1. And
14 we're basically going to be the tip of the spear
15 as far as productivity and job creation goes over
16 the next couple years. I was just down at the
17 site yesterday for a planning meeting with our
18 contractors and the building is like something
19 out of a movie set, huge space, steel trusses, a
20 railroad outside the doors on the loading dock,
21 it's very exciting. And there's going to be a
22 big marine research and development center being
23 put in there over the next five years, funded
24 initially by the Annenberg Foundation, so there's
25 a lot going on down there.

1 COMMISSIONER HOCHSCHILD: Great. Thank
2 you.

3 COMMISSIONER DOUGLAS: Okay, well, I'll
4 move approval of Item 11.

5 COMMISSIONER SCOTT: Second.

6 CHAIRMAN WEISENMILLER: All those in
7 favor?

8 (Ayes.) This item also passes
9 unanimously.

10 CHAIRMAN WEISENMILLER: Let's go on to
11 12, California Employment Development Department.
12 And this is an Amendment to Interagency Agreement
13 600-08-008, Augment Funds by \$950,000, and this
14 is also ARFVTP funding. Dave Nichols, please.

15 MR. NICHOLS: Good afternoon,
16 Commissioners. My name is David Nichols and I'm
17 with Fuels and Transportation Department,
18 Workforce Development. We're here today as staff
19 seeking your approval to augment \$950,000 in
20 funding in the second amendment to our agreement.

21 We are going to be revising the scope of
22 work to include a Career Ladders Program, which
23 is a pilot project to promote career interest in
24 Alternative Fuels and Vehicle Technologies.

25 In addition, we will be funding some

1 additional work with the RICO program, the
2 Regional Industry Clusters of Opportunity, and
3 Labor Market Information Division. Included in
4 those funds will also be, after the Career
5 Ladders Program project, will be an
6 implementation of that program. This is coming
7 into the closing time of our contract over the
8 next two years with them that was started in
9 2009, and this is a program that we feel very
10 excited about, especially the Career Ladders
11 Project, to help pre-college students get
12 involved in the Alternative Fuels Program.

13 And staff is seeking your approval for
14 this. I am available to answer any questions.

15 COMMISSIONER DOUGLAS: Thank you.

16 Questions or comments?

17 COMMISSIONER SCOTT: I do have a comment.

18 I think that this is very exciting, that we have
19 the opportunity to have students and workers
20 today, kind of have the opportunity to be trained
21 in the technologies that are going to help us
22 transform the transportation sector. Maybe some
23 of the folks who have the potential to get
24 trained in either the Career Ladders Pilot
25 Project, or in some of the workforce training,

1 might get to work at something exciting like the
2 project that we just approved on Item 11, and so
3 it's kind of neat to see these two items
4 together.

5 COMMISSIONER DOUGLAS: Thank you. Is
6 there any public comment? All right, do we have
7 a motion?

8 COMMISSIONER SCOTT: I'll move this item.

9 COMMISSIONER HOCHSCHILD: Second.

10 COMMISSIONER DOUGLAS: All in favor?

11 (Ayes.) The item passes four to zero. I
12 suspect when the Chair returns in a moment, we'll
13 see if he'd like to add on.

14 COMMISSIONER DOUGLAS: Let's go on to
15 Item 13.

16 MR. ALDAS: Good afternoon,
17 Commissioners. My name is Rizaldo Aldas, I'm
18 with the Energy Research and Development Division
19 and I am here to seek your approval for the
20 amendment to the agreement with the Sacramento
21 Municipal Utilities District for the
22 implementation of Phase 2 of the project, which
23 this one involves solar energy.

24 The project with SMUD is funded by the
25 DOE's American Recovery and Investment Act of

1 2009, and the PIER Program is providing funding
2 as a support of ARRA and to leverage that fund
3 into California.

4 The goal of this project is to
5 demonstrate and deploy renewable energy
6 technologies with a target capacity of about 5.2
7 megawatts coming from four different facilities,
8 one in solar energy, the other is co-digestion of
9 fats, solids and grease, and liquid food waste,
10 and then dairy waste from anaerobic digesters.

11 The Phase 1 of the project involved the
12 task or sub-projects that are CEQA-exempt, so
13 when we presented this project for Business
14 Meeting approval in May of 2012, it was expected
15 that it will be coming back for another Business
16 Meeting to seek your approval once that CEQA had
17 been completed. And in May of this year, 2013,
18 the City of Sacramento approved the project along
19 with the adopted and mitigated Negative
20 Declaration that was adopted earlier and filed
21 during this determination.

22 The staff recently got those documents,
23 we reviewed along with our legal staff, and we
24 concurred we found them adequate, and so with
25 that, the solar energy component is ready to move

1 forward with your approval.

2 The solar energy project will be located
3 in the Southwest Landing Parking 28th Street
4 Landfill, with a capacity of 1.4 megawatt and to
5 be developed and operated by the company Conergy
6 under a lease agreement with the City of
7 Sacramento. I am ready to answer any questions
8 you may have.

9 CHAIRMAN WEISENMILLER: Thank you.
10 First, for the record, would you add my vote as a
11 yes on Item 12? Thank you. Okay, Commissioners,
12 any questions or comments? Is there anyone from
13 SMUD on the line, I guess, is the other question.

14 COMMISSIONER HOCHSCHILD: I was just
15 wondering what the cost is. It says it's
16 exceeded \$5 million? It doesn't say what our
17 contribution is.

18 MR. ALDAS: The funding from the
19 Department of Energy for the overall project,
20 from all those facilities, is \$5.05 million and
21 the PIER funding is providing \$500,000. That was
22 approved in 2012, so in this amendment we are not
23 going to ask any new funding or any changes in
24 the terms.

25 COMMISSIONER HOCHSCHILD: Got it, okay.

1 Thank you.

2 CHAIRMAN WEISENMILLER: Anyone from SMUD
3 on line or here? Commissioners, any other
4 questions or comments?

5 COMMISSIONER HOCHSCHILD: I would move
6 the item.

7 COMMISSIONER MCALLISTER: I'll second.

8 CHAIRMAN WEISENMILLER: Okay. The item
9 has been moved and seconded. What is your vote?

10 (Ayes.) This item also passes
11 unanimously.

12 CHAIRMAN WEISENMILLER: Let's go on to
13 14. Alternative Energy Systems Consulting, Inc.
14 And this is Contract 500-13003 and this is
15 \$450,000, and this is RRTF funding, and James
16 Folkman, please.

17 MR. FOLKMAN: Thank you very much. Good
18 afternoon, Chair Weisenmiller and Commissioners.
19 My name is Jim Folkman of the Renewable Energy
20 Division. Energy Commission staff is seeking
21 possible approval of a contract with Alternative
22 Energy Systems Consulting, known as AESC, for
23 \$450,000, to provide technical assistance for
24 Senate Bill 1, Eligible Solar Equipment Lists.
25 Senate Bill 1, also known as SB1, requires the

1 California Energy Commission to establish and
2 maintain eligible criteria and conditions for
3 incentives in rating standards to qualify for
4 ratepayer funded solar energy incentives. As
5 required by SB1, and in order to implement the
6 new Solar Homes Partnership, the Energy
7 Commission maintains lists of Solar Voltaic
8 Modules, lists of Inverters, lists of System
9 Performance Meters, and lists of other Solar
10 Electric Generating technologies.

11 These lists are used to help determine
12 what equipment should be considered eligible to
13 receive incentives through the California Solar
14 Programs. These programs included NSHP, the
15 California Solar Initiative, and California
16 Publicly Owned Utilities Solar Programs.

17 Approval of this contract with AESC will
18 assist the Energy Commission in maintaining its
19 list of eligible equipment required by SB1. AESC
20 was identified through Competitive Bid process
21 and is a qualified contractor to provide the
22 needed technical assistance to the Energy
23 Commission. The approval of this agreement with
24 AESC will facilitate the Energy Commission's
25 ability to continue the successful implementation

1 of NSHP, and will assist Energy Commission to
2 continue fulfilling its SB1 mandate to establish
3 and maintain eligibility criteria for
4 California's solar electric incentive programs.

5 I'd like to thank you for your time and
6 consideration and ask you if there are any
7 questions.

8 COMMISSIONER MCALLISTER: I'm wondering,
9 AESC, do they have a representative here?

10 MR. FOLKMAN: I'm not sure. Maybe
11 they're going to be here or possibly on the
12 phone, but I don't know if they're here.

13 COMMISSIONER MCALLISTER: Okay, nobody on
14 the phone. I just wanted to point out what a
15 terrific resource this is because, you know, it
16 turns out people across the nation use this list,
17 little did we know, that we developed for our
18 programs here in California, and it's not an
19 insignificant list, and I think there's actually
20 a lot of - you know, the folks at Department of
21 Energy are aware of this thing, and I think the
22 Energy Commission has really taken on leadership
23 in this area, that's terrific. At the same time,
24 it would be nice to sort of share the wealth over
25 time and sort of make it -- if it is indeed a

1 national resource, maybe there's a pathway to
2 make it explicitly a national resource. But for
3 the moment, I'm really happy that the Renewables
4 Division has put forward on this and certainly
5 have confidence that the contractor will do a
6 good job obviously with your oversight.

7 MR. FOLKMAN: Thank you.

8 CHAIRMAN WEISENMILLER: This may be a
9 good job for NREL.

10 COMMISSIONER MCALLISTER: NREL actually,
11 you know, refers to it quite often.

12 COMMISSIONER HOCHSCHILD: Mr. Chairman,
13 if I could just add that I agree with
14 Commissioner McAllister, it is actually a
15 national resource and is very important. One of
16 the things I'm personally very concerned about
17 going forward is consumer protection. If you
18 look back in the solar industry in California,
19 you know, what happened in the early 1980's with
20 solar thermal systems that were deployed, very
21 poorly built in a number of cases, and when they
22 failed, it really stained the entire industry for
23 decades. And actually beyond just solar thermal,
24 but also PV, I think, really suffered from that.
25 So it will really undermine our success long term

1 with renewables if we have failures of equipment.
2 And now that we're at the sunset of the SB1
3 program, you know, I guess the question I would
4 maybe pose to the Executive Director to maybe
5 come back to us with some thoughts on is, how do
6 we -- so there's no leverage basically to require
7 this high quality equipment to be used once the
8 incentive is gone, right? And I'm just
9 wondering, you know, looking ahead and ensuring
10 we can use this resource going forward, what
11 steps we ought to be considering as a state, for
12 example, make a condition of interconnection or
13 net metering, rather than just the incentive
14 payment, right? So that's kind of a question on
15 my mind. How do we keep a high level of consumer
16 protection for equipment quality?

17 CHAIRMAN WEISENMILLER: Yeah, that's a
18 very good topic. I mean, one of the more hidden
19 parts of my resume was my work on solar thermal
20 in the first Brown Administration, and yeah, it's
21 really important, it's one of the things which I
22 think most people up on the dais are aware, we
23 really stepped up the compliance effort with
24 Kourtney Vaccaro and Commissioner Douglas really
25 helping everywhere on compliance. And so

1 certainly we want to be tough, but fair, but the
2 basic message -- as you say, it's even worse when
3 you look at it and say these are conditions for
4 programs, which if they go away, what happens
5 next? But certainly the basic message is on,
6 where we have programs, New Solar Homes or
7 whatever, basic message is, yeah, we're going to
8 be tough, but fair, to make sure that consumers
9 are protected. Rob, do you have ideas, or is
10 this something where you and Kourtney and
11 Commissioner Douglas may want to have a
12 conversation and come back to us later?

13 MR. OGLESBY: Let me just add at this
14 point, yes, but let me add at this point I think
15 this even can be framed in a larger issue because
16 consumer protection issues, both in terms of not
17 only the technology itself, but the performance
18 of those in the marketplace, particularly related
19 to warranties and things like that, might also be
20 added to this conversation, might be brought to
21 you as Lead Commissioner and developed and
22 workshopped.

23 COMMISSIONER MCALLISTER: I wanted to
24 just ask on that, I totally agree, and I also
25 feel like to the extent that we run some kind of

1 program, that we can help think about the policy
2 issues, but really this is an interagency
3 discussion about consumer protection to the
4 extent that local POU's and IOU's do
5 interconnection and work with their customers,
6 and there are some sort of moments of incidents
7 in the marketplace where there is some influence,
8 whether that's a rebate program, or some other
9 place like interconnection as you suggest, I
10 think really is sort of a market management
11 discussion that's even beyond these walls. And
12 to the extent that we keep the list, we must be
13 involved there and we have responsibility for
14 that piece. But there are a lot of other
15 stakeholders here that I think also are going to
16 at least need to be consulted and the agencies
17 kind of have a little bit of a matrix discussion
18 about what that looks like in practice because we
19 all are concerned about, as you point out,
20 consumer protection, I mean, it is something that
21 we sort of don't put as a top priority at our
22 peril.

23 COMMISSIONER DOUGLAS: I'll just say
24 briefly that I agree, this is a really important
25 issue and a broader issue, and one that's worth

1 following up on.

2 COMMISSIONER MCALLISTER: So I will move
3 Item 14.

4 COMMISSIONER HOCHSCHILD: Second.

5 CHAIRMAN WEISENMILLER: All those in
6 favor?

7 (Ayes.) This item also passes
8 unanimously.

9 CHAIRMAN WEISENMILLER: Let's go on to
10 Item 15. Trustees of the California State
11 University, Possible approval of the 12 highest
12 grant ranking applications totaling \$1,135,862.
13 PIER funding. Raquel Kravitz, please.

14 MS. KRAVITZ: Good afternoon,
15 Commissioners. My name is Raquel Kravitz from
16 the Energy Research and Development Division for
17 the Energy Innovation Small Grants Program,
18 commonly known as EISG. Staff seeks approval for
19 funding the 12 highest grant applications
20 totaling \$1,135,862 from the Public Interest
21 Energy Research Program, EISG Solicitation 1302.
22 There are two projects totaling \$190,000 under
23 Transportation-Electric, one project totaling
24 \$94,407 under Transportation-Natural Gas, three
25 projects totaling \$285,000 under Natural Gas, and

1 six projects totaling \$566,455 under Electricity.

2 These grants were selected and capped at
3 \$95,000. So let me give you a little bit of a
4 background on the process for this program. Each
5 solicitation goes through multiple levels of
6 review; first, it goes through an administrative
7 review, then goes through a technical review.
8 After the technical review, it goes through a
9 program technical review where the program
10 technical review will recommend projects to the
11 Energy Commission for funding.

12 For Solicitation 1302, here is the
13 breakdown: so there were 42 grant applications
14 that were received for consideration, from that
15 42, there are 25 that passed the initial
16 screening that advanced to technical review, and
17 from the 25, there are 20 that exceeded the
18 required score and the technical review that
19 moved to program technical review. From the
20 program technical review board meeting, there are
21 12 proposals that are being recommended for
22 funding.

23 So out of the 12 proposals, here is the
24 breakdown with respect to PIER R&D research
25 areas: So the six grants in Electricity, there

1 are two in building and use technology, there are
2 four in renewable technologies, and the three
3 projects in natural gas, there's one in natural
4 gas energy efficiency and two in renewable
5 technologies. The two projects under
6 Transportation Electricity, there's one in
7 electric vehicle grid integration, and the other
8 in electric vehicle battery management and
9 technology. The one project for natural gas is
10 in vehicle technology.

11 I will be more than happy to answer any
12 questions that you may have about the EISG
13 program or any of the 12 projects that are being
14 recommended for funding. And in the audience
15 today, we have Mr. Huang, one of the recipients
16 under Item 15(C)(2) on the agenda, who would like
17 to speak.

18 CHAIRMAN WEISENMILLER: Thank you very
19 much. Mr. Huang, why don't you come up and
20 speak?

21 MR. HUANG: Good afternoon,
22 Commissioners. My name is Lee Huang. I'm with
23 Eneron, Inc. We are a company that produces
24 energy efficient equipment for commercial
25 kitchens. As you know, commercial kitchens are a

1 place where energy use is very intense. It's
2 three or four times intense use compared to the
3 other area of the commercial building. And
4 therefore we have our efforts in improved
5 efficiency in the commercial kitchen. And the
6 first quarter we have is the Turbopot and would
7 like to thank you for supporting the rebate
8 program from SoCal Gas giving on the Turbopot
9 last year, and which is the pioneer program that
10 rebates on pots and pans in your kitchen. So
11 that program has started to have other utilities
12 in the country to provide the rebates on the
13 turbopot, as well, and then we started good
14 market directions, and now the Turbopot is
15 reducing tens of millions pounds of CO₂ emissions
16 in the country.

17 In the process of promoting the Turbopot,
18 we come across different innovative ideas and
19 this is where the Innovative Small Grant Program
20 can come in to help out because, with a small
21 company, we have limited resources. And with the
22 program's support, we will be able to engage the
23 innovative idea early on and we will be able to
24 put that in practice and to save energy use in
25 California and later on in the nation, or in the

1 whole world. So thank you again for the chance
2 to work with you on the Innovation Small
3 Programs.

4 CHAIRMAN WEISENMILLER: Thank you.
5 Thanks for being here. Certainly this program
6 has had a great record. I think maybe you've
7 seen Jim Sweeney's backup on this in terms of
8 what it's done, in terms of really taking these
9 dollars and leveraging them with additional
10 dollars, and ultimately jobs. So, again, it's
11 really been one of our home runs in the R&D area.
12 Commissioners, do you have any questions or
13 comments on these items?

14 COMMISSIONER DOUGLAS: No, just to say
15 that it's always nice to see these items come
16 forward because this is a very exciting part of
17 the R&D Program. So I will move approval of Item
18 15, then.

19 COMMISSIONER SCOTT: Second.

20 CHAIRMAN WEISENMILLER: All those in
21 favor?

22 (Ayes.) Great. This has been approved
23 unanimously. Thank you for your efforts.

24 CHAIRMAN WEISENMILLER: Okay, so we saved
25 the best for last. Let's take up the California

1 Energy Demand, 2014 to 2024 Final Forecast. And
2 this is Chris. Some last minute issues have come
3 up -- I'm trying to remember if it was Friday or
4 Saturday -- so I've been encouraging Chris and
5 the utilities to try to work through the issues.
6 So there's been, with all the other issues, an
7 opportunity to make some progress on that while
8 we were dealing with the rest of the agenda.
9 Please, Chris.

10 DR. KAVALEC: Good afternoon. I'm Chris
11 Kavalec from the Demand Analysis Office. And I'm
12 here to propose adoption of the 2014 to 2024
13 California Energy Demand Electricity and Natural
14 Gas Forecast for California, or CED 2013 for
15 short. I'm going to make a brief presentation
16 and just touch on the forecasting process, show
17 some high level results, and then talk about
18 additional achievable energy efficiency, and
19 adjusting the forecast based on those savings.

20 So why do we do a forecast? We provide
21 outputs for electricity sales, consumption, peak
22 demand, energy for load, as well as natural gas
23 demand for various venues as listed here. The
24 first three of these, the Long Term Procurement
25 Process, Transmission Planning Process, and

1 Resource Adequacy, their latest cycles are just
2 getting started, so our forecast is just in time
3 to be used by those three processes.

4 Energy Efficiency Potentials Studies done
5 by the CPUC use our forecast as a reference point
6 against which to measure efficiency potential
7 savings, and it's sort of a reality check
8 comparing our forecasts for consumption at the
9 end-use level with end-use savings predicted by
10 the Potentials Study.

11 Renewables planning, of course, our sales
12 forecasts are used to set renewables
13 requirements. Others include, for example,
14 CARB's AB 32 analysis that uses our forecast as a
15 baseline. And other internal studies to the
16 Commission, like infrastructure requirements that
17 use our forecast.

18 Okay, how did we get here? This process
19 started more than a year ago with a workshop that
20 we had on demand forms where we're requesting
21 certain specific data from the utilities to help
22 our forecasts, through four more workshops,
23 ending with a revised forecast workshop we had in
24 October. We have continued to convene the Demand
25 Analysis Working Group, or DAWG, and the main

1 issue of discussion in this last cycle was the
2 Additional Achievable Energy Efficiency and
3 Efficiency Potential Studies.

4 To sort of vet the Additional Achievable
5 Energy Efficiency work, a committee composed of
6 upper management of the three agencies was
7 developed, called the Joint Agencies Steering
8 Committee, or JASC, and they vetted and helped
9 recommend the Additional Achievable Energy
10 Efficiency Scenarios that we ended up using in
11 the forecast.

12 We are in the midst of discussions with
13 the CPUC and ISO on ways to better align the LTTP
14 Transmission Planning and the IEPR forecasting
15 processes. One of the things that has come out
16 of that is we have tentatively agreed to provide
17 a forecast update every year because that helps
18 especially the transmission planning process,
19 because they're stuck sometimes using a forecast
20 that's more than a year old. This wouldn't be a
21 full forecast, but a forecast update.

22 Other stakeholder discussions, less
23 formal discussions on topics like Demand Response
24 and Weather Normalization, and speaking of
25 Weather Normalization, there is a remaining issue

1 that hasn't yet been resolved, and we are going
2 to refine our Peak Demand Forecast for PG&E and
3 Southern California Edison based on discussions
4 we've had in the last week or so related to
5 Weather Normalization. And when I say "Weather
6 Normalization," we're talking about taking an
7 actual peak in a given historic year and
8 converting that peak to what the peak would be in
9 the "average" weather year.

10 So the discussions have had to do with
11 Weather Normalization and also there is a
12 potential data discrepancy between the hourly
13 loads that we get from Cal ISO to develop our
14 peak forecast and what Southern California has
15 for the same thing. In the case of PG&E, we've
16 already made the refinement, we have reconciled
17 our forecast with PG&E. And what that means is
18 that PG&E's peak demand forecast will be
19 increased by a little bit, by around 300
20 megawatts. And that came about through a change
21 in one of the assumptions we make for Weather
22 Normalization and the number of years that we use
23 to develop "average weather." In the past, we
24 have used 60 years for PG&E, and we reduced that
25 to 30 years, recognizing that with climate

1 change, the last 30 years of weather may be more
2 representative of today's and the near future's
3 weather compared to 60 years.

4 In the case of Southern California
5 Edison, we have, as I said, a Weather
6 Normalization issue, and we have been discussing
7 that with Southern California Edison today, and
8 we think we can come to a fairly quick resolution
9 on Weather Normalization techniques that we'll
10 both be happy with in the next few days.

11 The other issue is a little bit more
12 serious and that's a difference between the
13 California ISO's load data and Edison's load
14 data. And it's again through meetings we've had
15 today, we've narrowed that down to a couple of
16 possibilities, the first is where the load gets
17 measured, the take-out point of the load, and the
18 second is the definition that CAISO uses for
19 Southern California Edison Transmission Access
20 Charge Planning Area versus what Southern
21 California Edison uses. We think it's one of
22 those two possibilities, and we're working very
23 hard to reconcile the differences and determine
24 what the proper loads are to use for 2013 Weather
25 Normalized Load. And we will hopefully have that

1 resolved, along with the Weather Normalization
2 issue, within the next week.

3 Okay, so in our forecasts, we incorporate
4 all relevant policy initiatives listed here,
5 efficiency through standards and programs,
6 distributed generation, incentive programs. In
7 this forecast, unlike the 2011 forecast, we
8 included additional demand response from pricing
9 programs. We agreed together with CPUC and with
10 CAISO that pricing programs are more appropriate
11 to incorporate on the demand side, rather than
12 the supply side just because of the way these
13 resource studies are done.

14 Electric Vehicles and Electrification, we
15 work closely with Air Resources Board to develop
16 a likely compliance scenario that goes into our
17 forecast. And in general, we think of our
18 forecast as a way of measuring progress toward
19 statewide goals related to efficiency and so on,
20 rather than assuming goals are met within our
21 forecast.

22 So for example, we have SB1 goals for
23 photovoltaic adoption; rather than assume those
24 goals are met, we actually attempt to predict the
25 amount of photovoltaic adoption within our

1 forecast.

2 Now, from forecast to forecast, we try
3 and improve our methods and of course update our
4 inputs, and here are some of the changes we made
5 compared to the 2011 forecast: Recent Efficiency
6 Programs and Standards, including 2013-2014 IOU
7 programs that were not in our previous forecast;
8 High Speed Rail and other Electrification,
9 meaning at the Ports, that were not included in
10 our previous forecast.

11 In an effort to provide more disaggregate
12 results for our forecast, so that the forecast is
13 more useful to those that use it, we have
14 provided results at a more disaggregate level at
15 the Climate Zone level, compared to previous
16 forecasts which provide results at the planning
17 area level. So the difference is, for example,
18 PG&E is a planning area, but it's composed of
19 five different climate zones, so we're providing
20 results at the Climate Zone level, not just the
21 planning area level.

22 Additional Demand Response, as I
23 mentioned, we've revamped our industrial model
24 and added a model to predict commercial
25 photovoltaic adoptions that we didn't have in the

1 previous forecast.

2 In the previous forecast, we incorporated
3 the potential impacts of climate change on peak
4 demand; for this forecast, we've added potential
5 climate change impacts on electricity and natural
6 gas consumption through changes in degree days --
7 heating degree days and cooling degree days.

8 And of course, which I'll talk about in a
9 minute a little bit more, Additional Achievable
10 Efficiency Savings, unlike past forecasts, is
11 actually embedded in our forecast this time.

12 Okay, a couple slides on high level
13 results at the statewide level: this is
14 electricity consumption in gigawatt hours for the
15 state as a whole. You'll see the three scenarios
16 here, the Low, Mid, and High scenarios and, in
17 red, with the diamonds, mid-forecasts from 2011.
18 And the basic story here is that we're starting
19 out at a lower level compared to the previous
20 forecasts for roughly 2012 through 2014. And the
21 reasons for that is, 1) economic growth was not
22 as high as had been predicted in the 2011
23 forecast, and in addition we have new efficiency
24 initiatives, efficiency programs for both the
25 IOUs and the POUs.

1 After that point there, you see in the
2 High demand case the green line goes above the
3 previous Mid case by 2016 or so, and comparing
4 the two Mid cases, the new Mid case stays below
5 the old Mid case because we have additional
6 efficiency coming on and having an effect later
7 in the forecast period through Title 24 and
8 Battery Charger standards. And in addition, the
9 population growth is predicted to be a little bit
10 lower than it was in 2011. Absent those two
11 things, the new Mid-case forecast would have
12 caught up to the old Mid-case forecast by the end
13 of the forecast period.

14 Same basic story with peak demand, the
15 new Mid case stays below the old Mid case
16 throughout the forecast period because of
17 additional efficiency and lower population growth
18 and, in addition, as I mentioned, more Demand
19 Response impacts compared to what we had in 2011.

20 Natural Gas Consumption, you will notice
21 that the new forecasts are significantly below
22 the Mid case from the 2011 forecast, and that's
23 happening because we have higher projected
24 natural gas prices in this forecast. We have
25 additional efficiency that affects natural gas,

1 as well as electricity standards and programs.
2 And also, natural gas demand is reduced slightly
3 because of the incorporation of climate change,
4 meaning less heating degree days, and therefore
5 less heating demand for natural gas.

6 Okay, so that is our baseline. And going
7 to the Additional Achievable Energy Efficiency
8 and the adjustment of that forecast, first, what
9 is AAEE? We define that as incremental to
10 committed savings == let me back up a minute.
11 What I showed in these three graphs here is our
12 baseline forecast, okay? That means the forecast
13 only includes committed efficiency savings.
14 Efficiency savings from initiatives that have
15 been finalized and funded and have a specific
16 program plan.

17 I'm now talking about additional
18 efficiency, Additional Achievable Energy
19 Efficiency that's not part of the baseline
20 forecast. So we define that as incremental to
21 the committed savings in the baseline forecast
22 that I just showed you. We developed this with
23 the help of Navigant and their PGT Model. These
24 savings apply only to IOU service territories, we
25 don't have AAEE savings for the POUs. And

1 through DAWG discussions and the JASC, as I
2 mentioned, the Joint Agency Steering Committee,
3 we developed five different scenarios for
4 electricity and natural gas consumption and peak,
5 so we have a Low case for AAEE savings, then
6 three Mid cases, what we call the Low-Mid, the
7 Mid, and the High Mid, and then one additional
8 High case.

9 And the goal of all this incorporating
10 these AAEE savings is to provide adjusted
11 forecasts for the IOUs as options for a planning
12 forecast.

13 So this graph shows the impact of the Mid
14 case for peak demand for the IOUs combined, of
15 applying the three different AAEE Mid cases. So
16 the top line shows the baseline forecast for Peak
17 Demand for the IOUs combined, the red line below
18 that shows the impact of incorporating the Low
19 Mid AAEE savings, the line below that is the
20 baseline adjusted by the Mid AAEE savings, and
21 finally, the black line at the bottom is the
22 baseline adjusted by the High Mid AAEE savings.

23 And to show the full range of results
24 when you incorporate Adjusted Achievable Energy
25 Efficiency, this graph shows the three baseline

1 demand scenarios adjusted by a different AAEE
2 scenario. So the top line shows our High demand
3 forecast adjusted by the Low level of AAEE
4 savings, the line in the middle shows the Mid
5 demand forecast adjusted by the Mid AAEE, and
6 corresponds to one of the lines in the previous
7 slide, and the bottom line is the Low demand
8 scenario adjusted by the High AAEE savings.

9 Now this could have been done
10 differently, you can make the case that, for
11 example, with High demand, the economy is
12 chugging along and there will be more efficiency
13 savings, and vice versa for the low, but if you
14 reverse that, you end up with three scenarios
15 that meet at almost exactly the same point by the
16 end of the forecast period, so you don't have any
17 spread or range.

18 Okay, I'll ask the dais now if you want
19 to stop and consider adoption before we talk
20 about next steps. Or should I run through my
21 last two slides here?

22 CHAIRMAN WEISENMILLER: Why don't you go
23 through your last two slides, then we'll take
24 comments, and then we'll go from there.

25 DR. KAVALEC: Okay. So what I presented

1 today and what is up for adoption are a set of
2 scenarios, both baseline and AAEE, and what we
3 want to do is narrow those possibilities down to
4 a single forecast or possibly two forecasts, to
5 use for planning purposes. And we want to do
6 that by incorporating stakeholder comments,
7 either written or provided today at this Business
8 Meeting, and these recommendations will be taken
9 into account by the joint agencies and I believe
10 next week a decision will be made on a planning
11 forecast.

12 And the two questions posed are these: we
13 would like stakeholders to recommend a preferred
14 combination of base case and AAEE scenarios to
15 use for planning purposes; and another question,
16 is it feasible to you to use possibly two
17 different planning forecasts for different
18 purposes? For example, one set of forecasts,
19 baseline and AAEE, for system wide planning and a
20 different planning forecast with maybe more
21 conservative assumptions for AAEE for more
22 localized analyses, recognizing the higher level
23 of uncertainty in terms of the effect of
24 efficiency savings as you get more and more
25 granular in your geography.

1 CHAIRMAN WEISENMILLER: Chris, if you can
2 just leave that set up, we're going to deal with
3 the two issues separately, but I want to make
4 sure that you covered everything. And so, at
5 this stage, let's go to stakeholder comments and
6 let's start with the NRDC.

7 MS. STAMAS: Good afternoon,
8 Commissioners. My name is Maria Stamas, I work
9 for the Energy Program at the Natural Resources
10 Defense Council. And I wanted to thank the
11 Commission for the opportunity to comment on
12 those final forecasts today and for making some
13 important improvements from previous forecasts.
14 I also would like to thank the Commission
15 specifically for including Additional Achievable
16 Energy Efficiency in the final forecast, and we
17 really appreciate staff's work in developing
18 those estimates. We're also appreciative to the
19 Commission for disaggregating results so they can
20 be used more easily in resource planning
21 processes.

22 So my comments today will cover our
23 recommendations on adopting a single California
24 system forecast. I'll discuss our recommended
25 pairings of forecasts and also the importance of

1 including energy savings from publicly owned
2 utilities and estimates of Additional Achievable
3 Energy Efficiency.

4 So to start, NRDC strongly recommends
5 that the Commission adopt a single California
6 System Forecast that can be used for system
7 resource planning. Any possible modifications to
8 these forecasts can occur in over venues as
9 necessary for local resource planning processes.

10 Our recommendations on pairing Forecasts
11 are as follows: We strongly recommend that if
12 the Commission adopt a Mid baseline forecast,
13 that it adopt at the minimum the Mid Additional
14 Achievable Energy Efficiency Forecast because it
15 is already an extremely conservative estimate.
16 For example, it assumes no future adoption of
17 Federal Appliance Efficiency Standards, including
18 three that the Department of Energy already
19 adopted this year.

20 As for other pairings, if the Commission
21 adopts a High baseline forecast, it should pair
22 it with a High Additional Achievable Energy
23 Efficiency Forecast, and vice versa, if it adopts
24 a Low baseline forecast, it should adopt the
25 corresponding Low Additional Achievable Energy

1 Efficiency Forecast, the reason being because
2 more energy savings are reasonably expected to
3 occur with high economic growth, and vice versa.

4 Overall, under any scenario, we recommend
5 that the Commission include all reasonably
6 expected to occur energy savings because failing
7 to do so risks the possibility of over-
8 procurement of unnecessary power plants.

9 And to conclude, we urge the Commission
10 to include all reasonably expected energy savings
11 from publicly owned utilities in the estimates of
12 Additional Achievable Energy Efficiency, instead
13 of the current estimate of zero savings from
14 future programs post-2013.

15 Thank you for considering our
16 recommendations and again for the opportunity to
17 speak here today.

18 CHAIRMAN WEISENMILLER: Well, thank you
19 for being here. I certainly thank NRDC for its
20 assistance to us in this area. Let's go on to
21 PG&E, Matthew Plummer.

22 MR. PLUMMER: Good afternoon. Matthew
23 Plummer, Pacific Gas & Electric Company. The
24 forecasts take a tremendous amount of work and I
25 want to compliment the Commission and staff for

1 reaching this milestone. I also want to thank
2 staff for their close collaboration and
3 willingness to consider stakeholder feedback.
4 Throughout this process, CEC staff has raised a
5 whole host of technical issues for PG&E, and we
6 have raised a number for CEC staff, and I think
7 overall we've been able to work through the vast
8 majority and PG&E is very comfortable with the
9 range of forecasts that the CEC has produced.

10 In terms of recommending the managed
11 forecast for general energy planning purposes,
12 the Mid baseline combined with the Mid AAEE match
13 most closely with what PG&E anticipates system
14 wide and would be appropriate for system planning
15 purposes. However, we do believe that there may
16 be a need for flexibility in other scenarios.

17 A key uncertainty for PG&E is how climate
18 change will affect energy demand and the peak
19 demand. It's difficult to know whether the one
20 in five and one in 10 temperature reoccurrence
21 assumptions in the current forecast are a good
22 representation of the true reoccurrence interval
23 temperatures. That's just a matter of the
24 uncertainty of climate change, in general,
25 something that everyone is grappling with. So

1 for more conservative planning processes, some
2 combination of a higher demand forecast or lower
3 AAEE may be appropriate. And with that, I thank
4 you for the opportunity to provide comments.

5 CHAIRMAN WEISENMILLER: Thank you.
6 Thanks to PG&E for being a partner in this.
7 Manuel Alvarez, Edison.

8 MR. ALVAREZ: I'll take the liberty and
9 sit down here.

10 CHAIRMAN WEISENMILLER: Please.

11 MR. ALVAREZ: Good afternoon,
12 Commissioners. Manuel Alvarez with Southern
13 California Edison. And I actually have with me
14 our Chief Forecaster who has been working on this
15 project for the last few years, Honguan Sheng is
16 very active in this activity, and there's a
17 couple of issues that we would like to bring up.
18 But before we do that, let me just state that we
19 actually appreciate the work the Commission has
20 led, Chris Kavalec, particularly. In terms of
21 the DAWG work, I think we've uncovered a lot of
22 new issues and still wrestle with how to
23 incorporate those issues into the forecasts, and
24 I think it's a continuing process that we're
25 going to go through. The level of coordination

1 that's taking place, I think is unprecedented in
2 the Commission's history, let alone the joint
3 agency group who is getting together ultimately
4 and kind of deciding how the forecast is going to
5 be used and its implications to all the State's
6 planning process. And that is actually why we
7 consider it so important, to kind of wrestle with
8 some of the level of detailed questions that we
9 address in here today. And so, with that, let me
10 turn it over to Honguan Sheng and she could
11 present those items. Thank you.

12 MS. SHENG: Thank you, Manuel. My name
13 is Honguan Sheng. First, I'd like to thank the
14 Commissioners for offering the opportunity for us
15 to make the comments today, and I'd also like to
16 thank you for providing the level of attention to
17 the forecasting issues SCE raised over the last
18 couple days and, you know, the direction you've
19 given to staff to allow us to engage in quick
20 discussions. So far, our discussions have been
21 very meaningful, so we're very encouraged.

22 In addition, I'd like to acknowledge the
23 level of support we've been getting from
24 Commission forecasting staff, Chris Kavalec, you
25 know, he and his team have provided due diligence

1 effort in supporting SCE forecasting staff to
2 look into the range of forecasting issues.

3 And as Chris Kavalec mentioned earlier,
4 in the areas of where we find the significant
5 issues, we agree with Chris that we really feel
6 confident that SCE will be able to work closely
7 with both CEC and the CAISO to hopefully quickly
8 resolve those significant issues within the
9 rather short time. So I really hope that the
10 Commissioners would consider providing the
11 additional time for us to be able to bring the
12 resolution and allow the adoption of the
13 reasonable forecasts for us.

14 And we also appreciate the level of
15 support and commitment we got from both CEC and
16 the CAISO in terms of addressing these issues in
17 the relatively quick timeframe. So we are
18 confident that we will be able to come to a
19 recognition of how we will be able to resolve
20 those issues. That's my main comments.

21 CHAIRMAN WEISENMILLER: Thank you. Any
22 comments on the questions, or are you going to do
23 it in writing?

24 MR. ALVAREZ: Well, actually we're still
25 kind of wrestling with that because of the

1 adjustments we want to make. Chris mentioned on
2 the weather and the discussions with ISO. I
3 think if we were to start today and go with
4 existing activity, we would probably be
5 recommending the High case Low EE potential, but
6 I think that's still under discussion right now.

7 CHAIRMAN WEISENMILLER: Okay. Anyway, if
8 you can submit comments in writing on that, that
9 would be good. So we have -- do you guys have
10 more?

11 MS. SHENG: So agree with the level of
12 discrepancy and the significance of the issues we
13 found. We hope to resolve most of those issues
14 before we can make direct comments on the single
15 managed forecast.

16 CHAIRMAN WEISENMILLER: Okay. Then, just
17 in terms of making sure -- Chris hit this, but to
18 make sure all the Commissioners are aware -- so
19 I'm trying to remember whether it was Friday or
20 Saturday, but anyway, we got a heads up from
21 Edison and PG&E that they had issues with the
22 forecast and were asking for a delay. Now, the
23 forecast feeds into a number of things which
24 meant I really didn't want to do a delay, and
25 with PG&E and Edison, we found one set of issues

1 was weather normalization. We used 60 years plus
2 and, with climate change, 30 years is more
3 appropriate. In fact, the last time we did this,
4 we used 30 given climate change, and if we use 30
5 for weather normalization, there's a lot of other
6 issues on the technical side, but at least at
7 that point with PG&E we're pretty much in
8 agreement at this point, and with Edison, we
9 moved closer.

10 Now, as we dug into was the issue just
11 normalization or weather, it turns out there's a
12 data question. We get data from the ISO and they
13 get data, and you can look at different
14 definitions of Edison, and we're not sure that
15 everything is totally in sync, so as I was
16 stalling, I was trying to have Edison, my staff,
17 and the ISO talk to see if we could get through
18 the data issues today, and unfortunately we
19 can't. But depending upon what definition is
20 there, the outcome will be either one number or
21 another number, it's a simple factual question.

22 And so basically, going forward, we have
23 a resolution which closes up everything but this
24 one narrow issue, and we're going to tell people
25 to come back to us -- we're going to hold that

1 one narrow issue open, and to come back to us at
2 our next Business Meeting and clarify what the
3 answer is. So that's sort of what all this back
4 and forth has been, and that's why I've been
5 adjusting the timing. But like I said, I think
6 with the weather normalization, we've got a lot
7 of headaches out of the way, but we have this one
8 last thing which I couldn't get done today.

9 COMMISSIONER MCALLISTER: Which is not a
10 methodological issue.

11 CHAIRMAN WEISENMILLER: It's not
12 methodological, it's simply, again, we got data
13 from the ISO which, again, using these different
14 definitions of service territory, depending on
15 transmission or whatever it is, that we think we
16 know what it is, and if it is then it should
17 march in a certain direction easily; and at the
18 same time, Edison has their data which, again,
19 some of the data are inconsistent.

20 So we just need to understand two
21 different data sources, potentially different
22 definitions and we just need to get that
23 clarified. And once it's clarified, everything
24 is done, period. So it's a factual question that
25 we're leaving open.

1 But certainly I appreciate the commitment
2 from Edison, certainly Chris and his team, and
3 the ISO just to get it done in a timely fashion.
4 So anyway, that's that part of the drama.

5 MS. SHENG: So very encouraged the
6 Commissioners I heard from you throughout today's
7 conversation that you would be willing to take
8 the necessary time to ensure we do the right
9 thing and not rush things quickly, so very
10 encouraged also with the support we're getting
11 from CEC forecasting staff and CAISO. And we
12 definitely hope in the future, we could --
13 stakeholders -- we could utilize the DAWG forum
14 to bring more engaged discussion and explore the
15 best practices in the areas such as weather
16 normalization and peak forecast.

17 CHAIRMAN WEISENMILLER: Well, certainly
18 the general topic of weather normalization will
19 be a great topic for the DAWG to dig into and,
20 again, I think in resolving this issue, you
21 basically have until the 19th, and you know, to
22 get it resolved, otherwise we're just going to
23 make our best cut on the information we have in
24 hand. So it's not easy, but again I think we can
25 get it done by then.

1 MS. SHENG: Thank you.

2 MR. ALVAREZ: Thank you.

3 CHAIRMAN WEISENMILLER: But again,
4 certainly the overall topic of normalization,
5 etc., I mean, I think let's go on to Sempra and
6 then we can get back, but this -- the forecast is
7 one of these things where, as you do it and look
8 at stuff there's always issues, I guess is what
9 I'm saying. So this is certainly people's lives,
10 their careers, and there will always be the next
11 big topic to dig into, and certainly weather
12 normalization is a good one for that list for
13 Chris to get into the DAWG.

14 DR. KAVALEC: Yeah, so our goal is to
15 come up between us and the utilities, to come up
16 with a consistent, fundamentally sound method
17 that we all can use, so this problem doesn't keep
18 popping up in the future.

19 COMMISSIONER MCALLISTER: On the other
20 issue just of data consistency, I guess the Chair
21 is certainly a long term font of institutional
22 memory on this from all the different
23 perspectives that he's played in forecasting, but
24 I also certainly would like to think that this
25 will be, to the extent that we have definitional

1 issues coming up at the very end of the forecast
2 with respect to what areas who is covering, with
3 what data, it was a little surprising. And so
4 that seems like just a foundational definitional
5 basis for modeling, so I certainly would like to
6 get that resolved one way or the other and not
7 have it happen next year at the last minute.
8 That seems like something that kind of one would
9 have expected to be unearthed early in the
10 process, rather than at the last minute, so I
11 don't know, it's opaque to me exactly how that
12 came up, but I think it was a little surprising.

13 CHAIRMAN WEISENMILLER: Yeah, Amen.

14 Sempra, I think you're on the line.

15 MR. FRANCO: Yes, this is Mike Franco
16 with Sempra Energy Utilities. I'll go ahead and
17 make my comment now, thank you very much. The
18 Sempra Energy Utilities appreciate the
19 opportunity to comment on the final staff report
20 on the California Energy Demand Forecast in
21 support of the 2013 IEPR. The final baseline gas
22 demand forecast for SoCal Gas and SDG&E Service
23 Territories appear reasonable. SE notes that
24 this gas demand forecast only captures the end
25 user's gas demand forecast and does not include

1 gas demand for electric generation from gas-fired
2 plants and combined heat and power units.
3 Therefore, it does not reflect the total gas
4 demand either as state wide or utility service
5 territory level.

6 However, the CEC's electricity analysis
7 offers and currently develops the gas demand
8 forecast for electric generation and in future
9 IEPR proceedings, SE requests that the gas demand
10 forecast for electric generation be added to the
11 end user demand forecast to get the total demand
12 picture. Thank you very much.

13 CHAIRMAN WEISENMILLER: Thank you. I
14 don't know, Chris, do you want to respond to any
15 of the questions or comments that came up?

16 DR. KAVALEC: No, I think I'm good. I
17 just wanted to mention one last thing, why this
18 is happening at the last minute like this.

19 Based on comments we received after our
20 October workshop, we agreed to incorporate 2013
21 actual loads into our forecast, and thereby
22 update the 2013 peak from a forecast to an
23 actual, to give us a better forecast, and that
24 takes time to do and we were just able to finish
25 that in time to publish the report; so the

1 utilities and stakeholders are just seeing our
2 new peak forecasts in the last week or so.
3 That's why these events happened at the last
4 minute like this.

5 CHAIRMAN WEISENMILLER: Thank you. Let
6 me start the conversation a couple ways. I mean,
7 first, actually in terms of the career, I would
8 say that in the '70s, before there was an energy
9 resources program, before LBNL had an energy
10 program, Art Rosenfeld and the late great Tom
11 Graff had this notion of doing disaggregated
12 demand forecasts so that you could see the effect
13 of energy efficiency. And so they came to the
14 Energy Commission and the Energy Commission --
15 and that was the first project at LBL to do this,
16 and somehow Art convinced Dave Goldstein, who was
17 a Physics graduate student and myself, who was a
18 Chemistry grad student, to do this, and it may be
19 because we were the only two crazy enough to
20 actually take it on, but we did, and did a Proof
21 of Concept. So having said that, you know, this
22 is one of our real stress at this point, but
23 having said that, again, it's not easy and I
24 think the way I'd characterize it is we have made
25 great strides this year, particularly across the

1 agencies, but the work is not done by any means.
2 In fact, over the next several IEPRs, it's not
3 going to get done in terms of getting what we
4 really want to try to do, and first I really want
5 to thank our sister agencies, I mean, this came
6 out of a commitment of President Peevey and
7 myself and Steve Berberich that the three
8 agencies were going to work together, try to come
9 up with common numbers on energy efficiency, and
10 the work is not done. I mean, again, let's be
11 very clear. But having said that, certainly
12 Simon Baker, Heather Sanders, you know, Sylvia,
13 have been sort of working day and night to try to
14 move that top commitment down through the
15 organizations and to deal with the different
16 vocabulary, different uses, different concepts,
17 different processes, I mean, it is one of these
18 things if every time we sort of get a forecast
19 done we realize that everyone else's cases have
20 slid, or either the inputs have slid, or the
21 outputs or uses have slid, and somehow we're out
22 of sync again. So we still have a lot of work to
23 do. Certainly the DAWG has been sort of a
24 marvelous mechanism to try to work through these
25 things, you know, the Demand Analysis Working

1 Group, but again, that will continue and that's a
2 very good forum to keep marching through the
3 complex issues. And certainly our staff, I mean,
4 this is something where the metaphor of it takes
5 a village, I mean, this takes a real strong unit
6 to really do this, it's really demanding, I mean,
7 this is what we've done well for decades and it
8 really is one of our core strengths, but as we go
9 forward, there's always more challenges. I mean,
10 this time around, we've tried to really look at
11 the energy efficiency stuff and, frankly, part of
12 the disappointment this time, I was hoping we
13 would have more of the E&V stuff to feed in, more
14 of the program designs nailed down, we don't. So
15 next year presumably we'll be a lot better off as
16 we go through the programs, and ultimately I
17 think we have to look at some of our programs.
18 We all heard the scary news, people in testimony
19 this morning about how, in terms of compliance
20 with our Demand Forecast, is not necessarily rock
21 solid out in the fields. I think we've all had
22 that suspicion, but over time we have to
23 understand what it is, what to really put in the
24 forecast, and then how to fix the compliance
25 problems. So again, it's sort of a work in

1 progress.

2 The other areas, this time we have
3 disaggregated the climate zones. Ultimately
4 we're all looking at greater disaggregation,
5 certainly local area would help. This also talks
6 about do you go down to substations. Now,
7 unfortunately if you go to a substation, you will
8 find yourself trying to project in some cases,
9 say, what Apple's load growth is going to be for
10 that facility, so I don't think we can quite go
11 that deep, but again, we definitely need more
12 disaggregation. And climate change, I mean,
13 climate change is huge as we go forward on how to
14 incorporate that and what we're doing is sort of
15 one in 10, still the adverse peak condition? Or,
16 you know, are we going to be back to like the 206
17 type of phenomenon, remember when we had the
18 spikes? Certainly, climate change leads us to
19 climate on steroids. So it's a very complicated
20 job that Chris has, it's not easy, don't envy him
21 for all the headaches he has, certainly a lot of
22 intellectual challenges, but certainly, again,
23 bottom line is this has been a good step, it's
24 going to take more work next year, and it's going
25 to take more work in subsequent years.

1 I appreciate the POU's aren't fully
2 integrated into this at this point, but again, I
3 think as we go forward, we're all going to have
4 to continually do the triage on what's most
5 important thing to do next and where can we make
6 more progress as we go forward. But again, I'm
7 pretty proud on where we got to on this time, and
8 certainly want to thank our sister agencies and,
9 again, certainly our staff for a great job here.

10 COMMISSIONER MCALLISTER: So, yeah, I
11 agree with all that, I mean, this had not been my
12 primary base of knowledge before taking on the
13 IEPR this year and, of course, this is a real
14 elemental thing for State policy generally, and
15 certainly a core part of the IEPR each cycle.
16 And getting to know Sylvia's team, and Chris, and
17 working through some of the assumptions, I'm
18 really kind of getting a much more subtle feel
19 for what the tradeoffs are with different
20 decisions and what the inputs are and how they
21 affect the outcomes of the modeling.

22 And again, it leads me to a real, I
23 think, visceral feeling that the stakeholder
24 involvement is the lifeblood of this process and
25 it's the way we keep it from being a black box

1 for the world, and by doing so making sure that
2 our sister agencies and other key stakeholders
3 see it as their forum for talking about these
4 issues, and I think that has to be the path
5 forward.

6 I want to thank Chair Weisenmiller for
7 really providing, I think, the fearless
8 leadership on this issue and really holding
9 everybody to account for getting it done, and
10 getting it done right, which is not to say there
11 aren't lots of questions that remain pending.
12 Part of approaching these issues in good faith
13 and with an open mind is also accepting when you
14 cannot answer a given question in the timeframe
15 you have, and bouncing it to the next phase, and
16 I think we've done some of that as well. So to
17 the extent that I'll be involved in the future in
18 forecasting, I'll do so with a lot of excitement
19 because I now understand how important this is
20 for the state, but in any case, I really want to
21 commend the team for a job well done and not
22 quite finished, it turns out, but pretty close.
23 And this IEPR will go into the history books at
24 some point here in the next few weeks. And then
25 I think it'll be a good foundation for the next

1 year. So thanks very much and I appreciate all
2 the stakeholder comments here. And again, I
3 think lots of reasons why this data issue, in
4 particular, needs to be resolved and put to bed
5 sooner, rather than later. So thanks.

6 COMMISSIONER DOUGLAS: I'll just join
7 Commissioner McAllister in thanking the Chair, in
8 particular, and Commissioner McAllister for
9 leadership and hard work on the demand forecast
10 and on the IEPR. We've seen over the past years
11 really a lot of issues raised about the forecasts
12 and how it might be done better, how it might
13 take more factors into account, how it might be
14 more transparent, how it can really kind of grow
15 into being the State's energy forecast and be
16 used and plugged in in a logical sequence and way
17 into many other processes at other agencies. And
18 we've made tremendous progress towards all of
19 those goals in this cycle and, as I think the
20 Chair has said, the work is never done. And of
21 course there are always issues that need to be
22 addressed full on in the next cycle, but the
23 progress here has been really substantial, so I
24 definitely appreciate that and no doubt we will
25 resolve our data issue in short order and be able

1 to close the books on this forecast.

2 CHAIRMAN WEISENMILLER: I did forget to
3 mention on the part of the village, the expert
4 panel has also done a very good job of taking
5 that outside perspective. We had some really
6 leading forecasters that can -- Chris can pick
7 their brains on some of the tougher issues,
8 again, I think has made real progress.

9 So with that, I'm going to move that we
10 adopt the California Energy Demand 2014-2024
11 Final Forecast with modifications identified by
12 the staff regarding whether normalized peak loads
13 for Southern California Edison Company, SCE, and
14 Pacific Gas & Electric Company, provided,
15 however, that these portions of the forecast that
16 are affected by the data provided by the Edison
17 Transmission Charge Area are not included in this
18 motion, and we'll continue the remaining portion
19 of this item until the Business Meeting of
20 December 19, 2013, which is scheduled to begin at
21 10:00 a.m. A notice for that meeting will be
22 posted in accordance with Government Code Section
23 11129.

24 Now let me ask the Executive Director, I
25 know the Prop. 39 starts at 10:00 a.m., but I

1 thought the rest of the Business Meeting started
2 at 9:00 a.m.

3 MR. OGLESBY: At the moment, that meeting
4 starts at 10:00 a.m. We have no earlier items,
5 so the question would be, if we could -

6 CHAIRMAN WEISENMILLER: Fine, so it's at
7 10:00 a.m. Okay, so that is the pending motion.

8 COMMISSIONER MCALLISTER: I'll second.

9 CHAIRMAN WEISENMILLER: All those in
10 favor?

11 (Ayes.) This motion passes unanimously.
12 Thank you.

13 CHAIRMAN WEISENMILLER: And again, I want
14 to reach out and thank Edison for staff for
15 trying once more just to get this behind us, but
16 I'm sorry, we'll see you back again next time.

17 Okay, so let's go on to Minutes.
18 Possible approval of the November 14th, 2013
19 Business Meeting Minutes.

20 COMMISSIONER DOUGLAS: Move the Minutes.

21 COMMISSIONER SCOTT: Second.

22 CHAIRMAN WEISENMILLER: All those in
23 favor?

24 (Ayes.) The Business Meeting Minutes are
25 approved.

1 COMMISSIONER WEISENMILLER: Let's go to
2 Lead Commissioner or Presiding Member reports.

3 COMMISSIONER SCOTT: So I have two things
4 for you all. I went a few weeks ago to one of
5 the pre-events for the Los Angeles Auto Show, and
6 that was great, it was organized by Cal ETC and
7 it was held in the African American Museum down
8 in the Exposition Park, and it was great. I sat
9 on a panel that kind of highlighted the
10 importance of cleaning up the transportation
11 sector to meet our climate goals, our clean air
12 goals, and the public health goals, and so it was
13 great. There was a doctor there from the
14 American Public Health Association, there was me,
15 and I talked about the Energy Commission and our
16 role in the Alternative and Renewable Fuel and
17 Vehicle Technology Program and the role that it
18 helps play, and then we also had a person from
19 Cadillac -- the event was also sponsored by
20 Cadillac who was rolling out their brand new
21 Electric Vehicle at the auto show, and so they
22 talked a little bit about Cadillac and how
23 they've embraced Electric Vehicles and have one
24 that's ready to sell and ready for people to
25 drive, and so it was a fun panel to participate

1 on. So that's something that I've been up to. I
2 also wanted to let you know, and I think you may
3 have met her already, but I have been joined by
4 an Executive Fellow from the Governor's Program,
5 it's the Office of the Governor and the Center
6 for California Studies at California State
7 University Sacramento, they've got an Executive
8 Fellows Program, and my fellow is Lauren
9 Greenwood and she is a graduate of CSU
10 Sacramento, and she'll be here through August,
11 which is fantastic, and part of the program here
12 is to instill -- I'm going to read it from their
13 line here, it's to "instill an appreciation for
14 public service, develop future public leaders,
15 and provide valuable resources to the State of
16 California." So I'm delighted to have her join,
17 so you'll probably see her following me around to
18 different things, and she'll also have some
19 projects that she takes on, on her own.

20 COMMISSIONER MCALLISTER: You know, I'm
21 going to make it brief, I've already talked a lot
22 -- a lot of the items today were mine. So rather
23 than go hoarse, here pretty soon actually at the
24 next Business Meeting next week we'll be talking
25 about Prop. 39, and I wanted to just commend the

1 Executive Director and the team on that in the
2 Efficiency Division, Marsha Smith and her team,
3 and my Advisor, Hayes Miranda, who has been my
4 point on much of that discussion, to get the
5 Prop. 39 guidelines fleshed out and almost fully
6 developed and ready to get in front of the
7 Commission. I know just lots of stakeholders, a
8 lot of interest, and rightly so because it's a
9 really important initiative for the State.

10 We've all been working on lots of
11 different aspects of this and I think, again,
12 it's a new program that has unique aspects and
13 our schools are so important and have so many
14 issues and needs that they're trying to juggle.
15 And we want a program that's going to work with
16 their reality. And so I wanted to just call out
17 all the progress that we're making there, it's
18 not on this Business Meeting, but will be soon.
19 And other than that, I think I'll take a pass an
20 uncharacteristically be a little less verbose.

21 CHAIRMAN WEISENMILLER: Okay, well,
22 actually let me first apologize to people because
23 I should read something just to make sure I get
24 it right. So I just want to make sure that when
25 the PUC -- the PUC had a recent en banc on

1 Diversity and I had Jay Dickenson go and read a
2 statement on my behalf involving EPIC, so, again,
3 just to make sure that the message really gets
4 out to everyone the commitment we made, so this
5 is the statement he read on my behalf:

6 "I am dedicated to the Energy Commission,
7 compliant with the spirit of AB 34," which was a
8 Bradford Bill last year. "We are fortunate we
9 reside in California, it's geography, topography,
10 natural resources, people, are extremely diverse
11 and perhaps more so than anywhere else on the
12 earth. Our Clean Energy Research workforce
13 should reflect this diversity and provide
14 benefits to all Californians. I have directed
15 our staff to look for a way to continue the
16 spirit of AB 34, which in the Electricity Program
17 Investment Charge, EPIC, solicitations target
18 specific groups, women, minorities, and Disabled
19 Veterans. The Energy Commission is committed to
20 increasing the participation of women, minorities
21 and Disabled Veterans under EPIC. To this end,
22 the Energy Commission can, 1) initiate an
23 outreach plan to ensure that women, minorities
24 and Disabled Veterans know about and understand
25 how to participate in EPIC Program activities,

1 especially solicitations for projects, 2) target
2 particular geographical regions within the state,
3 for example, energy efficiency retrofits in
4 economically depressed communities for certain
5 program activities (job training), 3) Energy
6 Commission's proposed EPIC Investment Plan
7 includes initiatives related to low income
8 communities, for example, the plan proposes
9 funding for bioenergy projects that demonstrate
10 integration of reliability services, net local
11 air quality benefits, and provide other ratepayer
12 environmental benefits in the Central Valley, and
13 other locations of the state, many of which
14 include large numbers of low income residents, 4)
15 track, monitor, and report on the participation
16 of women, minority, and Disabled Veteran-owned
17 businesses, using the same definitions as the
18 Investor Owned Utilities use via PUC General
19 Order 156. This will allow an apples to apples
20 comparison for all the EPIC Administrators when
21 submitting annual reports. Through these
22 efforts, I am pleased that the Energy Commission
23 can meet the spirit of AB 340."

24 The Governor did veto the bill, but,
25 again, my intent is certainly to comply with the

1 spirit and, as we go through the EPIC Plan
2 rollout, one of the things we are looking at is
3 to make sure we are meeting that commitment.

4 Other things, again, so bottom line, this
5 is serious, we're going to do it, we're going to
6 track it and we'll do it.

7 And I did with Commissioner Douglas
8 attend the SEFE Conference this week, it was a
9 pretty interesting conference, very -- if
10 anything, the difficulty was there were too many
11 people there so there was not as much of an
12 opportunity for everyone to participate or to
13 catch up with everyone you really wanted to spend
14 time with there. But certainly covered a lot of
15 the issues we're all struggling with in that sort
16 of inimitable SEFE Context.

17 Also, I attended an event at the Little
18 Hoover down at Stanford to discuss, again, some
19 of the classic issues of how do we deal with
20 greenhouse gas emissions over the longer term.
21 So there have been some other things, but that's
22 probably enough for now.

23 COMMISSIONER DOUGLAS: Thank you, I think
24 I'll pass on my opportunity to offer a report.
25 For the most part, I think I've been sitting in

1 my office in various sorts of meetings, except
2 that I did get out to the SEFE Conference and it
3 was a really nice opportunity to see people and
4 very interesting in terms of the agenda. Thank
5 you.

6 COMMISSIONER HOCHSCHILD: A couple of
7 things, first of all, I communicated with the
8 Chair and a few others, we're going to be doing
9 an event next week to remember Nelson Mandela,
10 who I used to work for in South Africa in 1997 in
11 the Township in a Youth Program we started, and
12 Commissioner McAllister also worked in South
13 Africa when he was President, so we'll be sharing
14 some stories and doing a few readings, and my
15 assistant Kathleen will get that notice out
16 shortly, tentatively next Thursday.

17 A couple updates, I visited - I had a
18 fascinating visit to Vasco Wind, which is the
19 repower of Altamont Pass, part of it. And I
20 wanted to share this story because it's quite
21 impressive. There were 432 100 kilowatt wind
22 turbines that got taken down and replaced with 34
23 2.3 megawatt turbines. Okay, so you go from 432
24 turbines to 34 turbines: it tripled the energy
25 production, and avian mortality reduced 75

1 percent. So I just think that's a great success
2 of repowering and how we can actually get more
3 from the same amount of land at a lower impact,
4 and a real tribute to the technology. Also, the
5 turbines, the new turbines have also gotten
6 quieter, they do the scalping of the blade, so it
7 was just a very impressive project to look at.
8 Nextera gave us a tour of that.

9 The other interesting thing, I visited
10 Opower recently, so for folks who haven't been
11 following, this is a company that has now grown
12 to 500 people, they're operating in 80 utility
13 service territories, and it's all behavior-based
14 conservation where they provide information to
15 customers about how you're doing relative to your
16 peers on energy consumption, and that effect
17 alone, which is principally a conservation rather
18 than an efficiency effect, it's really a behavior
19 change, but that effect alone has demonstrated
20 through a number of independent studies to reduce
21 energy consumption anywhere between one and a
22 half and three and a half percent. So it was
23 interesting to see that, and they're growing
24 quite fast. They're headquartered in San
25 Francisco. And I guess those are the only two

1 that really leap out to me. Thanks.

2 CHAIRMAN WEISENMILLER: Thank you. Chief
3 Counsel's Report.

4 MR. LEVY: Nothing for you today.

5 CHAIRMAN WEISENMILLER: Executive
6 Director's Report?

7 MR. OGLESBY: Just a word or two about
8 the next Business Meeting on the 19th that starts
9 at 10:00. We do have just a couple of very brief
10 items, one on Consent and one very short item,
11 and that will add to the continuation of the
12 forecast, but the bulk of that proceeding is
13 going to be dedicated to Prop. 39.

14 CHAIRMAN WEISENMILLER: Okay, good.
15 Public Advisor's report.

16 MS. MATTHEWS: Good afternoon, just very
17 briefly, this is Alana Matthews, Public Advisor.
18 I wanted to make the Commission aware that we are
19 happy to implement a new procedure for all of the
20 workshops, basically citing what we're involved
21 in, where there are verbal comments sometimes
22 that get lost, so we are providing laptops when
23 we attend, and if we are not, we're asking staff
24 so that those who make verbal comments have the
25 opportunity to upload that through our eFiling

1 system, and where it's appropriate, we'll be
2 implementing that or at least talking with staff
3 to make sure that goes across the board. Thank
4 you.

5 CHAIRMAN WEISENMILLER: Thank you. Very
6 good idea. Public comment?

7 MS. MATTHEWS: I do have one other item.
8 I believe that there was a gentleman named Ried
9 Hitch who had called in earlier with regard to
10 Item 5 on the Agenda, and there was
11 miscommunication, so the item had already been
12 adopted prior to him being able to make a
13 comment. During the lunch recess, we were able
14 to contact and leave a voicemail, and asked him
15 at least to either call back and make public
16 comment at this time, or to submit his comment in
17 writing, so even if he is not here on the phone
18 now, I wanted the Commission and Chair to know we
19 did reach out to him.

20 CHAIRMAN WEISENMILLER: Thank you for
21 doing that. I appreciate it.

22 MR. SPLITT: Okay, I guess maybe the best
23 is for last, I don't know. It's Pat Splitt from
24 App-Tech. Besides being an energy consultant, I
25 also design residential hydronic heating and

1 space conditioning systems. And currently two of
2 the projects I'm working on are either very low
3 energy, or even some passive house super low
4 energy homes, or homes that are going at least to
5 Zero Net Energy by adding PV panels. And most of
6 them who do that basically want to do an all=
7 electric home. So the type of equipment that
8 seems to be ideal for many of these situations is
9 something called an air to water heat pump which
10 is used in much of the world except right around
11 here, except just recently, and I have been
12 trying since December of 2009, four years, to
13 figure out how to get this equipment listed
14 correctly in the Appliance Directory so I can
15 legally have these things installed. As of
16 today, I still can't do it. The first company
17 that came to the Commission was Daikin Alltherma,
18 which is exactly the same equipment, air to water
19 heat pump, and that was in 2009, they're still
20 not listed in the Appliance Directory, there is
21 no way to do it. To try to speed this up, I
22 actually went to a company that makes this
23 equipment and I got them to test a piece of
24 equipment, even though the Commission didn't have
25 an official way of doing it, to test it to the

1 reference standard that is in the Title 24 right
2 now at a CEC certified testing laboratory, and
3 all that testing was done last July. The only
4 thing that was left to do was they had to upload
5 the data to the data registry. To do that, the
6 Appliance Office requires that a spreadsheet be
7 filled out and there's a particular spreadsheet
8 for each type of equipment, so normally the
9 certified testing laboratory would move their
10 data into this spreadsheet, then send the
11 spreadsheet to the appliance office, and then it
12 automatically would populate the appliance
13 directory so nobody could make any mistakes.
14 Well, they can't do that because the spreadsheet
15 doesn't exist. And this is just an example that
16 I've been up against for years. I have equipment
17 that I want to use. There are several other
18 companies now that are trying to find out how
19 they can get the Appliance Office to list their
20 equipment, or what they have to do, and the
21 Appliance Office doesn't even get back to them.
22 They have no answer. I've been working most
23 recently with Pippin Brehler in the Legal
24 Department, and somehow he got stuck with this
25 problem, and it's really not a legal problem, but

1 people were raising legal questions, and so it's
2 taken him a while and he's not here today, and he
3 won't be back for the 17th, but I think all the
4 legal questions have been answered and I think
5 that's fine, but that won't help me at all
6 technically because there's still no way to
7 upload this data and the main problem is there's
8 no connection between the people in the Appliance
9 Office and the Building Standards Office. The
10 Appliance Office, they're sort of bookkeepers,
11 it's the people down in the --

12 CHAIRMAN WEISENMILLER: Let me encourage
13 you to take up the issue with the Executive
14 Office or with the assigned Commissioner.

15 MR. SPLITT: Well, I'd like to have --

16 CHAIRMAN WEISENMILLER: But, I mean, your
17 time is up, the three minutes, I'm sorry. It's
18 been a long day.

19 MR. SPLITT: And I've been waiting here
20 hours to speak.

21 CHAIRMAN WEISENMILLER: Well, I realize
22 that, but your three minutes is up.

23 COMMISSIONER MCALLISTER: I'll encourage
24 you, so this would be in my office, I'm happy to
25 facilitate the conversation with staff to start

1 off because I, you know, based on what you've
2 said, I don't exactly know what the pathway would
3 be and don't have an immediate read on it, but
4 yeah, I'll offer that for sure. And I don't see
5 anybody from the Appliances Office actually here
6 right now, but you know, we'll see what we can
7 figure out actually where this belongs, whether
8 it's actually in Title 24 or if it's in Title 20,
9 or what.

10 MR. SPLITT: And one other thing I'll
11 mention, there were people here from Daikin
12 Alltherma, they're variable flow systems that
13 everybody is praising? They're not listed in the
14 Appliance Directory either. So every one of
15 those is illegal that's been sold in California,
16 and you're praising them for breaking your rules.

17 CHAIRMAN WEISENMILLER: I don't remember
18 anything being on the record on that, so thank
19 you. This meeting is adjourned.

20 (Whereupon, at 3:55 p.m., the Business Meeting
21 was adjourned.)

22

23

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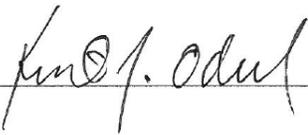
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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF,

I have hereunto set my hand this 17th day of December, 2013.



Kent Odell
CER**00548

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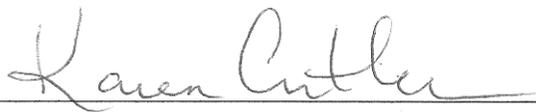
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IN WITNESS WHEREOF,

I have hereunto set my hand this 17th day of December, 2013.



Karen Cutler
Certified Transcriber
AAERT No. CET**D-723