

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of:                    )  
  )  
Business Meeting                    )  
\_\_\_\_\_                                  )

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 22, 2010

10:00 A.M.

Reported by:  
Peter Petty

COMMISSIONERS PRESENT

Karen Douglas, Chair  
James D. Boyd, Vice Chair  
Jeffrey D. Byron  
Robert Weisenmiller  
Anthony Eggert

STAFF PRESENT

Melissa Jones, Executive Director  
Michael Levy, Chief Counsel  
Jennifer Jennings, Public Advisor  
Harriet Kallemeyn, Secretariat

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**Also Present (\*On Phone)**

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P R O C E E D I N G S

SEPTEMBER 22, 2010

10:00 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of September 22nd, 2010.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: So, Commissioners, one change to the Agenda is that Item 14, which is Consideration of the Best Management Practices Manual for Solar Renewable Energy Development, has been postponed as a result of a request made by a number of stakeholders who would like some more time to make comments on the document. And we have asked for comments within 30 days for consideration by the Commission. Commissioner Weisenmiller, do you have anything to add?

COMMISSIONER WEISENMILLER: That is good. I think the reality was that, obviously we had a very public process on this document in the past, this has gone through a lot of joint review by the other team and, at the same time, I think, as it came up and suddenly people found they had a week to comment on the 200 plus page document that they had more or less forgotten, given the focus on the Siting cases, it seemed like it was a



1 good opportunity to basically give them more time to  
2 reflect on it, but also to use this document as part of  
3 our kick-off for our lessons learned activity. So,  
4 certainly again, we encourage written comments by the  
5 27<sup>th</sup>.

6 COMMISSIONER BYRON: Madam Chair, I would also  
7 like to ask if we could pull Item 1A from Consent so I  
8 could make a few comments with regard to the item.

9 CHAIRMAN DOUGLAS: Absolutely. If there are no  
10 more comments on Item 14, which has been postponed, we  
11 will go to Item 1, Consent Calendar. Commissioner Byron,  
12 would you like to take up Item 1A now?

13 COMMISSIONER BYRON: Thank you. I just wanted  
14 to note, this certainly could have been a Consent item,  
15 but I wanted to acknowledge that our staff has been  
16 working for over a month now with the Public Utilities  
17 Commission in preparing some draft comments and responses  
18 to a Federal Energy Regulatory Commission Notice of  
19 Proposed Rulemaking. And Commissioner Weisenmiller has  
20 been working, as well, at the Commissioner level to  
21 coordinate these comments. This is extremely valuable  
22 that the agencies are working together in order to  
23 provide consistent State comments on a very important  
24 transmission planning rulemaking at the Federal level,  
25 and I just wanted to take a moment to acknowledge their

1 hard work. I believe the comments are due at the end of  
2 this month and we anticipate that either our Executive  
3 Director or perhaps you may be signing with President  
4 Peevey at the PUC on some joint comments. Commissioner,  
5 thank you for your efforts on this.

6 COMMISSIONER WEISENMILLER: Sure. I think this  
7 is certainly an important topic back at FERC. I think  
8 part of our intent was to avoid the sort of confusion  
9 that can occur, I think when we went into the greenhouse  
10 gas comments, where two State agency comments have very  
11 similar comments, but everyone sort of tries to identify  
12 the differences, and try to work off of that, so it is  
13 certainly more complicated to do a joint filing, but I  
14 think it will pay off, and I certainly appreciate  
15 President Peevey's willingness to work with us on this.

16 CHAIRMAN DOUGLAS: Well, thank you,  
17 Commissioners. I appreciate your hard work and  
18 leadership on this and I am very pleased to hear that we  
19 will be able to submit joint comments, which I would be  
20 happy to sign if asked, and if it is signed at the  
21 Executive Director level, that would be fine, too.

22 COMMISSIONER BYRON: So, Madam Chair, with  
23 that, I move the Consent Calendar and Item 1A.

24 COMMISSIONER WEISENMILLER: Second.

25 CHAIRMAN DOUGLAS: All in favor?

1 (Ayes.)

2 Item 2. City Of West Sacramento. And it was  
3 my understanding that the City of West Sacramento may be  
4 here today. Is anyone from the City here today? Thank  
5 you. I will ask if you would like to make some comments  
6 at the end of this item.

7 City of West Sacramento. Possible approval of  
8 the City of West Sacramento's proposed Locally Adopted  
9 Energy Standards for residential and nonresidential newly  
10 constructed buildings to require greater energy  
11 efficiency than the 2008 Building Energy Efficiency  
12 Standards. Mr. Loyer.

13 MR. LOYER: Commissioners, with this ordinance,  
14 the City of West Sacramento will ensure that newly  
15 constructed residential and non-residential buildings  
16 under their jurisdiction will achieve 15 percent  
17 exceedance of the 2008 Building Energy Efficiency  
18 Standards, Title 24 Part 6. The City of West Sacramento  
19 will use the California Green Building Code Title 24,  
20 Part 11, and the Energy portion of Tier 1 Option as a  
21 mandatory requirement. Staff has reviewed the Ordinance  
22 and has determined that it complies with all necessary  
23 requirements of Title 24, Part 1, Section 10106, and  
24 recommends the application be approved and the Energy  
25 Commission Resolution be signed.

1           CHAIRMAN DOUGLAS: Thank you, Mr. Loyer. And  
2 would the representative of West Sacramento like to say a  
3 word now?

4           MR. GOODWIN: Thank you. Good morning, Madam  
5 Commissioner and fellow Commissioners. It is a happy day  
6 for both me and West Sacramento. We have been in this  
7 process now for over a year, well over a year -

8           COMMISSIONER BYRON: Sir, would you please  
9 identify yourself for everyone?

10          MR. GOODWIN: Thank you. Randy Goodwin. I am  
11 the Building Official with the City of West Sacramento.  
12 Your staff should be commended. Joe and Panama both were  
13 very helpful, knowledgeable, and really assisted with the  
14 process. The technical Commission staff on prior  
15 process, I am going to go outside of the text a little  
16 bit of this if that is okay, when we built our City Hall,  
17 in my former position, I was City Architect, and your  
18 technical staff, engineering staff, helped us with  
19 everything from lighting to design to energy efficiency  
20 in that building, literally reviewed and helped adapt the  
21 plans for a more energy efficiency building, and that was  
22 over eight years ago. So, I want to thank you and thank  
23 Joe, in particular, for your help with this.

24          COMMISSIONER EGGERT: Thank you very much, Mr.  
25 Goodwin. We really appreciate your coming here today to

1 share your thoughts on this item, and I just want to say  
2 that it is really the partnership that we have been able  
3 to establish with local governments, including  
4 specifically on their efforts to go above and beyond the  
5 State minimums with respect to things like building  
6 standards, which I think bodes well for our ability to  
7 meet our energy and environmental goals, and particularly  
8 why Sacramento, I know, has been the leadership in a  
9 number of areas, and it is great to see you expanding  
10 that with the approval of this item. I also just wanted  
11 to note, Mr. Loyer, glad to see that you are back to your  
12 full-time job. Some of you may be aware that I borrowed  
13 - or some may say "stole" - Joe for a brief period to  
14 help with some of the siting projects, and very much  
15 appreciated his services there. But, I think this is a  
16 good item and I would move to approve it.

17 COMMISSIONER BYRON: Second.

18 CHAIRMAN DOUGLAS: All in favor?

19 (Ayes.)

20 The item is approved. And congratulations and  
21 thank you for your leadership.

22 MR. LOYER: Thank you.

23 VICE CHAIR BOYD: I was just going to add  
24 congratulations to the City of West Sacramento on joining  
25 a growing list of cities in this State. Thank goodness

1 it is a growing list of cities, who are going beyond the  
2 Efficiency Standards and setting a new precedence for  
3 other cities. And we hope you have been sent to other  
4 cities to pay attention and take the same action that  
5 West Sacramento has had. They have done a lot of things  
6 lately, as a Sacramentan, I have noticed, and are getting  
7 a lot of kudos. Good for West Sacramento.

8 MR. LOYER: And in further recognition of West  
9 Sacramento's efforts, the Energy Commission staff and the  
10 Commissioners have put together this frame-ready  
11 resolution for the City of West Sacramento. The official  
12 Resolution that you will be sending in to the Buildings  
13 Commission will be coming by e-mail later today,  
14 probably. But this one is for your wall.

15 MR. GOODWIN: Thank you.

16 MR. LOYER: Congratulations. [Applause]

17 CHAIRMAN DOUGLAS: Very well, Item 3 is a very  
18 similar item, this one for the City Of Oakland. And let me  
19 ask before we take up the item, is the City of Oakland  
20 represented in the room or on the phone? Oh, wonderful. Very  
21 well. City of Oakland. Possible approval of the City of  
22 Oakland's proposed Locally Adopted Energy Standards for  
23 residential and nonresidential newly constructed buildings and  
24 additions and alterations to existing buildings to require  
25 greater energy efficiency than the 2008 Building Energy

1 Efficiency Standards. Mr. Loyer.

2 MR. LOYER: Commissioners, with this ordinance, the  
3 City of Oakland ensures that new residential projects under  
4 their jurisdiction will achieve 15 percent exceedance of the  
5 2008 Building Energy Efficiency Standards, Title 24 Part 6,  
6 using the GreenPoint rated checklist developed by Build it  
7 Green. The City estimates that newly constructed smaller  
8 commercial buildings, as well as additions and alternations,  
9 will exceed the standards by 10 percent using the Small  
10 Commercial Green Building Checklist developed by the County of  
11 Alameda under their Stopwaste.org program. The City estimates  
12 that newly constructed larger commercial buildings, as well as  
13 additions in alterations, will exceed the standards by 15  
14 percent using the Leadership in Energy and Environmental  
15 Design Checklist developed by the U.S. Green Building Council.  
16 The City Ordinance extends to buildings that qualify as  
17 historic resources, and affordable housing with the same  
18 energy efficiency requirements.

19 Staff has reviewed the Ordinance and has determined  
20 that it complies with all necessary requirements of Title 24,  
21 Part 1, Section 10106, and recommends the application be  
22 approved by the Energy Commission, and the Resolution be  
23 signed.

24 CHAIRMAN DOUGLAS: Thank you, Mr. Loyer. Can we  
25 hear from the City?

1 MS. KLEIN: Good morning, Madam Chair and  
2 Commissioners. On behalf of the City of Oakland, Mayor  
3 Dellums, the City Council, and the Community and Economic  
4 Development Agency, I am very pleased to be here and hopefully  
5 to receive approval from the Energy Commission of our  
6 application. We spent about three years working on the Green  
7 Building Ordinance, and our improved Energy Efficiency  
8 Standards, and it was a very collaborative process between all  
9 of our City agencies and stakeholders, and we believe that our  
10 Ordinance is comprehensive; as you heard from Joe, it  
11 encompasses not only new construction, but existing buildings,  
12 historic buildings, and also goes as far as including  
13 landscapes, so we are very proud of it and I am glad to be  
14 here. Thank you, Joe, for helping us get through this  
15 process.

16 CHAIRMAN DOUGLAS: Can we ask that you also identify  
17 yourself for the record.

18 MS. KLEIN: Yes, sorry. My name is Heather Klein.  
19 I am a City Planner with the City of Oakland.

20 CHAIRMAN DOUGLAS: Thank you. Commissioners,  
21 questions or comments?

22 COMMISSIONER EGGERT: Just a couple on this one, as  
23 well. Again, Ms. Klein, I want to congratulate you and Mayor  
24 Dellums and the City of Oakland for taking this leadership  
25 role and also taking advantage of some of these third-party



1 systems that can help facilitate even greater energy  
2 savings and sustainability features within your standards.  
3 And I also note, I think maybe with both of these, there is  
4 sort of an assertion by the City that they actually actively  
5 enforce compliance, which of course is a critical component to  
6 making sure that these savings actually accrue to the  
7 community, so I again would move this item.

8 VICE CHAIR BOYD: Second.

9 CHAIRMAN DOUGLAS: All in favor?

10 (Ayes.)

11 Thank you very much again.

12 MS. KLEIN: Thank you very much.

13 VICE CHAIR BOYD: Congratulations for being added to  
14 the virtual trophy of cities that are exceeding the standards  
15 and earning their way into this famous position that we hope  
16 others will recognize. And, Joe, it looks like you have  
17 something there.

18 MR. LOYER: I do. In recognition of the City of  
19 Oakland's efforts to pass this Ordinance, and get it to the  
20 final finish line, we have this resolution signed by all the  
21 Commissioners, which is, again, a frame-ready resolution for  
22 your wall. And the resolution that you will turn in to the  
23 Buildings Commission will be coming. Congratulations.

24 [Applause]

25 COMMISSIONER BYRON: Ms. Klein and Mr. Goodwin,

1 thank you both very much for being here today.

2 CHAIRMAN DOUGLAS: Item 4. California Statewide  
3 Communities Development Authority. Possible approval of  
4 Contract 400-10-003 for \$33,176,912 with California Statewide  
5 Communities Development Authority to support Energy Upgrade  
6 California, the statewide energy and water efficiency and  
7 renewable energy generation retrofit program for single- and  
8 multi-family residential and commercial buildings. Mr.  
9 Bartholomy.

10 MR. BARTHOLOMY: Good morning, Chairman Douglas,  
11 Commissioners, Executive Director Jones. My name is Panama  
12 Bartholomy, I work up in the Executive Office in the Special  
13 Ops Division and I will be presenting this item today. I am  
14 going to be joined at the dais by one of our senior technical  
15 folks on this item, Ms. Angie Gould, as well. It is our  
16 pleasure to bring a very exciting Agenda item to you on an  
17 otherwise dull list of items, some before you, this afternoon.

18 What I am going to be doing, Commissioners, is I  
19 will be giving you some brief details on the contract, itself,  
20 and then a bit of history about how we got to this point with  
21 this contract, and then back it up to a broader level and give  
22 you the context within which this contract sits. This  
23 contract is a cornerstone of a much larger effort and  
24 collaboration, statewide, on energy efficiency building  
25 retrofits, and so we want to be able to give you the context

1 within which this contract sits, then I will come back  
2 down and discuss in detail the contract that we brought before  
3 you for your consideration for approval.

4           So, the contract we have before you is a proposal  
5 for a just over \$33 million contract with the California  
6 Statewide Community Development Authority, or CSCDA. CSCDA is  
7 a joint powers authority between the League of Cities and the  
8 California State Association of Counties. The contract before  
9 you proposes a number of different program details, including  
10 a clearinghouse for financing, for energy efficiency and  
11 renewable energy, for commercial and residential buildings, a  
12 statewide building retrofit Web portal, and a marketing  
13 campaign, the roll-out and coordination of a comprehensive  
14 residential, regional building retrofit programs in 25  
15 leadership counties across California, significant incentives  
16 around workforce development and workforce development  
17 coordination, pilot Property Assessed Clean Energy, or PACE  
18 programs in four communities of the State, that I will get  
19 into some detail in, as well as a significant advancement of  
20 some project decision tools to help the affordable housing  
21 community be able to bring better resources to their projects.

22           Here is the budget of the contract you have before  
23 you. You can see the various components of it, and how the  
24 \$33 million will be spent among the various parts of the  
25 contract.

1           So, how did we get here today? As you all  
2 remember, all the dates up here on the screen were dates that  
3 involved all five of you on the dais, making certain  
4 decisions. On September 30<sup>th</sup>, 2009, you adopted a State Energy  
5 Program -original State Energy Program Guidelines - and in  
6 there, identified energy efficiency financing as one of the  
7 key barriers to building up the energy efficiency retrofit  
8 market in the State. Because of that, on October 8<sup>th</sup>, the  
9 Commission released what was called the SEP 110 or the State  
10 Energy Program \$110 million solicitations, three solicitations  
11 hoping to be able to bring better coordination, financing, and  
12 resources to building retrofit programs across the State. On  
13 February 11<sup>th</sup>, the Commission released their Notice of Proposed  
14 Awards for the SEP 110 Program, including five potential  
15 awards to different entities for \$30 million around energy  
16 efficiency financing. In detail, those five awards were - one  
17 award was a statewide PACE pilot program covering 13 counties  
18 and 110 cities; another was a PACE pilot program along the  
19 North Coast covering six different counties in the North  
20 Coast; there was a program to further the Sonoma County PACE  
21 Program; a program to encourage commercial PACE projects in  
22 the City of LA; and then a program focused on affordable and  
23 low income PACE projects in the City and County of San  
24 Francisco.

25           On July 6<sup>th</sup>, unfortunately, as you know, the Federal

1 Housing Finance Authority released a memo providing  
2 guidance to Fannie Mae and Freddie Mac around PACE,  
3 effectively putting up barriers to PACE implementation across  
4 the country and in California that caused most of the  
5 jurisdictions in California to abandon their plans around  
6 development of the PACE districts. On July 28<sup>th</sup>, the  
7 Commission acted to cancel the 401 solicitation and, then, on  
8 August 6<sup>th</sup>, you adopted a new set of guidelines to re-  
9 appropriate the funds that were going towards the development  
10 of PACE districts towards encouraging further financing  
11 activities in the State. As you will remember, our original  
12 SEP Guidelines were very restrictive about the kinds of  
13 programs we were going to allow under our 401 solicitation, to  
14 only be PACE programs, and on August 6<sup>th</sup>, you opened it up to a  
15 wider variety of financing options.

16           Additionally, you gave direction that the money that  
17 was going to be going towards the 401 should be going towards  
18 and continuing to encourage access to financing in California,  
19 and provided a number of other details you would like to see  
20 the staff work on to bring the contract back.

21           During that same time period, the Energy Commission  
22 was engaged with local governments, investor-owned utilities,  
23 municipal utilities, and the California Public Utilities  
24 Commission in creating a new Statewide marketing and branding  
25 campaign called Energy Upgrade California. We have been

1 working with the PUC and the other partners since about  
2 June on this program. As the activity around PACE started to  
3 heat up at the Federal level and the barriers around the  
4 development of PACE started to become more clear, it also  
5 became clear that there was perhaps a greater opportunity  
6 around the Energy Upgrade California Partnership to make it  
7 more than just a branding and marketing campaign, but, in  
8 fact, to really carry out a number of activities under the  
9 auspices of the umbrella of the Energy Upgrade California  
10 Program. And I am going to get into some details on what that  
11 program looks like now.

12           So, you had some details of what the contract is.  
13 And the contract is really a keystone part of the larger  
14 Energy Upgrade California Program, it provides some of the key  
15 infrastructure and the program development that was needed for  
16 Energy Upgrade California to truly roll out across the state.  
17 And so here is briefly what that program looks like. The  
18 Energy Upgrade California Program is a Statewide energy and  
19 water efficiency and renewable energy program for all building  
20 types in California, residential and commercial. It is an  
21 unprecedented collaboration between ourselves, the Public  
22 Utilities Commission and investor-owned utilities, municipal  
23 utilities, local government, nonprofits, and local  
24 governments. And we have a representative of the Public  
25 Utilities Commission on the phone that will offer some brief

1 comments when I am done, as well, to talk to the  
2 partnership that has been established under this program.

3           The program intends to act as a one-stop resource  
4 for all information any building owner will need in the State  
5 of California, to be able to find resources, to be able to  
6 learn why they would want to do a building retrofit, as well  
7 as the resources to be able to perform a building retrofit on  
8 their facility. It coordinates with all of the various  
9 retrofit programs rolling out across the State right now,  
10 under a brand, and under one marketing campaign, and it begins  
11 to create the foundation for the implementation of AB 758, the  
12 infrastructure we will need when PACE is finally freed up from  
13 the Federal Government, and when Home Star is hopefully passed  
14 by Congress and signed by the President.

15           The program encompasses a wide variety of funding  
16 sources, everything from the investor-owned utility rebate  
17 programs to the financing that will be made available, the  
18 Recovery Act money administered by the Energy Commission and  
19 local governments, and a significant investment of Work Force  
20 Investment Act Funds, as well. The program offers a number of  
21 levels of coverage, benefits, at the Statewide level. There  
22 will be a Statewide Web portal providing consistent and clear  
23 information about energy efficiency and renewable energy  
24 retrofits. There will also be an opportunity for easy to  
25 access, low cost financing for building owners across

1 California made available to this program. For those  
2 citizens that live within an investor-owned utility or  
3 leadership municipal utility that offers a rebate program for  
4 energy efficiency, they will have access to those rebates  
5 under this program. And in 51 counties across the State, out  
6 of the 58, there will be the offering of comprehensive  
7 residential retrofit programs, including the various program  
8 details you see up there on the screen. In addition, the  
9 program will roll out pilot PACE programs on residential and  
10 commercial buildings in four communities across the State and  
11 will be providing new tools for affordable housing retrofits.

12 The financing program is one of the key components  
13 of this contract that is going to be administered by CSCDA.  
14 CSCDA under this contract will initiate a competitive  
15 solicitation to bring financial institutions to California to  
16 offer financing to commercial and residential building owners,  
17 to be able to perform the retrofits. They will be enticed to  
18 offer programs through a consistent and rigorous program,  
19 quality assurance and contractor qualification programs, as  
20 well as incentives such as interest rate and buy-downs. The  
21 financing will be offered through the Statewide Energy Upgrade  
22 California website application, and contractors will be  
23 trained on how to help homeowners and commercial building  
24 owners find access to this program.

25 An example of what this could look like is an entity



1 such as a large financial institution such as Wells Fargo  
2 could bid a loan product into the solicitation and then be  
3 able to offer it to home or commercial building owners across  
4 the State, with an interest rate buy-down from this program.

5           The program's residential component acts to  
6 consolidate all information around the various residential  
7 retrofit programs across the State into one location so that  
8 homeowners can go to one resource, to be able to find all the  
9 information they need to be able to retrofit their homes, and  
10 in attempts to coordinate the marketing application and  
11 workforce development and other components of these programs  
12 together to reduce consumer confusion and be able to help them  
13 bring about retrofits in their homes. In particular, the  
14 program will be working with Sonoma County around a  
15 residential PACE program, a PACE program that will be  
16 compliant with and will allow us to continue to move PACE  
17 forward, even under the guidance of FHFA. Sonoma County will  
18 be working to develop strategies for how to address some of  
19 the barriers put forward by FHFA, and then, working with other  
20 jurisdictions in a technical assistance capacity, to help them  
21 roll out programs that will also meet FHFA guidelines and  
22 overcome the barriers presented by that agency.

23           I know Commissioner Boyd, in particular, at the  
24 August 6<sup>th</sup> Business Meeting, wanted to make sure that this  
25 program helps as much as possible the Affordable Housing and

1 Multi-Family market through a considerable amount of  
2 communication with that market. Since that meeting, we have  
3 been informed that there is no dearth of funds available for  
4 these sorts of retrofits. The biggest problem is a  
5 coordination of programs and helping building owners and  
6 occupants of these types of housing to be able to find the  
7 best programs, a fit for their projects. And our contract  
8 will be working to develop a decision-making tool that will  
9 help identify the best retrofit programs available for the  
10 particular project, and then be able to help them be able to  
11 access that and find a contractor to be able to bring that to  
12 bear. We are told by the affordable housing community that  
13 this will really be one of the greatest benefits that we could  
14 bring to them, to help with their projects.

15           On the commercial side, it is very much like the  
16 residential side. We are acting to coordinate all of the  
17 different programs across the State into one Web resource and  
18 marketing campaign, and then to help with as much as possible  
19 coordinate the different various program components to reduce  
20 consumer confusion and burdens, so they need to make perhaps  
21 one or two phone calls, rather than five or six phone calls to  
22 access different programs. Like residential, the program will  
23 be offering a commercial pilot program, working with the City  
24 of LA, Placer County, and San Francisco County, who will be  
25 partnering with LA Department of Water and Power and Pacific

1 Gas and Electric, respectively, to roll out this  
2 commercial PACE program. This program, too, will model how to  
3 do a commercial building PACE program, that will address some  
4 of the barriers and concerns that have been brought up by FHFA  
5 and the Office of the Currency Controller. On the Clinton  
6 Climate Initiative, we will be a partner in this effort, and  
7 we will be acting as a technical consulting capacity to help  
8 other jurisdictions roll out commercial PACE programs, using  
9 the strategies developed by this pilot program.

10           The program is going to have significant focus on  
11 helping business owners find qualified contractors, making  
12 sure that we have the training programs out there to bring  
13 about qualified contractors, and making sure we have the  
14 quality assurance programs to make sure these people should  
15 still be considered qualified contractors after they do work  
16 in California on buildings.

17           I will finish up with just talking about one of the  
18 most significant parts of your contract you have before you  
19 today, as well as a program, is a comprehensive statewide  
20 retrofit Web portal. As mentioned, it is going to bring  
21 together all of the different information on the retrofit  
22 programs across the State, allow property owners and  
23 contractors to submit one application for various programs,  
24 allow property owners, contractors, and administrators to  
25 check their progress on projects, and then allow for the

1 Administrators of programs to run comprehensive reports  
2 on the success of the projects. From a homeowner or building  
3 owner's perspective, the flow for how they would use the  
4 website is -- quickly -- it looks like this; they enter into  
5 the website, get educated about the program, and the programs  
6 available to them, what incentives are available to them, if  
7 they are looking for financing, it leads them to that  
8 financing, and then the contractors that are eligible under  
9 those programs to provide assistance to them.

10           This program, Energy Upgrade California, and the  
11 contract you have before you, provides us with a foundation to  
12 move towards some very important public policy goals in the  
13 State of California. Implicit in this contract and the  
14 program is a loading order. If Energy Efficiency Upgrade  
15 California financing is used to finance solar photovoltaic,  
16 energy efficiency measures must be installed before the  
17 financing can be used to install the photovoltaic panels. It  
18 is going to expand HERS II significantly, as well as expand it  
19 to the multi-family sector, and we are going to be providing  
20 the pilot programs and the infrastructure we need for the  
21 implementation of AB 758, PACE, and Home Star.

22           So, again, that was the larger energy upgrade  
23 California program. Bringing it back to the contract you have  
24 before you, just briefly, it encompasses the clearinghouse for  
25 alternative financing for buildings. This contract will allow

1 that clearinghouse to happen, it would not happen without  
2 this contract, the Statewide retrofit Web portal and branding,  
3 this contract will allow that Web portal to be created and  
4 then maintained for two years. The comprehensive residential  
5 retrofit in 25 leadership counties will be funded through this  
6 contract. Significant workforce development incentives to  
7 push HERS II and Home Performance Contractor Infrastructure is  
8 in this contract, and then both of the pilot programs around  
9 PACE are funded through this contract, and then the project  
10 decision-making tool for affordable multi-family buildings is  
11 also contained in this contract.

12           The timeline for this is hopefully we will get  
13 positive resolution at today's business meeting, and we will  
14 have the passage of this contract. CSCDA, a member of whom is  
15 here in the audience and can speak to the contract, will be  
16 considering this for approval at their October 13<sup>th</sup> Business  
17 Meeting, and in October and November, there will be a launch  
18 of the investor-owned utility programs and the website, as  
19 well as the development and implementation plan, and then, by  
20 December, we will be hot and heavy into the implementation of  
21 this program. With that, I will end the slide show, bring up  
22 the lights, and I would be happy to entertain any questions.  
23 I would just like to ask if we could have Kathy Vogel from the  
24 California Public Utilities Commission just briefly speak to  
25 the partnership that has been created under this program, if

1 the Vice Chair would so allow.

2 VICE CHAIR BOYD: Okay, as noted, the Chairman had  
3 to step away from the dais, this is Commissioner Boyd. So, I  
4 had next on my list to hear from the PUC. So, Kathy Vogel,  
5 are you there?

6 MS. VOGEL: I am. Can you hear me?

7 VICE CHAIR BOYD: Very well, thank you. Go right  
8 ahead.

9 MS. VOGEL: Great, thank you, Commissioner. My name  
10 is Kathy Fogel. I am a Senior Analyst in the Energy  
11 Efficiency Planning Section of the Climate Strategies Branch  
12 Energy Division at the PUC. I have been working since about  
13 April with Claudia Chandler, Panama, and others on developing  
14 Energy Upgrade California, and it really has been a pleasure  
15 working together on this, on developing a partnership. The  
16 CPUC sees the Energy Upgrade California Program that is  
17 underway and been developed here, and our collaboration, as  
18 truly unprecedented in scale, and scope and breadth, truly  
19 exciting.

20 We began our collaboration because we felt there was  
21 a need to reduce consumer confusion and also improve access to  
22 the public good charge funded programs that the utilities are  
23 offering, that are being offered now in coordination with the  
24 ARRA funded programs. The program, as it is developing,  
25 allows the CPUC and the utilities, the investor-owned

1 utilities, to ensure that IOU funds are well leveraged  
2 with other programs, such as the ARRA programs, and ones that  
3 will come soon under AB 758. We believe that this program  
4 will therefore increase the return on the ratepayer investment  
5 and reduce duplication. It is really important that this  
6 coordination between the programs continue, and the CPUC and  
7 myself, personally, are committed to ensuring that. We do  
8 recognize that there is going to be a need to maintain our  
9 relationship and grow it, so we are looking forward to that.  
10 We have also made a lot of gains in our collaboration, again,  
11 since April, and there will be a lot more opportunities to  
12 work through the barriers and the challenges that come. So, I  
13 will be engaged in that and, again, we are very committed to  
14 working through those barriers. So, we look forward to the  
15 launch of this program and want to thank the CEC staff for  
16 their hard work to get it launched. Thank you.

17 CHAIRMAN DOUGLAS: Ms. Vogel, this is Karen Douglas,  
18 and I had to step out briefly, but I made it back for much of  
19 your comments. I wanted to say that I truly appreciate the  
20 collaboration that we have reached with the Public Utilities  
21 Commission, and it is a tremendous benefit to the State of  
22 California to be able to roll out a statewide energy  
23 efficiency retrofit program that is so tightly coordinated and  
24 reflects the work and vision of the Public Utilities  
25 Commission and the Energy Commission in partnership, with the

1 IOUs, with the two biggest POUs, and we hope others, as  
2 well, and with the local governments who have been such  
3 important leaders and partners in this effort. So, thank you.  
4 And we certainly look forward to building on this level of  
5 coordination and achieving great benefits and a really strong  
6 program together. Mr. Bartholomy, I wanted to ask you a  
7 question. I received a number of letters from - I received a  
8 letter from the City of Fresno, the County of Fresno, and the  
9 Cities of Sonoma and Clovis, expressing the concern that the  
10 San Joaquin Valley, in one letter, would receive no benefits  
11 from this program, and in another letter - or the other  
12 letters just asking if they could be a pilot program, and I  
13 thought it would be beneficial for the Commissioners to hear  
14 your perspective on actions - first, what are the benefits to  
15 San Joaquin Valley counties, and particularly Fresno, in this  
16 program; and secondly, you know, maybe you could discuss the  
17 pilot program that we in fact are funding to City and County  
18 of Fresno.

19 MR. BARTHOLOMY: I would be happy to, Madam Chair.  
20 And I will start and then Ms. Gould can follow-up with  
21 anything that I overlooked. Within the program, I mentioned  
22 that we are considering the funding of regional retrofit  
23 program coordination in 25 leadership counties across the  
24 State. These are counties that have already made a  
25 significant investment into developing retrofit program



1 infrastructure within their communities, and therefore  
2 offer to the State a higher leverage for the funds and the  
3 investments that we are going to be putting out to this  
4 contract. These communities are called Program Plus Counties  
5 under this contract, those within the San Joaquin Valley,  
6 there are - correct me if I am wrong, Angie - four counties,  
7 which represent some of the largest population centers of the  
8 San Joaquin Valley, represented as Program Plus Counties.  
9 Those counties are going to get additional funds and  
10 assistance under this contract around regional coordination,  
11 to help them establish strong networks, training programs, and  
12 outreach mechanisms, to be able to make sure the building  
13 owners are aware and have greater access to this program, as  
14 well as additional incentives around interest rate buy-downs,  
15 HERS II rebates for testing in and testing out, as well as  
16 additional financing incentives. So, there is a significant  
17 advantage for making the investment and then committing to be  
18 a Program Plus County, and four of the major counties with the  
19 San Joaquin Valley are going to have access to that. Ms.  
20 Gould, anything you would like to add to that as far as a  
21 Program Plus County? And then I will come back and talk  
22 particularly about the pilot program we are rolling out in  
23 Fresno County.

24 MS. GOULD: Yes. So the Counties of San Joaquin,  
25 Tulare, Fresno, and Kern, are the Program Plus Counties that

1 we have identified. We have actually done a little  
2 digging and we have gotten up to 29 identified counties that  
3 would receive Program Plus benefits, but the other counties in  
4 the San Joaquin Valley, outside of those four, would also be  
5 receiving Statewide benefits, so all 58 counties are going to  
6 be receiving comprehensive outreach and marketing campaign  
7 access to these Statewide Web portal that helps building  
8 owners learn about the retrofits, find the relevant incentives  
9 and contractors, etc. The counties will have customized pages  
10 in the Web portal that will contain localized content that  
11 they can populate. They will have access to low-cost energy  
12 retrofit financing that the program will bring to the State,  
13 and \$1.5 million in scholarships for HERS II and BPI  
14 contractors.

15 MR. BARTHOLOMY: As the Chairman mentioned, we are  
16 using some of our discretionary Energy Efficiency and  
17 Conservation Block Grant funds that the Energy Commission is  
18 administering, and we have entered into an agreement with  
19 Fresno County, just over \$1.8 million, to help them establish  
20 a comprehensive residential retrofit program. That program  
21 will help them to integrate and ramp up HERS II infrastructure  
22 and activity within their county, and be able to establish a  
23 network across their county, to be able to bring about  
24 qualified contractors that are going to be focused on deep  
25 energy retrofits, going far beyond weatherization into high

1 levels of energy efficiency retrofits, and the  
2 infrastructure and the training and the outreach mechanism  
3 that will be necessary to be able to roll that out in both  
4 Fresno County and Kern County, with the City of Fresno  
5 administering that program.

6 CHAIRMAN DOUGLAS: Thank you, Mr. Bartholomy. And,  
7 Commissioners, I also wanted to mention that I spoke with the  
8 Mayor of Fresno, Mayor Swearingin, about her letter and the  
9 City of Fresno has been one of the real shining examples in  
10 the San Joaquin Valley of leadership on energy efficiency  
11 programs, and that is why we worked with them on the \$1.8  
12 million residential program. She immediately recognized and  
13 thanked the Commission for the support that we have provided  
14 them for their residential program, which goes county-wide to  
15 the City and County and also extends into Kern County, I mean  
16 the City of County, I do not know. The County of Fresno also  
17 extends into Kern County. She expressed the concern that they  
18 might be interested in a commercial pilot and I asked a number  
19 of questions to staff and got back responses to her about  
20 commercial opportunities for Fresno, one is that the  
21 contractor in this CSCDA will issue a solicitation to bring  
22 financing options for both residential and commercial  
23 applicants, or users of this program, statewide. So, Fresno  
24 and other San Joaquin Valley Counties would have the ability  
25 to use the commercial financing that is developed through the

1 solicitation, as well as the residential. Secondly, in  
2 PG&E's service territory, there is an on-bill financing  
3 option, as well, for commercial properties. So, I have gotten  
4 to that response and I think that has helped increase the  
5 comfort level, but I really think that we have provided  
6 significant benefits statewide, and the part of this that I  
7 really like the most is that we, really not through our  
8 choice, but through FHFA, had to reevaluate what we were  
9 trying to achieve with this program, and we started with a  
10 very good model that created very good ideas and programs in  
11 different regions of the State, and the California First  
12 Program, which would have been more statewide, but without  
13 nearly the reach of this one, and staff has done an incredible  
14 amount of leg work in order to take those program elements and  
15 some of those ideas, add different ideas, work with a number  
16 of different entities, and really build this into - I think  
17 this is going to be one of the bedrock programs for efficiency  
18 retrofits in the State of California for a long time to come.  
19 Commissioner.

20 COMMISSIONER EGGERT: Sure. This is an exciting  
21 day. I am very proud to be a part of it and also was very  
22 happy to serve on the Federal Stimulus Committee, that I was  
23 involved in bringing the projects before us prior to this, but  
24 also, I think, as you said, the setback at FHFA, I think, in  
25 this case has really been transformed into a much better

1 project. You know, I want to sort of reiterate something  
2 that I said at the meeting; I think it was just eight short  
3 weeks ago when we did cancel the previous solicitation, and  
4 that is that the Energy Commission in no way is walking away  
5 from PACE. You know, within this program, which includes a  
6 number of different potential financing models, allows for  
7 PACE and allows for the continuation of that to be built and,  
8 hopefully, eventually will address some of the concerns that  
9 have been raised by FHFA or perhaps convince them that their  
10 concerns are not necessarily well founded. But it does not  
11 rely upon PACE and I think that is one of the great things, is  
12 that it includes greater flexibility to serve a multitude of  
13 different residential and commercial buildings owners. And  
14 then, of course, it is much much more than just financing, it  
15 includes all of the elements that Mr. Bartholomy, I think,  
16 articulated quite well. I do just want to further emphasize  
17 the value of this effort in establishing an infrastructure for  
18 the successful implementation of AB 758, this is really going  
19 to provide a significant number of the components that we see  
20 as necessary for creating a viable retrofit industry within  
21 the state and achieving the goals of that program, but, of  
22 course, also, the major benefits being energy savings and all  
23 the environmental benefits that come with that for California  
24 consumers. So, again, I am very very thrilled with this  
25 program as it has been developed and, again, very happy that

1 we have been able to partner with our sister agencies,  
2 including the PUC, in bringing this forward for us today.

3 VICE CHAIR BOYD: I would just comment, first, Mr.  
4 Bartholomy, I appreciate your reference to the affordable  
5 multi-family housing and the steps you have taken there, and  
6 for pointing that out. I also want to comment that I want to  
7 point out and compliment the staff for the continued inclusion  
8 of the subject of water. I have been in meetings in this room  
9 where people have criticized us for not thinking about the  
10 interaction between energy and other subjects, and I know this  
11 agency has had the energy-water nexus identified as a priority  
12 activity for years now, and a lot of work has gone into the  
13 subject, and I am glad to see it carries into something as  
14 significant as this. Lastly, I want to commend the staff for  
15 the job that they have done in a very short period of time,  
16 after being delivered a very low blow by Federal agencies with  
17 regard to a program designed. I think you have recovered -  
18 not only recovered marvelously, but really taken lessons  
19 learned and created a very broad expansive and cooperative  
20 program, and I really am pleased to know that we and the PUC  
21 and others are working so closely together because there are  
22 just so many synergies between the activities and programs of  
23 other agencies that we should be doing this as often as  
24 possible, and you have certainly captured opportunities there,  
25 staff. So, I thank you for that. So I, for one, am very

1 pleased with this and anxious to see it move on.

2 COMMISSIONER BYRON: Madam Chair, thank you. I  
3 would like to comment briefly as well. I am so very proud of  
4 the Commission staff on this particular project. My thanks,  
5 of course, to the Chair and Commissioner Eggert for their  
6 leadership on the Ad Hoc Committee on ARRA Funding - does it  
7 have a different name?

8 CHAIRMAN DOUGLAS: Well, we renamed it, it is now  
9 the Federal Stimulus Committee.

10 COMMISSIONER BYRON: Right, thank you. You know, as  
11 if California State contracting is not complicated enough,  
12 given all the roadblocks and speed bumps, and deadlines we  
13 have put in front of you, I think you have managed to put  
14 together perhaps one of the best programs I have seen while at  
15 this Commission. I would also like to extend my thanks to all  
16 the State agencies, particularly the PUC, that you have been  
17 working with, our County partners, all of these regional NGOs  
18 that are involved, and contractors, for all your patience and  
19 perseverance as our staff has figured out how to surmount all  
20 their obstacles. I am going to of course support this  
21 innovative and responsive contract. I think it is an  
22 extremely well conceived project because it is going to put  
23 some people back to work and it is going to save Californians  
24 a lot of money. My congratulations to you.

25 COMMISSIONER WEISENMILLER: I am going to echo much

1 of what has been said. I certainly want to thank the  
2 staff for putting together this creative program. Last week,  
3 I went down to San Diego to speak at the Clean Energy  
4 Conference of the Center for Sustainable Energy, and it was a  
5 good opportunity to really interact with several hundred of  
6 the local officials and local practitioners, and it was very  
7 clear that this type of program really has sparked a lot of  
8 interest there. In the question/answer period, there were a  
9 lot of questions about PACE, a lot of concern expressed,  
10 actually, a lot of interest in on-bill financing, but that,  
11 again, people understood the challenge down there of trying to  
12 deal with energy retrofit and its importance, and we are  
13 certainly looking for this type of tool, so I am certainly  
14 going to support this.

15 CHAIRMAN DOUGLAS: Thank you, Commissioners. Mr.  
16 Bartholomy, did you have anything to add?

17 MR. BARTHOLOMY: Just two more points, Madam Chair,  
18 and then I will let you get on with public comment. I just  
19 want to recognize that there is a representative of CSCDA here  
20 in the audience, so if you have any questions for him, as well  
21 as representatives from the entire contractor team; and I just  
22 want to recognize them, some of them drove as far as Santa  
23 Cruz to be up here today, and then we are also joined by one  
24 of our leadership PACE communities, Jenine Windeshausen, the  
25 Treasurer from Placer County, is here as well, and just wanted



1 to compliment their continued leadership around PACE  
2 Programs, and we are looking forward to continuing to work  
3 with them, as well. And I just wanted to recognize  
4 particularly Ms. Gold. She has really been the bedrock behind  
5 the development of this contract and I think all the many of  
6 the kudos should be going to her, as well as Bill Pennington  
7 of our Building Standards Office, and Renee Webster-Hawkins  
8 out of our Legal Office. They, along with Jenny Wu out of  
9 Building Implementation, have really provided the grunt work,  
10 as well as the genius behind this program you have before you,  
11 so thank you very much for your comments and considerations,  
12 and we look forward to your deliberation.

13 MS. JONES: Madam Chairman?

14 CHAIRMAN DOUGLAS: Yes.

15 MS. JONES: I have just one more acknowledgment. I  
16 would like to acknowledge Panama, who played such an  
17 instrumental role in this, and I also would like to thank  
18 Claudia Chandler, who is not here today, but who was the  
19 driving force and provided leadership for this successful  
20 program, and so I just wanted to raise those two people.  
21 Thank you.

22 CHAIRMAN DOUGLAS: Thank you, Ms. Jones. I am very  
23 glad you did. I do not have any cards indicating public  
24 comment on this item, but would any of our visitors who are  
25 here on this item like to speak to the Commission? I do not

1 see anyone jumping up at this point. Commissioners,  
2 anymore comment? Or, is there a motion?

3 COMMISSIONER EGGERT: I will move the item.

4 VICE CHAIR BOYD: Second.

5 CHAIRMAN DOUGLAS: All in favor?

6 (Ayes.)

7 The item is approved. Thank you very much.

8 Item 5. Electric Power Research Institute.

9 Possible approval of Contract 500-10-022 for \$1,856,899 with  
10 Electric Power Research Institute (EPRI) to accelerate  
11 adoption of adjustable-speed drive technology and embedded  
12 communication and control technologies. Mr. Meister.

13 MR. MEISTER: Good morning, Commissioners. I am  
14 Bradley Meister. I actually think this is the very exciting  
15 item. I am here today to request approval of Contract 500-10-  
16 022 for \$1,856,899 with the Electric Power Research Institute.  
17 The project was competitively selected under the Technology  
18 Innovations and Buildings and Communities II solicitation.  
19 This contract provides \$500,000 in match funding, or 27  
20 percent. The project is going to do quite a lot. It will  
21 build on previous research in the PIER Program, and is an  
22 integral part of our overall plan to reduce plug loads in  
23 support of Zero Net Energy. The contract will conduct  
24 research and develop low-end computers like kiosks and high-  
25 end gaming computers. It will develop test procedures for

1 home audio equipment. It will investigate and quantify  
2 savings associated with efficient induction cooking, which is  
3 something new. It will quantify savings associated with power  
4 factor correction in electronic equipment. It will accelerate  
5 the adoption of adjustable speed drive technology in embedded  
6 communication and control technologies and appliances, making  
7 them demand responsive and providing more consumer choice.

8           This project is projected to save about 3,100  
9 gigawatt hours and over 1.2 million metric tons of CO<sub>2</sub>. I  
10 would ask for your approval.

11           CHAIRMAN DOUGLAS: Thank you, Mr. Meister. Are  
12 there questions or comments on this item?

13           COMMISSIONER BYRON: Madam Chair, a comment if I  
14 may. I am obviously going to support this project, as well.  
15 I am convinced by my own home that there is an enormous  
16 potential savings in these consumer products that you are  
17 going to be evaluating. I also would note that this work  
18 draws on a great deal of previous PIER research. I like the  
19 aspect that there is a focus on industry outreach in this.  
20 There is no doubt about it, Commissioners, this Commission has  
21 a tremendous track record for saving Californians billions of  
22 dollars in this area. And this research will ultimately, I  
23 believe, support new standards; consumers will win as a result  
24 of that. And all the blustering that we have around some of  
25 our standards work recently and potential lawsuits is nothing

1 new. I ask the staff be cognizant, of course, to  
2 industry's concerns, but I encourage you full steam ahead,  
3 this saves California consumers a lot of money.

4 VICE CHAIR BOYD: I would comment that I was pleased  
5 and impressed with Mr. Meister's enthusiasm for this item,  
6 following on the heels of a very large and significant item,  
7 you maintained your enthusiasm, Brad, that is really good  
8 because this is, as Commissioner Byron indicated, a very  
9 important area. Efficiency is Job 1 in the loading order for  
10 this organization, for all the energy organizations, this is  
11 going to contribute significantly to that effort in this  
12 State. And it was interesting to note, and some of you may  
13 have heard NPR this morning had a feature on energy  
14 efficiency, that actually indicated that the public really did  
15 not understand the subject very well. And when asked what is  
16 the most important thing you could do, they said turn out the  
17 lights. So, we have a way to go, but nonetheless, recognizing  
18 the efficiencies that can be gained in so many of the electric  
19 and electronic appliances and features that are in our homes  
20 now, it is going to be very important contributing to the  
21 issue that I said is Job 1 in California, and that our  
22 research program, the PIER folks, continue to do really good  
23 work in here that, as we have noted many times before, is not  
24 heralded enough, or known enough, and we have to continue to  
25 push that subject. So, as Commissioner Byron indicated, he

1 and I, sitting as the Research Committee, were very  
2 impressed with this when it came before us for recommendation  
3 to bring before you today, and I am equally, as I am sure all  
4 of you are, as anxious and impressed that we move on with  
5 this.

6 COMMISSIONER EGGERT: I just want to offer just a  
7 quick thank you to the R&D Committee and the staff for  
8 bringing forward another project that looks to be an excellent  
9 contribution to our Standards development within the  
10 Efficiency Committee, and I suspect it is not coincidence that  
11 Commissioner Byron sits on both, but we have been having a  
12 number of discussions about how to further develop our  
13 appliance efficiency standards, and I think this is going to  
14 be extremely useful to that task, so thank you.

15 COMMISSIONER WEISENMILLER: I also think this is a  
16 good program. Obviously, one of the things all of us are  
17 struggling with as the Smart Meters are rolled out is how to  
18 really take advantage of those, and pricing. And I think the  
19 more we can move that sort of Smart technology into the  
20 appliances and the other parts of the household, the more the  
21 consumers can reap the benefits. So, again, I think this is  
22 very interesting and a very good program to help us get some  
23 of that enabling technology out and guarantee the savings we  
24 are looking for.

25 VICE CHAIR BOYD: I think maybe the appliances are

1 smarter than the meters so far, but that remains to be  
2 seen.

3 CHAIRMAN DOUGLAS: Is there a motion on this item?

4 COMMISSIONER BYRON: Madam Chair, if there is no  
5 further comments or questions, I move approval of Item 5.

6 VICE CHAIR BOYD: Second.

7 CHAIRMAN DOUGLAS: All in favor?

8 (Ayes.)

9 Item 5 is approved.

10 MR. MEISTER: Thank you.

11 CHAIRMAN DOUGLAS: Thank you. Item 6. Portland  
12 Energy Conservation, Inc. Possible approval of Contract 400-  
13 10-002 for \$1.5 million with Portland Energy Conservation,  
14 Inc. to provide technical support services for the planning  
15 and implementation of a comprehensive program to improve the  
16 energy efficiency. Ms. Brook.

17 MS. BROOK: Hi, I am Martha Brook with the High  
18 Performance Buildings and Standards Development Office. The  
19 purpose of this proposed technical support services contract  
20 is to assist the Energy Commission in developing and  
21 implementing the comprehensive program to improve the  
22 efficiency of existing buildings. AB 748 requires the Energy  
23 Commission to develop and implement a comprehensive program to  
24 achieve greater energy savings in the State of California's  
25 existing residential and non-residential building stock. PEI

1 was selected to provide technical support services to the  
2 Commission because they proposed a team of staff and  
3 subcontractors with a great depth and breadth of relevant  
4 experience. The PEGI team includes 12 subcontractors with  
5 experience in residential and/or non-residential building  
6 energy performance rating and labeling programs, efficiency  
7 retrofit program design implementation, marketing, and  
8 evaluation, and energy efficiency policy development. All of  
9 this experience will serve the Commission well as it embarks  
10 on the planning and implementation of AB 758. One particular  
11 strength of the PEGI team is its experience and expertise in  
12 the multi-family and affordable housing sectors. The  
13 Commission has specific policy goals to improve the energy  
14 efficiency of existing multi-family housing in the State, and  
15 the PEGI team's help in this area will be very important. I  
16 am seeking your approval of this technical support services  
17 contract and I am here to answer any questions that you have.

18 CHAIRMAN DOUGLAS: Thank you, Ms. Brook. Questions  
19 or comments?

20 COMMISSIONER EGGERT: Maybe just a quick comment. I  
21 just want to - I think you have done a great job, both in  
22 terms of establishing the specifics of the technical tasks  
23 that we are going to need assistance on in developing the  
24 rules for 758, and also through the competitive process,  
25 choosing such an excellent contractor to provide us that

1 assistance. I would note kind of as I did in the  
2 previous item that, given all the associated synergies between  
3 758 and the activities that are going to be undertaken by  
4 Energy Upgrade California, and all the work that will be  
5 accruing under that umbrella, we will definitely want to make  
6 sure that this team is working in close coordination with all  
7 of the parties that are involved in Energy Upgrade California.  
8 And I suspect that will help facilitate even faster learning  
9 and technical assistance for this contract.

10 MS. BROOK: Yeah, I think there are going to be  
11 technical issues that come up in implementing Energy Upgrade  
12 California, and I think this support team will help Commission  
13 staff resolve those issues, and actually do a lot of tool  
14 development, especially on the commercial building side, that  
15 will allow us to deploy the programs that are already planned  
16 to be employed for residential within Energy Upgrade  
17 California. So, I think there is a lot of work to be done in  
18 the first several years to kind of build that infrastructure  
19 that will allow kind of the Upgrade California to be  
20 successful, you know, into the future.

21 CHAIRMAN DOUGLAS: Commissioner.

22 COMMISSIONER BYRON: Ms. Brook, you have such a  
23 tremendous track - track record of -

24 MS. BROOK: You said "trash."

25 COMMISSIONER BYRON: No, no, no, you have a



1 tremendous track record for bringing us very good  
2 projects, and I believe this is one of those. But I note,  
3 Portland Energy Conservation, Inc., where are they located?

4 MS. BROOK: Their administrative office is in  
5 Portland, Oregon, and they have a satellite office in San  
6 Francisco, California.

7 COMMISSIONER BYRON: And yet they seem to show up  
8 frequently in these competitive solicitations as a top  
9 performer, you spent most of your presentation, I believe,  
10 qualifying as to why you selected them; can you give us any  
11 news with regard to some of these 12 subcontractors and where  
12 they are located?

13 MS. BROOK: So, let's see, the PEGI team includes 10  
14 organizations with either headquarters or satellite offices in  
15 California. The remaining three companies are part of the  
16 proposed technical support team because they provide unique  
17 national and/or regional expertise and experience that is  
18 extremely applicable to our emerging AB 758 program. So, if  
19 you want some of the names of the subcontractors, I think you  
20 will recognize their experience. The Benningfield Group on  
21 the residential side, the Benningfield Group, the Association  
22 for Affordability, Earth Advantage Institute, Douglas Beaman  
23 Associates, Bruce Wilcox, and CalCERTS are the residential  
24 subcontractors. The nonresidential subcontractors are  
25 Architectural Energy Corporation, the New Buildings Institute,

1 and the Institute for Market Transformation.

2 COMMISSIONER BYRON: Ms. Brook, like I said, this is  
3 another excellent project, I full support your selection,  
4 there is some sensitivity, obviously, around these kind of  
5 out-of-state contracting, but I know you have demonstrated to  
6 me in previous briefings the basis and criteria for your  
7 selection. I believe you have selected the correct contractor  
8 here, as well, and I fully support your project.

9 COMMISSIONER EGGERT: And I would just maybe mention  
10 quickly, Commissioner, you know, I think this particular  
11 organization has a long and very well deserved positive track  
12 record delivering energy savings in the State of California,  
13 is also now working on implementing one of the programs to  
14 target commercial refrigeration efficiency, working with the  
15 California Conservation Corps to employ particularly at-risk  
16 youth to train young individuals to become Energy Auditors,  
17 and that is also a separate, but also quite well run program,  
18 as well.

19 COMMISSIONER BYRON: Good. So, please forgive my  
20 earlier slip of the tongue. I move approval of Item 6.

21 COMMISSIONER EGGERT: I will second.

22 CHAIRMAN DOUGLAS: All in favor?

23 (Ayes.)

24 Item 6 is approved. Thank you, Ms. Brook.

25 MS. BROOK: Thanks.

1                   CHAIRMAN DOUGLAS: Item 7. California  
2 Institute For Energy And Environment. Possible approval  
3 of Amendment 2, adding \$440,966 to Work Authorization  
4 MRA-070-02 under contract 500-02-004. Mr. Patterson.

5                   MR. PATTERSON: Good morning, Commissioners. I  
6 am Jamie Patterson from the Commission's Research and  
7 Development Division. This is an amendment to a Work  
8 Authorization to you for \$140,966 of existing encumbered  
9 funding, to evaluate the practicality of technology  
10 developed for infield, inline diagnostics of underground  
11 cables. This funding must be used by June 30<sup>th</sup> of 2011.  
12 This amendment specifically will add two tasks to the  
13 current work authorization, the staff are to take this  
14 research to the next step and make prototypes for field  
15 testing of underground cables. The staff will evaluate  
16 the technology that have been developed under this work  
17 authorization, select the most promising, and then create  
18 a prototype for testing in the field. I ask for approval  
19 of this Amendment and I am ready to answer any questions  
20 that you may have.

21                   CHAIRMAN DOUGLAS: Thank you, Mr. Patterson.  
22 Questions or comments?

23                   VICE CHAIR BOYD: I will make a brief comment  
24 before, I am sure, Commissioner Byron moves this item.  
25 And it is really a comment to my fellow Commissioners,

1 that Commissioner Byron and I, and maybe this is a  
2 comment to staff, as well, really dug deeply into this  
3 particular project. It took two separate sessions of our  
4 committee before we recommended moving it on to you  
5 because it is extremely technologically complex and  
6 involves a lot of affected parties and beneficiaries of  
7 the work, and we wanted to assure ourselves that the  
8 investment of scarce PIER research dollars was  
9 appropriate for this activity, and we did satisfy  
10 ourselves to that fact. And the staff responded well to  
11 withering questions from the two of us, so to speak. And  
12 so this was not a simple matter, but it comes to you  
13 heavily recommended by the Committee.

14 COMMISSIONER BYRON: Commissioner Boyd, thank  
15 you. It is true, we scrutinized this and some other  
16 projects very carefully. One of the reasons, of course,  
17 was California obviously is not the only state with  
18 underground cables, and there must be other research  
19 spending going on in this area, and we were quite  
20 concerned that we were utilizing funds appropriately  
21 here. But, as always is the case, California, well, as  
22 is usually the case, California provides a lot of  
23 leadership, even in technology development. I also was  
24 reminded I served on the RD&D's Program Advisory  
25 Committee for Distribution at this Commission a number of

1 years ago and this subject did come up, even then. And I  
2 suppose it is fair to say that underground cables are not  
3 a whole lot unlike buried natural gas pipelines, out of  
4 sight, out of mind, of course, until they fail, albeit  
5 cables have far less potentially serious consequences,  
6 but financially can be very significant. So, I think  
7 this work has great potential for a technical  
8 breakthrough that could save expensive electrical  
9 failures and customers a lot of money by replacing or  
10 repairing cables as needed. It is a long shot, but that  
11 is what we do here at this Commission. So,  
12 Commissioners, I would recommend approval of this -  
13 however, that is not a motion.

14 COMMISSIONER WEISENMILLER: Thank you. I was  
15 just going to note that I do think, as Commissioner Byron  
16 pointed out, there is certainly a connection between this  
17 and the pipeline issues. I know, when I was helping one  
18 of our utilities in some strategic planning a while back,  
19 I mean, they identified an issue of real concern, is they  
20 had miles of cable in underground which, in fact, has a  
21 defect, which means it is going to fail, they did not  
22 know exactly where it was, and knew what the consequences  
23 would be, so it is a serious issue. So, getting this  
24 type of technology to try to identify those cables before  
25 they break, I think, is certainly a benefit to California

1 and, if this is successful, would well outweigh the cost.  
2 But, you know, similarly, I think we need to sharpen our  
3 pencils and think about some of the opportunities in the  
4 gas pipeline area. I think you are aware that part of  
5 the San Bruno issue was the Smart Pigs\* [ph.] could not  
6 get into that pipeline given its unusual configuration.  
7 And, in a state with nanotechnology and everything else,  
8 you would think we could do a better job on getting those  
9 sort of sensors in place.

10 CHAIRMAN DOUGLAS: Thank you, Commissioner. Is  
11 there additional comment or a motion?

12 COMMISSIONER BYRON: Madam Chair, I move  
13 approval of this item.

14 VICE CHAIR BOYD: Second.

15 CHAIRMAN DOUGLAS: All in favor?

16 (Ayes.)

17 Item 7 is approved. Thank you, Mr. Patterson.

18 MR. PATTERSON: Thank you.

19 CHAIRMAN DOUGLAS: Item 8. University Of  
20 California, Santa Barbara. Possible approval of Contract  
21 500-10-021 for \$383,787 with the Regents of the  
22 University of California, Santa Barbara to create a  
23 framework for assessing cumulative biological impacts  
24 resulting from solar energy projects in the California  
25 desert. Ms. Milliron.

1 MS. MILLIRON: Hi. Good morning. I am Misa  
2 Milliron from the Environmental Area of PIER and this is  
3 the third of six desert research projects I am going to  
4 be bringing forward for your approval. This is an  
5 interagency agreement that was selected through a  
6 competitive process that was open to all government  
7 agencies, and the goal of that process was to select  
8 projects that would minimize biological impacts in the  
9 desert, while facilitating renewable energy. And a  
10 secondary goal, well, just as important, was that we  
11 select projects that have a direct benefit to the Siting  
12 Division's analysis of solar projects, as well as help  
13 other agencies that are involved in the desert renewable  
14 energy conservation planning process. Reviews of all the  
15 proposals we received included not only PIER  
16 Environmental staff, but also PIER Renewables, staff from  
17 Siting, and the Department of Fish & Game.

18 The objectives of this particular project is to  
19 create a practical framework for assessing cumulative  
20 biological impacts caused by solar projects throughout  
21 the DRECP planning region. And also, the project will  
22 enhance species habitat suitability models to incorporate  
23 cumulative changes from solar development, climate  
24 change, and urban growth. The products are going to  
25 include predictive habitat suitability and siting

1 criteria maps that will help refine the starting point  
2 maps that you may be familiar with from the DRECP  
3 planning process. The cumulative impacts framework and  
4 tools specifically will consist of map layers that are  
5 produced through spatial multi-criteria modeling for  
6 avoiding, minimizing, and offsetting biological impacts,  
7 as well as downloadable cumulative impact software that  
8 incorporates species habitat suitability, climate change,  
9 urban growth, and energy development.

10 The reviewers of this proposal noted, in  
11 particular, this team's experience with NCCP work and  
12 other large regional planning efforts such as the DRECP,  
13 as well as the knowledge and collaboration of this group  
14 with agencies in existing desert planning efforts that  
15 are going on right now with the DRECP advisory groups,  
16 and noted the benefit of the short time frame of this  
17 project, allowing rapid input into critical planning  
18 decisions that are occurring as we speak. This project  
19 has been approved by the RD&D Committee, and I am happy  
20 to answer any questions you might have.

21 CHAIRMAN DOUGLAS: Ms. Milliron, just one  
22 question. My understanding is that this project will  
23 provide sort of critical landscape level input into the  
24 DRECP and tools for the DRECP, is that correct?

25 MS. MILLIRON: Correct.



1           CHAIRMAN DOUGLAS: All right, and you know, I  
2 think all of us would have loved it if the DRECP, itself,  
3 had started some time ago, but we are strongly committed  
4 to the DRECP in providing that process with the resources  
5 it needs to work. So, I am pleased that you have made  
6 that connection very strong and that the area, the  
7 geographic area it covers is the DRECP region? Is that  
8 correct?

9           MS. MILLIRON: That is correct.

10          CHAIRMAN DOUGLAS: All right, and the time line  
11 of this project, is it coordinating with the needs of the  
12 DRECP process?

13          MS. MILLIRON: That is right. It was designed  
14 directly to coordinate with the existing timeline that  
15 has been laid out by the DRECP agencies.

16          CHAIRMAN DOUGLAS: Right, thank you. I don't  
17 have any more questions. Commissioners, any questions or  
18 comments?

19          COMMISSIONER WEISENMILLER: I was going to  
20 first congratulate the staff for having the cross  
21 communication. Obviously, a lot of organizations end up  
22 in silos and, so, not having good connections across the  
23 organizations. Having the PIER and Siting connection is  
24 very important. I think, certainly, this can feed in  
25 very well to DRECP. I think for DRECP, as for any start,

1 what was the best available data there were, and  
2 obviously some of the feedback we are getting from the  
3 Science Advisory Committee was that there are obviously  
4 gaps and limits in that data, and so it is very  
5 important, I think, to try to rectify that, and I think  
6 to essentially try to build in stronger scientific  
7 foundation for our future planning and siting activities  
8 in the desert. So, thanks for bringing this forward.

9           COMMISSIONER BYRON: Madam Chair, this is  
10 another very good example of close coordination, I  
11 believe, within this organization. This research is very  
12 responsive to the Governor's Executive Order on  
13 Renewables. You had indicated you had wished that the  
14 DRECP had started their work earlier; I wish this R&D  
15 could have been started earlier, as well. But it will  
16 inform and assist future land intensive siting cases as  
17 Commissioner Weisenmiller indicated. And I think it is  
18 going to also have some immediate impact on the  
19 mitigation strategies and relocation protocols that we  
20 are anticipating here in the not too distant future. It  
21 will, of course, be closely coordinated with the DRECP  
22 Science Panel. Ms. Milliron, I think you brought us a  
23 very good project here. You said this is the third of  
24 six?

25           MS. MILLIRON: Correct.

1           COMMISSIONER BYRON:  When will we see the next  
2 three?

3           MS. MILLIRON:  The next two are going to be on  
4 the October 6<sup>th</sup> business meeting and the last one has yet  
5 to be scheduled, we are working on the contract package.

6           COMMISSIONER BYRON:  Very good.  Well, I know  
7 you are busy, Commissioners, I certainly recommend your  
8 approval of this.  If there is - Commissioner Boyd.

9           VICE CHAIR BOYD:  I agree with you, we went  
10 through this in great detail on the Research Committee,  
11 and I think Chairman Douglas' comments were very apropos  
12 to what we felt at the time.

13          CHAIRMAN DOUGLAS:  Commissioners, is there a  
14 motion on this item?

15          COMMISSIONER BYRON:  Madam Chair, I move  
16 approval of this item.

17          VICE CHAIR BOYD:  Second.

18          CHAIRMAN DOUGLAS:  All in favor?

19          (Ayes.)

20          Item 8 is approved.  Thank you, Ms. Milliron.

21          MS. MILLIRON:  Thank you.

22          CHAIRMAN DOUGLAS:  Item 9.  Gas Technology  
23 Institute.  Possible approval of Agreement PIR-10-021 for  
24 a grant of \$400,000 to Gas Technology Institute to  
25 demonstrate the effectiveness of a commercially available

1 membrane filtration system. Mr. Sapudar.

2 MR. SAPUDAR: Good morning. This project was  
3 the result of a competitive solicitation of the R&D  
4 Division's Industrial Agriculture Water Team and the  
5 project was the Emerging Technology Demonstration Grant  
6 Program. The contractor is Gas Technology Institute, the  
7 subcontractor is Gills Onions. The project is located in  
8 Southern California, in Ventura County, in the City of  
9 Oxnard. The project budget is \$400,000 of PIER funds  
10 plus \$152,000 of matched funds. That is about 38 percent  
11 of the PIER funds. And the project term is 36 months.

12 It is estimated that energy use associated with  
13 using fresh water in cooling towers by California's fresh  
14 produce industry is about 400 gigawatt hours, and  
15 approximately 200 million gallons of water annually.  
16 Using recycled water, in most cases, is a lower cost,  
17 lower energy alternative to fresh or potable water use  
18 for cooling. If successful, this project will reduce the  
19 processing plant's current demand for fresh water, which  
20 is about 180,000 gallons per day, by about 45,000 gallons  
21 per day, or a 25 percent water savings. Combined water  
22 supply and wastewater costs at Gills Onions are about  
23 \$5.90 per thousand gallons, yielding potential savings of  
24 about \$100,000 per year for this one plant.

25 Located in Southern California, Gills Onions is

1 a family owned and operated company that peels and cuts  
2 up to 500,000 pounds of onions each day. Gills Onions is  
3 also the largest fresh onion processor in the United  
4 States. As consumers, on average we consume about 20  
5 pounds of onions per person, per year. A successful  
6 demonstration of the technology, combined with the  
7 Measurement and Verification of the water, wastewater,  
8 energy, and cost savings to energy utility standards,  
9 will provide support for inclusion of this technology in  
10 the energy utility efficiency programs. The Emerging  
11 Technology Demonstration Grant Program was developed in  
12 cooperation with the energy utilities.

13 A successful demonstration will also greatly  
14 increase the chances of adoption by the fresh produce  
15 industry in the State, since the technology will very  
16 likely have other food industry applications,  
17 particularly in those processing operations that use a  
18 lot of water.

19 Thank you for considering the project. I would  
20 be happy to answer any questions you might have.

21 CHAIRMAN DOUGLAS: Thank you. Questions or  
22 comments, Commissioners?

23 COMMISSIONER BYRON: Yes, Madam Chair, if I  
24 may. Is it correct that no food processing plants in  
25 California use this kind of filtration method to reduce

1 water use?

2 MR. SAPUDAR: As far as we know, there is none  
3 that are using it to produce - make up water for cooling  
4 towers.

5 COMMISSIONER BYRON: I was surprised to find  
6 that out. Clearly, this project is going to demonstrate  
7 a reduction of water use at an existing combined heat and  
8 power plant, if I am not mistaken.

9 MR. SAPUDAR: Exactly.

10 COMMISSIONER BYRON: And the amount of water  
11 savings, the in-kind cost sharing, and the ultimate  
12 project costs, this looks to me to be a very good  
13 leverage of funds, and a proof of concept that I hope  
14 will save not only money, but perhaps have widespread  
15 application in the future, and get to that water issue  
16 that Commissioner Boyd continues to bring up at our  
17 meetings.

18 VICE CHAIR BOYD: I would only note, and I give  
19 Commissioner Eggert credit for reminding me, that Gills  
20 Onions is an organization we have dealt with before; in  
21 fact, we and they have received joint awards sometime in  
22 the last year here in Sacramento, one of the large Green  
23 Technology Conferences for an earlier application of PIER  
24 directed technologies, so I am impressed these people are  
25 really into cutting edge activities in this area, and

1 showing other food processers the way, so to speak, on  
2 implementing ways of energy savings and progressive use  
3 of technology.

4 COMMISSIONER EGGERT: Yes, Commissioner, I did  
5 actually find here the Press Release -

6 VICE CHAIR BOYD: A guy with an iPhone can find  
7 anything.

8 COMMISSIONER EGGERT: "Energy Commission takes  
9 top prize for onions to biogas. Commission teams with  
10 Gills Onions at the Green Summit."

11 VICE CHAIR BOYD: How could I ever forget  
12 biogas?

13 COMMISSIONER EGGERT: Yeah, "...in the category  
14 of waste management. The two received accolades for the  
15 Commission funded advanced energy recovery system  
16 project." So...

17 VICE CHAIR BOYD: Thank you, Commissioner, for  
18 your adopting high technology there to keep -

19 COMMISSIONER EGGERT: This definitely helps  
20 with my own memory, too. I usually only get a seed and  
21 then this helps fill in the rest. I guess I would move  
22 the item, unless -

23 COMMISSIONER BYRON: Second.

24 CHAIRMAN DOUGLAS: All in favor?

25 (Ayes.)

1           This item is approved. Thank you.

2           MR. SAPUDAR: Thank you very much.

3           CHAIRMAN DOUGLAS: Before we go on to Item 10,  
4 I will just note that Item 11 is going to be pulled from  
5 the agenda, both 11A and 11B, and the reason is that  
6 there was a noticing error in terms of the identity of  
7 the first contract was a notice of corporation rather  
8 than an individual, so that will be re-noticed.

9           So back on Item 10. Trustees of the California  
10 State University. Possible approval of three grant  
11 applications, totaling \$279,170, from the Public Interest  
12 Energy Research (PIER) program's Energy Innovations Small  
13 Grants program. And we have here Items 10A, B, and C.  
14 If you could please present them together so that we can  
15 take this up as an item, Ms. Mircheva?

16           MS. MIRCHEVA: Yes. Good morning,  
17 Commissioners. My name is Diana Mircheva and I manage  
18 the Transportation portion of the Energy Innovation Small  
19 Grants Program Area. And in response to the 10-01-T  
20 Electric Solicitation released in April, we received 20  
21 applications for consideration and, after initial  
22 screening, technical review, and appearing before the  
23 Program and Technical Review Board, staff is recommending  
24 for funding three proposals that value \$279,170. Two of  
25 these projects are entirely located in California, and



1 the third will collect data and execute the demonstration  
2 in California. I will now proceed with reading each  
3 project into the record. "10-01-07T, University of  
4 California Los Angeles, Bonding of Metal-Plastic  
5 Composites for Lightweight, Fuel Efficient Vehicles, for  
6 \$89,920. This project aims to develop a material which  
7 ways half as much as steel, but maintains the same  
8 structural integrity, it is a vehicle light-weighting  
9 project.

10 10-01-05T, Momentum Dynamics Corporation, from  
11 Malvern, Pennsylvania, Wireless Electric Vehicle  
12 Recharging Systems, for \$95,000. This project researches  
13 wireless charging of electric vehicles. The company will  
14 use a shuttle van service with a set schedule and route  
15 to periodically charge the vehicle for 15 minutes every  
16 hour during its operation.

17 Project 10-01-13T, University of California,  
18 Davis, Smart Photovoltaic PHEV/EV Charging System Using  
19 Second-Life Lithium Batteries, for \$94,250. This project  
20 will combine Second-Life Lithium traction batteries  
21 powered by photovoltaic cells, and interfaced with Smart  
22 Grid in order to charge a plug-in electric vehicle. And  
23 with that, I will be happy to answer any questions you  
24 might have.

25 CHAIRMAN DOUGLAS: Thank you for that

1 presentation. Commissioners, questions or comments?  
2 This is, of course, our very good Small Grants Program.  
3 VICE CHAIR BOYD: A comment, if I might, on a  
4 couple of the items. They are all more or less vehicle  
5 oriented. The first item was quite interesting and,  
6 again, Commissioner Byron and I spent a lot of time in  
7 the Committee with the staff on this particular subject,  
8 which sounds like it is something the auto industry ought  
9 to be doing; however, I might remind the Commission that,  
10 in 2003, when this Commission approved the report done  
11 jointly with the Air Resources Board on reducing our  
12 dependence on Petroleum, again, the efficiency became Job  
13 1, the cheapest thing to do, and at that time we said,  
14 based on our analysis, this country needed to immediately  
15 implement a 40 mile per gallon café standard, and it took  
16 years to get finally the passage of a 35 mile per gallon  
17 standard. The way you get there, among the many various  
18 features, and the Air Resources Board has done an awful  
19 lot of work on some of them, the technologies, though, is  
20 light-weighting the vehicles, as indicated, and we were  
21 quite fascinated with the potential of this and, again, I  
22 guess California has to demonstrate the potential for new  
23 technologies and new materials and technologies, and  
24 working with, again, one of our universities on the  
25 subject. So, we were quite impressed with that

1 possibility.

2           The other item I will mention is the second  
3 life of batteries. As you have heard before, in our work  
4 with the initially Plug-In Hybrid Electric Vehicle Center  
5 at U.C. Davis, one of the earliest efforts was to look at  
6 the concept of a second life, or second use for vehicle  
7 batteries as a way to solve other energy problems that we  
8 have, as a way of finding an economic use and, thus,  
9 perhaps reducing the first cost of vehicle electric  
10 batteries by finding a second use for them because, once  
11 they reach a point where they may not be trustworthy in a  
12 motor vehicle, they still have lots of potential for  
13 additional energy storage, and so this is another effort  
14 along that line to pursue that technology and maybe have  
15 lots of spillover benefits for other technologies. So,  
16 again, as the Chairman said, we are getting a lot of good  
17 things out of this particular program in the Energy  
18 Innovation Small Grant Solicitations by our infusion of a  
19 little bit of money to help some of these small companies  
20 come up with potentially some outstanding technological  
21 barrier breaking applications and, again, it is being  
22 done here in California.

23           COMMISSIONER EGGERT: Just, I guess, a quick  
24 comment. I want to commend the R&D Committee again on  
25 bringing forth - and the staff - for bringing forth some

1 great projects, and also echo the comments that this  
2 particular program does seem to pick some really  
3 fantastic ideas. Just one quick technical statistic you  
4 might find interesting. For a conventional vehicle, you  
5 know, for the amount of energy that you put in for  
6 gasoline into your tank, about 30 percent of that energy  
7 is converted to power at the engine after you go through  
8 a variety of other losses, including the transmission and  
9 breaking in such at the wheel, it is about 17 percent.  
10 But actually, most of that remaining energy goes towards  
11 moving the 3-4,000 pounds of metal and steel and all of  
12 the other associated components of the vehicle, itself.  
13 It turns out that best estimates are around 1 percent  
14 actually go to actually moving you, the driver, if you  
15 happen to be driving alone. It is not a very good return  
16 on the energy investment and, of course, one of the  
17 things that can be extremely effective in pushing those  
18 numbers up is light-weighting, and I am encouraged to see  
19 this and I think it appears that this is a project that  
20 could have wide applicability across the industry, and I  
21 think that makes it very appropriate for a publicly-  
22 funded R&D project.

23 COMMISSIONER BYRON: Ms. Mircheva, I believe  
24 you are relatively new to this program, is that correct?

25 MS. MIRCHEVA: Yes, that is correct.

1           COMMISSIONER BYRON: Well, I think this is the  
2 coolest program at the Commission. I mean, when I am no  
3 longer a Commissioner, I would like to come back and run  
4 this program myself. But if you have not yet, I hope you  
5 have an opportunity to go watch the program and technical  
6 review Board in action. Have you had -

7           MS. MIRCHEVA: I have - for this solicitation.

8           COMMISSIONER BYRON: Excellent, excellent. And  
9 I am always so impressed. Again, I think this is an  
10 extremely good program and I am glad we have you involved  
11 in it, and Commissioners, if there is no further comment,  
12 I move approval of Item 10.

13          VICE CHAIR BOYD: Second.

14          CHAIRMAN DOUGLAS: All in favor?

15          (Ayes.)

16          Item 10 is approved. Thank you very much.

17          MS. MIRCHEVA: Thank you.

18          CHAIRMAN DOUGLAS: We are going on to Item 12.

19 Lawrence Berkeley National Laboratory. Possible approval  
20 of Work Authorization UC MRA-02-087, under Contract 500-  
21 02-004 with the Regents of the University of California  
22 for an amount not to exceed \$220,593. Mr. Reed.

23          MR. REED: Good morning, Commissioners. My  
24 name is John Reed and I work in the Environmental area of  
25 PIER. The proposed Master Research Agreement Work

1 Authorization is with the Regents of the University of  
2 California to develop a research roadmap on innovative  
3 technologies and concepts for the beneficial use of  
4 carbon dioxide. In addition to using CO<sub>2</sub> for enhanced oil  
5 recovery, there are many other uses of CO<sub>2</sub> on the horizon  
6 that can advance greenhouse gas reduction goals by either  
7 preventing CO<sub>2</sub> from being emitted into the atmosphere, or  
8 by using CO<sub>2</sub> or chemicals produced from CO<sub>2</sub> in a way that  
9 displaces the emissions of other greenhouse gases.  
10 However, currently, the research development  
11 demonstration needed to bring many of these promising  
12 technologies to fruition is not being adequately provided  
13 for by the private sector. Examples of technologies that  
14 use CO<sub>2</sub> which are being researched include enhanced gas  
15 recovery, where the geological sequestration of CO<sub>2</sub> is  
16 joined to increase recovery of natural gas, enhanced  
17 geothermal systems where the recovery of geothermal heat  
18 for power generation is joined to the geological  
19 sequestration of CO<sub>2</sub>, technologies for the conversion of  
20 CO<sub>2</sub> in a carbonate that can be used as construction  
21 materials, and CO<sub>2</sub> to fuel technologies that can use  
22 biology or chemistry to convert CO<sub>2</sub> into fuels that can be  
23 used to displace petroleum products.

24 The proposed roadmap will compile the current  
25 state-of-the-art in CO<sub>2</sub> uses, identifying barriers to

1 commercialization for promising technologies, as well as  
2 knowledge gaps that are preventing these barriers from  
3 being overcome. This will be used to develop a research  
4 strategy, prioritizing research to address research gaps,  
5 and identifying how the Energy Commission can most  
6 effectively spend research dollars in this area.

7           The work will primarily be performed by  
8 Lawrence Berkeley National Laboratory. LBNL is  
9 particularly well suited for this work because there is  
10 no other single institution that has as many world  
11 leading experts in the variety of areas that are relevant  
12 to this wide ranging topic. The proposed roadmap follows  
13 the recommendations of the 2009 Integrated Energy Policy  
14 Report, as well as the AB 1925 Report to the Legislature,  
15 which stresses the importance of finding value for CO<sub>2</sub>  
16 independent of any proposed carbon credit, or cap-in-  
17 trade markets, as well as the AB 32 Scoping Plan, which  
18 identifies a number of strategies in addition to  
19 geological sequestration of CO<sub>2</sub> such as the industrial  
20 fixation of CO<sub>2</sub> to carbonates as ways that California can  
21 be helped in reaching its greenhouse gas reduction  
22 targets. Thank you, Commissioners.

23           CHAIRMAN DOUGLAS: Thank you. Questions or  
24 comments, Commissioners?

25           VICE CHAIR BOYD: A comment. This is another

1 one of those projects that excites me, I will just say.  
2 While I have been kind of our lead Commissioner on the  
3 subject of carbon capture and sequestration, and working  
4 with the Blue Ribbon Commission on this subject, and what  
5 have you, I have had many discussions with our folks  
6 about finding beneficial uses for carbon dioxide and I am  
7 really glad to see us developing this roadmap in looking  
8 at that, not that I do not support carbon capture and  
9 sequestration, even in this State for the gas-fired power  
10 plants and other major sources of CO<sub>2</sub>. Frankly, it would  
11 be a lot easier on us to find good commercially viable  
12 products to use the CO<sub>2</sub> for, and we are beginning to see  
13 some things, and I think the staff is jumping on this in  
14 a very timely way. And so, either this Commission, or  
15 Commissioners in the future will have other options to  
16 look at for CO<sub>2</sub> that we are going to be capturing more and  
17 more to the technologies that we are developing. So, I  
18 am a strong supporter of this project.

19 COMMISSIONER EGGERT: Just a quick question. I  
20 think this does look like a great project, although in  
21 terms of innovative uses of CO<sub>2</sub>, I was surprised to see it  
22 enhanced oil recovery. It seems that that is a fairly  
23 well established technology for the use of CO<sub>2</sub>. Is there  
24 something new here? Or is that - I see that as one of  
25 the things on the list.



1 MR. REED: Oh, I guess I was not making it  
2 clear enough, I was saying "in addition to," that is a  
3 well established technology. The road map will address  
4 technologies that are more on the horizon that have not  
5 been commercialized on a large scale.

6 COMMISSIONER EGGERT: Okay.

7 VICE CHAIR BOYD: And this was meant to be  
8 instead of for enhanced oil recovery, all of these other  
9 opportunities, particularly the ones that make products,  
10 not the ones that inject CO<sub>2</sub> into the ground, are of  
11 interest to me.

12 CHAIRMAN DOUGLAS: Other questions or comments?

13 VICE CHAIR BOYD: Move approval.

14 COMMISSIONER BYRON: Second.

15 CHAIRMAN DOUGLAS: All in favor?

16 (Ayes.)

17 Item 12 is approved. Thank you.

18 MR. REED: Thank you.

19 CHAIRMAN DOUGLAS: Item 13. Andes Consulting,  
20 LLC. Possible approval of Purchase Order 10-409.00-001  
21 for \$225,000 with Andes Consulting, LLC, to provide  
22 programming services for application and database  
23 development. Mr. Chisum.

24 MR. CHISUM: Yes. Good morning, I am Dale  
25 Chisum from the Information Technologies Services Office,

1 and I am here on behalf of Atlas Hill. I am seeking your  
2 approval for the Energy Commission to enter into an  
3 agreement with Andes Consulting, LLC, to provide program  
4 and services for application and database development and  
5 support. This agreement would result from a CMAS Request  
6 for Offer. These programming services will be used to  
7 administer, support and maintain numerous financial and  
8 personnel management applications within the Energy  
9 Commission's Administrative Services Division. Process  
10 Application Database Modification Enhancement Requests  
11 resolve immediate application and database problems,  
12 convert older applications to the Energy Commission's  
13 current application and database standards, ASP.net and  
14 Sequel\* [ph.] server, and develop policies, procedures,  
15 and a standard programming framework for all Energy  
16 Commission programmers to use on current and future  
17 application development. I will be happy to answer any  
18 questions at this time.

19 CHAIRMAN DOUGLAS: Thank you. Questions,  
20 Commissioners?

21 VICE CHAIR BOYD: A comment. This could be  
22 classified as housekeeping, but I do not want to demean  
23 what it really stands for because, quite frankly, without  
24 these tools being continuously worked on, and improved  
25 and what have you, we do not function as an agency. So,

1 it is really part of our basic foundational need here.

2 So, obviously, I am quite supportive of doing this.

3 COMMISSIONER BYRON: Madam Chair, I would like  
4 to make a brief comment, as well. I read an article in  
5 this morning's New York Times about a large software  
6 company that is buying up all its vendors and hardware  
7 competitors, and the customers are a bit worried, they  
8 are worried about competition, they are worried about  
9 unresponsiveness, their reduced innovation, limited  
10 options available to them, and as I was reading this  
11 article, and I do not mean to be vague, I used to work at  
12 that company, Oracle Corporation, and I do not mean to be  
13 vague about that at all, but as I read the article, it  
14 dawned on me, the time that I have been at this  
15 Commission, the IT Services at this agency are stellar.  
16 We may not have the latest and greatest innovative  
17 technologies and software that you might expect working  
18 for a Silicon Valley company, but this is State  
19 Government, by the way, and you would not expect that,  
20 but it has been solid, and I would really like to commend  
21 the IT staff. This is as good as any private company I  
22 ever worked at - it does not necessarily apply to  
23 approval of this item, but your being here gives us a  
24 chance to say that.

25 COMMISSIONER EGGERT: Just a quick comment. I

1 agree with Commissioner Boyd and Byron, and I think, you  
2 know, one item that has recently been brought to our  
3 attention is the challenges that we could be facing with,  
4 for example, our appliance database. You are about ready  
5 to see a tidal wave of additional appliances being added,  
6 and particularly in the area of televisions and the  
7 ability to sort of maintain that properly is absolutely -  
8 and process those applications in a timely manner is  
9 absolutely critical to that program. So, I agree that  
10 these are critical functions of the Commission. So, I  
11 guess I would move the item.

12 COMMISSIONER BYRON: Second.

13 CHAIRMAN DOUGLAS: All in favor?

14 (Ayes.)

15 This item is approved. Thank you, Mr. Chisum.

16 MR. CHISUM: Thank you.

17 CHAIRMAN DOUGLAS: Item 15. Ivanpah Solar  
18 Electric Generating System (07-AFC-5). Possible adoption  
19 of the Presiding Member's Proposed Decision on the  
20 Ivanpah Solar Electric Generating System, and Errata.  
21 Mr. Kramer. Before we begin, we will hear from Hearing  
22 Officer Kramer, Applicant staff, and then we will hear  
23 from the Interveners, and let me just make sure I know  
24 which Interveners are present and would like to speak.  
25 Sierra Club, so you are present and you would like to

1 speak. San Bernardino County, are you on the phone? Mr.  
2 Brizzee - Bart Brizzee? Well, we will call you again.  
3 Are there additional Interveners? I have a card, Center  
4 for Biological Diversity, all right. I have a couple  
5 people who I believe are public commenters on the phone.  
6 I am sorry, are you an Intervener?

7 MR. SUBA: Yes, ma'am. California Native Plant  
8 Society.

9 CHAIRMAN DOUGLAS: Excellent.

10 COMMISSIONER BYRON: That is Mr. Suba.

11 CHAIRMAN DOUGLAS: Mr. Suba of CNPS, we have  
12 Sierra Club, we have got Center for Biological Diversity,  
13 and I believe San Bernardino County, we will try again  
14 when we get to the Interveners and we will call him.

15 MR. CONNOR: This is Michael Connor from  
16 Western Watershed project.

17 CHAIRMAN DOUGLAS: I am sorry, say that again,  
18 please?

19 MR. CONNOR: Michael Connor from Western  
20 Watersheds Project.

21 CHAIRMAN DOUGLAS: Okay.

22 MR. CONNOR: We are also Interveners.

23 CHAIRMAN DOUGLAS: Western Watersheds Project.

24 MR. BRIZZEE: Madam Chair, this is Bart Brizzee  
25 calling from the County. Can you hear me?

1 CHAIRMAN DOUGLAS: I can.

2 MR. BRIZZEE: Thank you.

3 CHAIRMAN DOUGLAS: All right, thank you very  
4 much.

5 MR. EMMERICH: This is Kevin Emmerich from  
6 Basin & Range Watch. Can you hear me?

7 CHAIRMAN DOUGLAS: I am sorry, could you repeat  
8 your last name?

9 MR. EMMERICH: Emmerich, E-m-m-e-r-i-c-h.

10 CHAIRMAN DOUGLAS: Are there any Interveners on  
11 the phone or in the room who I have missed? If not, we  
12 will begin. Hearing Officer Kramer.

13 HEARING OFFICER KRAMER: Good morning. The  
14 Ivanpah Solar Electric Generating System is a \$1.8  
15 billion project. The technology is solar concentrating  
16 power towers. It is located just north of I-15, about 45  
17 miles inside the State of California, from Primm, Nevada,  
18 and up the road, of course, is Las Vegas. It consists of  
19 three units totally 370 megawatts; one is 120 megawatts,  
20 the other two are 125 each. It was data adequate in  
21 2007. I suppose, because it is a very large project  
22 relative to those that we are used to seeing, it has  
23 taken quite a while to analyze it and coordinate the  
24 various agencies that have a say in the provisions that  
25 are to be made applicable to it.

1           Hearings were first conducted in December 2009  
2 and January of this year. Following those hearings, the  
3 Applicant modified the project to reduce the footprint  
4 from approximately 4,100 acres to approximately 3,600  
5 acres, and reduced the number of power towers, which are  
6 450-foot approximate structures, from seven to three  
7 power towers. In March of this year, then, the Committee  
8 had an additional hearing to consider the evidence  
9 relating to that change to the project. We issued a PMPD  
10 on August 3<sup>rd</sup>, and held a comment hearing and a further  
11 evidentiary hearing to take some evidence on some new  
12 information that had arisen primarily with regard to the  
13 Desert Tortoise and the biological issues on August 24<sup>th</sup>.

14           The public comment period closed in early  
15 September. We received approximately 90 comments from  
16 various people and entities, some of which were also  
17 Interveners. Before you today, we have the Presiding  
18 Member's Proposed Decision and Errata, approximately - I  
19 forgot what we ended up at, oh, about 100 pages,  
20 recommending various changes to the text, responding to  
21 comments that were made, to substantial comments that we  
22 thought required a response, and making various  
23 amendments to the Conditions of Certification. I  
24 understand that staff and the Applicant this morning  
25 discussed a few minor changes to the timing of some of

1 the requirements of the Conditions, and I think there are  
2 another couple sheets of paper forthcoming that will  
3 describe those for you, but I do not believe they are  
4 available just yet. The PMPD recommends approval of the  
5 project. There are - oh, let me go back to the Errata.  
6 In addition to the corrections that were received, there  
7 is a minor correction, a Monica Alvarez was listed twice  
8 as a commenter, she should be there just once as a St.  
9 Leo University student, and we missed one individual  
10 commenter on the list, I believe it is a gentleman,  
11 Arvind Baddepudi. Those are all the corrections I am  
12 aware of at the moment.

13           The PMPD found significant environmental  
14 impacts that could not be mitigated in five topic areas;  
15 I can summarize those for you if you would like, but they  
16 are summarized among other places in the Override  
17 Findings in the PMPD. It recommends that the Commission  
18 find that the project benefits, which are also described  
19 in the Override Findings section, be found to override  
20 those impacts, and justify approval of the project.

21 Somewhat unique in this case, because there are three  
22 separate units that share common facilities, it is  
23 proposed that you sign three different Order granting  
24 permits to each of the individual units. And in that  
25 Order, we have a provision that clarifies that the



1 individual units will be responsible and liable for  
2 compliance with the Conditions of Approval that, of  
3 course, apply to their own unit, but they will also be  
4 responsible jointly for conditions that apply to  
5 biological mitigation and for the operation and  
6 compliance with the conditions on the common area. The  
7 most common facilities are, among other things, their  
8 natural gas supply, their water supply, and their  
9 transmission facilities. But the individual projects  
10 will not be responsible for some sort of failure to  
11 comply that occurs on one of the other individual units,  
12 and that was at the request of the Applicant for business  
13 reasons that perhaps they can explain to you more  
14 precisely, if you desire. So, as you have said, we  
15 recommend that you hear from the Applicant, staff, the  
16 Interveners, and anyone else who wishes to comment, and  
17 at the end, I can formulate a motion for you, if you  
18 would like.

19 CHAIRMAN DOUGLAS: Thank you, Hearing Officer  
20 Kramer. Let's hear from the Applicant.

21 MR. HARRIS: Thank you, Commissioner. Jeff  
22 Harris on behalf of the Applicant. It is a great day and  
23 we are very pleased to be here today, so thank you very  
24 much for having this hearing, it is an important project  
25 and this is a really significant milestone. There are

1 many folks in the audience who have been working on this  
2 project for years, both on our staff, and yours, who have  
3 done tremendous work to get us here, and so we are really  
4 very pleased to be here.

5           Mr. Kramer mentioned there are some very minor  
6 modifications that I think staff is going to present to  
7 you, that we are suggesting for verification language.  
8 Without going into the details, those are all very much  
9 in the nature of this project is ready to proceed, and I  
10 do not mean proceed today, I mean proceed with  
11 construction and get on the ground and start moving as  
12 soon as we have all of our approvals in place, of course.  
13 I want to turn it over now to the Company CEO, John  
14 Woolard, who would like to make a few remarks, and then  
15 we will obviously remain to answer any questions that you  
16 have at the appropriate times. So, Mr. Woolard, please.

17           MR. WOOLARD: Thank you. Chair Douglas and  
18 Commissioner Byron, and the rest of the Commissioners,  
19 first, I just wanted to thank the Commission for all of  
20 the work that has been done over really the last three  
21 years. The staff has done a very thorough job, it has  
22 been a very comprehensive process, and I think ultimately  
23 we have a very strong project that emerged from it.  
24 There were modifications along the way. The project was  
25 strengthened through the process, and hopefully it can be

1 held up as an example of something where the right  
2 process can end up with the right results. So I just  
3 wanted to commend the Commission and the staff. It has  
4 been a long process, but, you know, hopefully we are  
5 towards the end of that, and I just wanted to thank  
6 everybody.

7           We did reduce the footprint somewhat towards  
8 the back of the site, we tried to look at areas that were  
9 sensitive and had more bigger density of rare plants and  
10 others, so we did our best within our constraints to  
11 avoid those sensitive areas, and we also reduced the  
12 number of towers from, as was mentioned, from seven to  
13 three. What we have emerged with, and also, one of the  
14 core tenets of our company has been to push the most  
15 environmentally progressive and responsible design  
16 throughout the project, so we started - it is really in  
17 our corporate DNA. I go back about 20 years to the  
18 Masters in Environmental Planning, everything started  
19 looking at species and habitat issues, and came in to the  
20 Energy world, really, from a biology perspective  
21 initially, and then started looking at climate change as  
22 a big driver, and know that you have to do this in a  
23 responsible way, so we did things like dry cooling were  
24 integrated into our designs from the very beginning, and  
25 we also held even the highest standards in dry cooling,

1 we believe. So, we use less water per megawatt hour  
2 produced, and other dry cooling, because there are all  
3 shades of gray here, we use about 120<sup>th</sup> or 25<sup>th</sup> of what a  
4 wet cool plant would do, but I think we are also at about  
5 a third of what most of the other dry cooling has done  
6 because we try to really push things and do it right, we  
7 do our best. We have also been focused from the very  
8 beginning on low impact construction, so we have tried to  
9 do a minimal soil disturbance, and that has been inherent  
10 in the design from the beginning. As Jeff Harris  
11 mentioned, this is a project that one of the unique  
12 attributes is it is a project that we believe really can  
13 and will get built. We have got the Department of Energy  
14 has granted us a conditional guarantee on \$1.37 billion  
15 of a loan guarantee, that is for the three separate, but  
16 related, projects here at Ivanpah. We have off-takers  
17 that are very credit worthy and serious off-takers, we  
18 have Southern California Edison and PG&E. And this will  
19 be a significant contributor to California's meeting the  
20 20 percent and ultimately the 33 percent RPS standards.  
21 So this is a project that they are definitely counting on  
22 to deliver toward those goals of 20 percent and 33  
23 percent.

24 Finally, we have Bechtel. Bechtel is actually  
25 here, we have got Ian Copeland and Jim Ivany here from

1 Bechtel, Jim will be the Project Manager on this, and  
2 this is done by the world's best engineering and  
3 construction firm, they have incredibly high standards  
4 for excellence and delivery, and it will be about a  
5 thousand jobs associated with this project through the  
6 construction period, so we are looking forward to it. I  
7 can answer any questions you might have, but we are  
8 looking forward to the opportunity to move forward and  
9 start to deliver.

10 CHAIRMAN DOUGLAS: Thank you, Mr. Woolard and  
11 Mr. Harris. Let's now hear from staff.

12 MR. RATLIFF: Good morning, Commissioners.  
13 Dick Ratliff, staff Counsel. This has been a long and,  
14 in many ways, difficult case for the staff. It tested  
15 our - it was the first case and the first test of our  
16 relationship with the Bureau of Land Management. It  
17 provided the opportunities to work out the kinks and the  
18 processing of an AFC jointly with the Bureau, and I think  
19 we have greatly strengthened that relationship because of  
20 the process, although it did sometimes, I think, make for  
21 a little bit longer process. Staff's main concern in  
22 this case from the beginning has been to provide an  
23 objective analysis of the environmental impacts of the  
24 project, and to make certain that the impacts to  
25 endangered species that are attendant to this project,

1 are fully mitigated as required by State law. We  
2 believe, with the elaborate mitigation that the  
3 Commission has put into the proposed Decision, we have  
4 succeeded in that and we believe that those impacts are  
5 fully mitigated.

6 We appreciate, I think, the noteworthy  
7 contribution of the Interveners in this case, who are, I  
8 think the strongest set of Interveners I have ever seen  
9 on a siting case, and who contributed, I think, greatly  
10 to the outcome in ways that are they are perhaps not  
11 entirely cognizant of. The final anxiety I have about  
12 all of this is the pressure of trying to get this  
13 Decision out, we may have small mis-cues in the  
14 conditions themselves that could delay the project and  
15 were even at this moment. The reason John Kessler is not  
16 here is that he is trying to provide the final errata  
17 which would try to take out some of the timing  
18 provisions, which might, in the verifications, delay the  
19 ability of the Applicant to start the project post haste.  
20 So many of these timing provisions, I think, are in the  
21 verifications for the conditions, which, as you know, are  
22 intended to be subject to modification by the Compliance  
23 Project Manager if, in his judgment, it needs to be done  
24 so without coming back to the Commission. But,  
25 nevertheless, we are trying to clean those up to make

1 sure that there is not any unnecessary delay in the  
2 Applicant being able to go forward with the project.  
3 Thank you.

4 CHAIRMAN DOUGLAS: Thank you, Mr. Ratliff. We  
5 will now hear from Interveners, beginning with Barbara  
6 Boyle of the Sierra Club. We will take the Interveners  
7 who are in the room first, and then we will turn to the  
8 phone.

9 MS. BOYLE: Thank you very much, Madam Chair  
10 and Commissioners. My name is Barbara Boyle. As you  
11 stated, I represent the Sierra Club with over 200,000  
12 members and supporters here in California. Sierra Club  
13 is really quite deeply committed to moving California and  
14 the nation off of dirty coal energy and into renewables  
15 and efficiency and other means to protect our  
16 environment, large and small, and that includes  
17 sensitively sited large scale renewable energy projects.  
18 For the last three years, and particularly the last two  
19 years, we have been working very closely on the Fast  
20 Track projects, working with the various agencies, the  
21 generators, some of our sister conservation  
22 organizations, and others, to try and resolve conflicts  
23 on these projects so that they can go forward. We have  
24 been really pleased because many of the developers have  
25 shown a willingness to alter their project design and

1 components so that the impacts on a variety of resources,  
2 air, water, and others, including endangered species,  
3 would be reduced. When we intervened on this particular  
4 project in 2009, we did it in good faith, really hoping  
5 for a solution that would both allow the project to go  
6 forward, but also protect the environmental values and  
7 particularly protect the rare plant communities and  
8 Desert Tortoise on site. The project, as designed, had  
9 and has significant impacts on Desert Tortoise, and of  
10 course, this is a species that is still in decline,  
11 despite being on the ESA Endangered Species List since  
12 1990. So, what we did upon going out to the site and  
13 looking at it, we proposed that perhaps, with the same  
14 footprint, the company could move their three units down  
15 near the I-15 where the habitat values were a lot less.  
16 We then met with the developer and we also, you know,  
17 worked a lot with Commission staff and others to explore  
18 this option. A meeting then resulted in what became the  
19 so-called mitigated Ivanpah III proposal, which the  
20 company and we had come to in a conversation at the end  
21 of last year. This was then something that we would  
22 agree to and, unfortunately, that is not the way that the  
23 company proceeded, and we are quite concerned about that.  
24 We are very disappointed, we have worked tirelessly to  
25 try and devise a solution that protects the Desert



1 Tortoise and these other values, and we think there is a  
2 better way than the proposal that is before you today.  
3 And that other way has been fully analyzed by the  
4 Commission, as well as by the BLM. Whether or not you  
5 intend it, certainly this project already is and will be  
6 a blueprint for how we move forward in siting these large  
7 scale facilities on public land. We feel sad that, if it  
8 goes forward as proposed, this is going to perhaps send a  
9 wrong message about how to develop renewable energy on  
10 public lands, and we certainly would remain open to  
11 trying to work to re-site it in a way that protects those  
12 resources better. Thank you.

13 CHAIRMAN DOUGLAS: Thank you, Ms. Boyle. I  
14 will call next on Eileen Anderson with the Center for  
15 Biological Diversity.

16 MS. ANDERSON: Thank you. Good afternoon,  
17 Madam Chair and Commissioners. My name is Eileen  
18 Anderson and I am a biologist and a third-generation  
19 Californian. I have spent more than 20 years of my  
20 professional life working to inventory and preserve the  
21 plants and animals, the soils and waters, and other  
22 resources of our fragile California deserts. Today, I am  
23 speaking on behalf of the Center for Biological  
24 Diversity, a nonprofit conservation organization  
25 dedicated to preserving rare and endangered species and

1 their habitats. The Center is a party in this matter and  
2 we have spent many hours and days in hearings and  
3 workshops, and provided written comments and materials to  
4 the Commission. On behalf of the Center, I respectfully  
5 request that you deny the application and do not certify  
6 this project. The development of renewable energy is a  
7 critical component of efforts to reduce greenhouse gas  
8 emissions, avoid the worst consequences of global  
9 warming, and to assist California in the emissions  
10 reductions set by AB 32 in various Executive Orders.

11           The Center strongly supports the development of  
12 renewable energy production and the generation of  
13 electricity from solar power, in particular. However,  
14 only by maintaining the highest environment standards can  
15 renewable energy be truly sustainable. Like any project,  
16 proposed solar power projects should be thoughtfully  
17 planned to minimize impacts to the environment. In  
18 particular, renewable energy projects should avoid  
19 impacts to sensitive species and habitat, and should be  
20 sited in proximity to areas of electricity end use in  
21 order to reduce the need for extensive new transmission  
22 corridors, and the efficiency loss associated with  
23 extended energy transmission. Only by maintaining these  
24 highest environmental standards with regards to local  
25 impacts and the effects on species and habitat can

1 renewable energy production truly be sustainable. On all  
2 of these points, the proposed ISEGS project fails to meet  
3 the mark of being truly sustainable, it is located in the  
4 wrong place. The Commission should not approve this, or  
5 any large industrial project on nearly 4,000 acres of our  
6 most fragile intact desert habitat, that was recognized  
7 for its importance to the Desert Tortoise in the Recovery  
8 Plan over 16 years ago. If the Commission permits this  
9 project at this location, the Commission will undermine  
10 truly sustainable renewable energy production and,  
11 instead, assure that California's beloved State reptile,  
12 the Desert Tortoise, continues its ongoing slide towards  
13 extinction. It is a sad day when, despite the abundant  
14 science and recommendation of independent scientists, the  
15 Commission proposes to ignore the tragic mortality that  
16 the Desert Tortoise translocation causes, and instead  
17 rely on unproven, or even wishful notions of full  
18 mitigation. Even more tragic, the mortality is entirely  
19 avoidable with proper siting and planning. The  
20 Commission must present several alternatives that could  
21 avoid all, or most of, the irreparable damage to these  
22 resources. For example, siting the same project on  
23 degraded or disturbed lands would avoid most, if not all  
24 of the significant impacts. Large scale industrial solar  
25 can be sited corrected, but this project is not on the

1 correct site.

2           Finally, if the Commission permits this project  
3 at this location, the Commission will be making a larger  
4 decision, as well, by taking the first step to establish  
5 an industrial development zone in the Ivanpah Valley, the  
6 area will become a magnet for growth, which will further  
7 eliminate and degrade the currently intact ecological  
8 processes and harm not only the Desert Tortoise, but  
9 dozens of other rare species, including many rare plants  
10 down in the valley. It is not too late to avoid making a  
11 gargantuan mistake and we urge the Commission to deny  
12 this project at the proposed site. Thank you.

13           CHAIRMAN DOUGLAS: Thank you. Next, I will  
14 call on - and I am sorry I did not write your name down,  
15 but CNPS, if you could come forward?

16           MR. SUBA: Good afternoon, Commissioners.  
17 Thank you for the opportunity to speak. My name is Greg  
18 Suba with the California Native Plant Society. And our  
19 organization -

20           CHAIRMAN DOUGLAS: And I may not have heard it,  
21 could you please identify yourself for the record?

22           MR. SUBA: Sure. G-r-e-g, Greg S-u-b-a, Suba.

23           CHAIRMAN DOUGLAS: Thank you.

24           MR. SUBA: You are welcome. I speak for my  
25 organization in echoing the comments from Sierra Club and

1 Center for Biological Diversity that are very difficult  
2 to both deliver and to hear at this stage. What I would  
3 like to do is focus my comments in the time that I have  
4 on an issue that I hope is not too complex here, but  
5 while the ink still seems to be a little wet on the  
6 conditions and the verifications, I just want to make one  
7 last request, if possible, here. To echo a comment that  
8 we submitted in our comments to the PMPD, that there have  
9 been special status plants recognized on the site, and  
10 there have been measures developed to address those  
11 plants, recently, one of the plants was misidentified as  
12 one that was of a certain rarity, it dropped it to a  
13 lower, more common plant, it was now positively  
14 identified as a different plant, they are very similar,  
15 but... As the process has evolved in the siting process  
16 from Ivanpah to other projects, there have been measures,  
17 conditions of certification included in subsequent  
18 projects - Genesis, Blythe, IVS, Calico - that address  
19 the need to analyze plants of that sort of lower, more  
20 common ranking, before dismissing avoidance and  
21 minimization and mitigation requirements. What I am  
22 asking is, the plant that was at this rank here, that was  
23 re-identified as a lower rank, fits the criteria for that  
24 analysis that is being done and applied in other  
25 projects, and I am requesting that that be done

1 retroactively to this plant, the one that is called  
2 Muilla Coronata. And I believe it does not impede  
3 anything that is already in place because there are four  
4 localities that were being treated of the higher ranked  
5 plant; so what I am asking is that, during the  
6 development of the plant, of the plant mitigation plan,  
7 that the analysis that is being required for other  
8 projects be applied to this one, assess whether this  
9 lower ranked plant is indeed required to - whether the  
10 minimization, mitigation requirements that were  
11 originally developed for the higher ranking plant are  
12 appropriate for this plant, and, if so, apply them. They  
13 are already written into the conditions, they have been  
14 crossed out recently, so put a pause button on crossing  
15 them out entirely, do an analysis on the plant according  
16 to how it is written in the other projects. If it rises  
17 to the level of the protection, then apply it as it is  
18 already written; if it does not, then the decision has  
19 the strength of science behind it and things move forward  
20 from there. So, my request here is in more detail in my  
21 written comments, in our written comments, and I just  
22 wanted to re-emphasize that request here at the eleventh  
23 hour, 59<sup>th</sup> minute.

24 COMMISSIONER BYRON: Mr. Suba, is this new  
25 information? Or was this brought up previously in the

1 evidentiary period?

2 MR. SUBA: Well, there are two sorts of - the  
3 re-identification of the plant is new information in  
4 terms of opening the record at the PMPD hearing, I forgot  
5 what the date was. But the change, the re-identification  
6 of *Androstephium breviflorum*, too, *Muilla coronata*, was  
7 explained in a document that was sent out to parties  
8 after the completion of our PMPD committee conference  
9 last evidentiary hearing. So, I believe that opened the  
10 record on that issue of, you know, is it Plant A or Plant  
11 B? And then, we submitted comments saying, "Okay, this  
12 is Plant B. If this were Plant B on another project,  
13 this analysis would be done." So, we are saying can we  
14 do that analysis here. And even if the analysis turns  
15 this plant into a more - a higher special status, then  
16 the conditions that would be applied to it are already  
17 written into the conditions, you know, it would just be  
18 treated like the other plant was going to be treated.  
19 That is what we are saying. And if the analysis says  
20 that it is not, then you have done the analysis and you  
21 are consistent with your other projects.

22 CHAIRMAN DOUGLAS: Thank you, Mr. Suba. We  
23 will hear from all the Interveners before we get to  
24 Commissioner questions, and we may - you will be here,  
25 and so if we have additional questions on this item, we

1 will ask you to come back up.

2 MR. SUBA: Yes, ma'am. Thank you.

3 CHAIRMAN DOUGLAS: Thank you. All right, we  
4 are turning now to the Interveners who are on the phone.  
5 Bart Brizzee, San Bernardino County.

6 MR. BRIZZEE: Thank you, Madam Chair, members  
7 of the Commission. My comments are brief. On behalf of  
8 the county, we would like to thank the staff and the  
9 committee for the hard work and for the courtesies that  
10 have been shown, and particularly for the response that  
11 has been made to the county's concerns. To follow-up on  
12 the evidentiary hearing and the conference, too, I would  
13 like to alert the Commission to the status of the ongoing  
14 negotiations with the Applicant regarding the worker  
15 safety and other issues, and we continue to believe that  
16 those will move forward with the same vigor and that they  
17 will be fruitful in the end. But, thank you again for  
18 the opportunity to comment.

19 CHAIRMAN DOUGLAS: Thank you, Mr. Brizzee. All  
20 right, so we will go now to Michael Conner, Western  
21 Watershed Project.

22 MR. CONNER: Good afternoon, Commissioners. My  
23 name is Michael Conner and I represent Intervener,  
24 Western Watershed Project. Western Watershed Project  
25 works to protect and conserve the public lands, wildlife



1 and natural resources of the American West. We  
2 intervened in this project because we are extremely  
3 concerned about the impacts this project will have to  
4 public lands in California and the important biological  
5 resources of those lands, but particularly concerned with  
6 respect to impacts to the Northeastern Mojave Desert  
7 Tortoise population, which is a genetically distinct  
8 population down in California, only in the Ivanpah  
9 Valley. Western Watershed's Project and other  
10 Interveners submitted extensive testimony during this  
11 process relating to the genetic uniqueness of this  
12 impacted Desert Tortoise population, including studies  
13 conducted as far back as the 1980s. The Ivanpah Power  
14 Plant Project, and other projects in the area, places  
15 continued survival of this population at risk. Loss of  
16 this population threatens to isolate the remainder of  
17 California's Desert Tortoises from populations outside  
18 the State. These concerns have not been addressed and,  
19 without being addressed, cannot be fully mitigated. We  
20 urge the Commission not to approve the PMPD to the  
21 Ivanpah project until these concerns are addressed.

22 Thank you.

23 CHAIRMAN DOUGLAS: Thank you, Mr. Conner. The  
24 last Intervener I have on my list is Basin & Range Watch,  
25 and I am sorry, I did not write down - Kevin - I did not

1 write down your last name.

2 MR. EMMERICH: Right, it is Kevin Emmerich,  
3 thank you. I am with a group called Basin & Range Watch.  
4 We are a small group of volunteers to work the preserve  
5 on our desert scenic vistas' ecological integrity, and  
6 the values of local people to live out here in the  
7 desert. I will make some brief comments here. I would  
8 first like to say that we do not feel that the location  
9 of the proposed project is appropriate. It is going to  
10 be a very very huge project and it will be located in a  
11 very unique area, ecologically speaking, a lot of us are  
12 referring to it as an old desert. If you go out there on  
13 the site, which I have been on about 15 times now, you  
14 will see Creosote bush range that are quite extensive,  
15 expensive, which could be possibly thousands of years  
16 old. I am really not clear, either, on what you are  
17 going to do with your relocation plans for the Desert  
18 Tortoise. My impression is that you are going to be  
19 moving them over the fence, basically, in that 500 meter  
20 zone, but that really does not address how you are going  
21 to deal with proposals like the Desert Express, large  
22 high speed train that is going to be built within that  
23 same area. Again, I will reiterate what Michael Connor  
24 said, it is in the Northeast recovery unit of the Desert  
25 Tortoise, that is an evolutionary significant unit of a

1 tortoise. I am really worried that the cumulative  
2 impacts of this project and all of the proposed projects  
3 are going to cause an extinction of this particular  
4 population, so I do not think that is appropriate,  
5 either. There are about nine rare plants on this project  
6 site and my understanding is one of them will lose 80  
7 percent of its range in the State of California if this  
8 happens. I finally would like to point out that the  
9 visual resources that are going to be impacted by this  
10 project are serious, it is right next to the Mojave  
11 National Preserve, as everybody knows. Those power  
12 towers are going to be a glare that is going to be  
13 visible for miles and miles, and it is going to be  
14 visible from several prominent points, at least in the  
15 northern and eastern section of the Preserve. And it is  
16 definitely going to take the visitor wilderness  
17 experience down a few notches if this is built. So, we  
18 would like to request that this project not be approved,  
19 it should be denied. We are not against solar energy,  
20 solar energy is a good thing, it is just about location,  
21 and this is not a good location to build the Ivanpah  
22 Solar Electric Generating Station. Just take the word  
23 Ivanpah out of it and please move it somewhere else.  
24 Thank you.

25 CHAIRMAN DOUGLAS: Thank you, Mr. Emmerich.

1 Commissioners, we are through the Interveners. I have  
2 two people that would like to make public comment. Would  
3 you like to hear them now? All right, so we will begin -  
4 actually, Michael Connor, we heard from as an Intervener,  
5 so Lloyd Gunn, are you on the phone? Lloyd Gunn. All  
6 right, in that case, if he does come back, let me know  
7 and we will call on him to make public comment.

8 Commissioners, we have heard from all of the public  
9 parties at this point. Commissioner Byron, would you  
10 like to start us off here?

11 COMMISSIONER BYRON: I would like to ask for  
12 some assistance with regards to Mr. Suba's comments. We  
13 do recall some of this earlier discussion - when I say  
14 "earlier," I mean at the PMPD Conference that we had  
15 earlier this month. Mr. Kramer, can you shed any light  
16 on his request?

17 HEARING OFFICER KRAMER: Well, I do not have -  
18 it would have been more helpful if he had more specific  
19 language. Let me ask him, does he have a copy of the  
20 portions of those other conditions he is interested in  
21 applying? Because the idea of substituting conditions  
22 was not attractive to, I know, to the staff, for one,  
23 because there could be rippling effects. And I would  
24 suggest that you also ask the Applicant if they have any  
25 particular objection to making the accommodation he is

1 requesting.

2 MR. HARRIS: I will start by not trying to use  
3 the Latin names because I get lost here. But, Mr. Suba's  
4 comments were received, you know, in a timely manner and  
5 they were reviewed and considered in this process. From  
6 what I can comprehend, essentially what he is asking you  
7 to do is consider a plant that is not a list 1 or a list  
8 2 California Native Plant Society plant, okay, and this  
9 gets very complicated because you have an Intervener in  
10 this process who is the Native Plant Society, and we are  
11 using their Native Plant Society's list as a way of  
12 determining whether that issue is on the table. I guess  
13 I want to make the point that we are talking about rare  
14 plants here, to begin with, we are not talking about  
15 threatened or endangered plants under California law, or  
16 State Law, so there is an important - very very important  
17 distinction to make there. And now we are talking about,  
18 I think, a plant that is probably a plant list 2 or 3,  
19 and I could not discern from Mr. Suba's comments exactly  
20 the changes he wanted to make, but I think at this stage,  
21 he is asking you to take an impact that is found not to  
22 be significant and change a condition with respect to  
23 that, and I think that is contrary to what you all do,  
24 moving forward. So, I am not objecting to the language  
25 because I have not seen any, but I think on the

1 principle, I think we would object to that.

2 HARING OFFICER KRAMER: In effect, it does  
3 sound as if we are being asked to basically conduct a  
4 study to see if the plant should be given a higher  
5 status, and then retroactively cause the appropriate  
6 consequences of that higher status to take effect.

7 VICE CHAIR BOYD: Well, I would like some help  
8 from the staff, though, on the question of consistency  
9 and with regard to how we treated other projects with a  
10 similar situation, or the same plant. And I see Ms.  
11 Milliron at the table.

12 COMMISSIONER BYRON: How many genus of plants  
13 are we talking about on this project, Mr. Kramer? I  
14 think this goes to the level of detail that we got into  
15 on this case, but my recollection is there is on the  
16 order of 20 different rare plants that are being  
17 considered here. I am stalling for time. Ms. Milliron,  
18 did you want to speak?

19 MS. MILLIRON: I am sorry, I did not hear the  
20 question. It was something about the number of genera -

21 COMMISSIONER BYRON: No, no, my question is not  
22 on the table. Commissioner Boyd was looking for staff  
23 response on this issue.

24 MR. RATLIFF: Commissioners, Dick Ratliff,  
25 staff Counsel. I have with me Biological staff, this is

1 Ms. Milliron, who will correct probably the incorrect  
2 things that I say about this issue. Our understanding is  
3 that this plant was originally identified as in a  
4 category of rare plants that staff thought should be  
5 protected through avoidance at the site. It appears  
6 that, in subsequent survey work, they were able to  
7 determine that it was actually a different plant in some  
8 cases, and I think the result of that determination would  
9 be to remove those identified site areas from avoidance  
10 areas for the project. The plant that is actually at the  
11 site is also a listed plant, it is just listed at a lower  
12 level, as I understand it, and I will be corrected, I am  
13 sure, if I am wrong. It is still of interest because it  
14 may be sort of at the very margins of where that plant is  
15 found, and I think that is perhaps the further study that  
16 Mr. Suba is interested in us pursuing. We have no  
17 objection to the Committee telling us, or putting into  
18 the Decision that those very areas should be avoided for  
19 those plants, just as if they were the plant that was  
20 originally thought to have been identified. Nor do we  
21 necessarily object to your not doing that. We were  
22 concerned, frankly, about having a condition that would  
23 basically say go off and do further analysis to determine  
24 whether this plant deserves to have an elevated status,  
25 so we were reluctant to say, "Okay, let's continue to

1 study this issue until we can actually figure out whether  
2 this plant should be of a higher order than it is  
3 currently listed." But we basically did not take a  
4 position on Native Plant Society's proposal. We hoped  
5 that the Commission would sort it out as best it could,  
6 either by telling us or telling the project Applicant  
7 that it would be avoided, or that it would not be.

8 CHAIRMAN DOUGLAS: Thank you, Mr. Ratliff. We  
9 have two people that I think would like to offer public  
10 comment. Should we turn to them, and then come back to  
11 questions? All right, so Lloyd Gunn, are you on the  
12 phone now?

13 MR. GUNN: Yes.

14 CHAIRMAN DOUGLAS: All right, please make your  
15 comment on this item.

16 MR. GUNN: I am also on the Desert Advisory  
17 Committee, representing wildlife. I was out at Ivanpah  
18 last Tuesday, September 14<sup>th</sup>, and when I went out there, I  
19 met two Indian elders, one a Chioeve and one a Mojave  
20 Indian. And there was also some news media, and we went  
21 to a sacred site and, just before that, they told me that  
22 the whole Ivanpah Valley is considered a sacred place to  
23 the Indians, and has been for many centuries, so it not  
24 thousands of years. When we reached the sacred site,  
25 which is just adjacent to where the proposed solar



1 installation is going, they showed me a stone alter in a  
2 three-foot by three-foot by three-foot triangle built  
3 with hundreds of rocks and some other stone - simple  
4 stone structures, there was truth that Indians that  
5 worshipped there for hundreds, if not thousands of years,  
6 and this is just adjacent to the proposed solar site.  
7 Hopefully, this area - this will be taken in  
8 consideration. You know, in finding if this site is  
9 suitable for a solar site, it is - also, one of the  
10 participants there told me that they had found a Big Horn  
11 Sheep Scat not far from the site. This area - and, as  
12 you know, this area has many endangered territories of -  
13 what I found there as far as the Indians' concern was in  
14 the Las Vegas Review Journal, Section B on September 15<sup>th</sup>,  
15 if anyone has read that article. And that is my comment.

16 CHAIRMAN DOUGLAS: Thank you, Mr. Gunn, thank  
17 you for calling in. We also have Conrad Lansing on the  
18 phone.

19 MR. LANSING: Hello, can you hear me?

20 CHAIRMAN DOUGLAS: Please, go ahead.

21 MR. LANSING: Okay, my name is Conrad Lansing,  
22 I am calling from far away, I am calling from Austria. I  
23 am following this whole process because I am really  
24 excited that something is changing in this world, and I  
25 really fully respect that there are a lot of people who

1 are concerned about local issues and issues themselves,  
2 but when I look at the news and see the shores of  
3 Greenland where there are oil developments starting, or  
4 oil stands in Canada, that breaks my heart. And last,  
5 but not least, there are tortoises in the Gulf of Mexico,  
6 as well, so let me just tell you, that is a worldwide  
7 equation and all is connected, so I think it is important  
8 that we [inaudible] we need to move forward and need to  
9 get things sorted out and I hope and my belief is that  
10 people who propagate such projects do the best they can,  
11 what is possible to protect and I hope they do and you  
12 will come together, and I have a one-year-old boy, and  
13 that is the reason I am calling. I think he has a better  
14 future from projects like that being approved. Okay,  
15 thank you. Bye bye.

16 CHAIRMAN DOUGLAS: Thank you, Mr. Lansing.  
17 That's for following this process from afar, and thanks  
18 for your interest in this issue. Very well, we are  
19 through public comment. Commissioner Byron, as the  
20 Presiding Member, I am sure you have a lot to say on this  
21 item.

22 COMMISSIONER BYRON: I do, Madam Chairman. And  
23 to go back to Mr. Suba's comment, as you know, this has  
24 been going on for - this project has been underway for a  
25 number of years before this Commission, and I think as

1 indicated by the nature of the calls that - well, hearing  
2 from Austria today was new - it is the never ending story  
3 in some ways. And although we want to be responsive to  
4 information that comes before this Commission, such as  
5 Mr. Suba's concern about the - I will not try to say the  
6 Latin - plant that he indicated, there comes a time when  
7 we need to close the evidentiary period on these cases  
8 and make a decision, and this in my mind - we are  
9 concerned about consistency between this project and  
10 others, but even that is extremely challenging because  
11 they are not all lined up on the same schedule. So I am  
12 inclined to suggest to my fellow Commissioners that we  
13 not re-open evidentiary period on this record in order to  
14 take up a new issue, as important as it might be. Having  
15 said all that, it is not without some difficulty that we  
16 are bringing to you this Proposed Decision for your  
17 consideration today. The ISEGS, or the Ivanpah Solar  
18 Energy Generating System, was a complex project that had  
19 a numerous number of issues to resolve. Indeed, this is  
20 why it has the distinction for being the oldest solar  
21 project at this Commission. As the Committee began its  
22 review of the project almost three years ago, Mr. Kramer  
23 indicated it was data adequate on Halloween in 2007,  
24 there were numerous environmental impacts that were  
25 raised by our staff and, by my count, the eight

1 Interveners on this project, although, I will note it  
2 seems today to have been reduced to seven following the  
3 completion of a project labor agreement some time during  
4 the course of this work. The Applicant was extremely  
5 responsive to the majority of these issues and revised  
6 the project by my count at least four times since  
7 submitting its application. I am just going to summarize  
8 them here briefly for you. They optimized the project  
9 back in May of '08, they revised the stormwater drainage  
10 design in June of '08, somewhere in there they added the  
11 dry cooling feature to the design, they revised the storm  
12 water drainage and low impact development to minimize  
13 ground disturbance to vegetation, as much as possible in  
14 May of '09, and most recently, as referred to by a few of  
15 our speakers today, they provided the mitigated Ivanpah  
16 III footprint which reduced that project footprint by 433  
17 acres and its impact to rare desert plants, as late as  
18 February of this year.

19           As shown in the record and the six days of  
20 evidentiary hearings, many of which were days and nights,  
21 much of the testimony of the ISEGS project was over the  
22 significant adverse impacts to biological resources in  
23 the Ivanpah Valley, specifically the Federally listed  
24 threatened species, Desert Tortoise, and the special  
25 status plants that were found on the project site.

1           There is no doubt about it, solar projects are  
2 land intensive and they result in a number of significant  
3 impacts, and although the Committee has recommended 176  
4 Conditions of Compliance, of which 22 addressed the  
5 impacts to biological resources, the Committee did find  
6 there remained three significant unavoidable impacts to  
7 special status plant species under biological resources,  
8 the cumulative loss of desert land for multiple uses  
9 under land use, and the traffic and transportation issue.  
10 We also considered the impact to the congestion on  
11 Northbound Interstate 15 on Fridays and Weekends.  
12 However, there are significant social and environmental  
13 benefits of this project, the ISEGS project supports the  
14 State's efforts to move towards a high renewable, low  
15 greenhouse gas electricity system. Now, assuming the  
16 construction of all three phases of the Ivanpah Solar  
17 Generating System project, it will provide 370 megawatts  
18 of renewable energy power, which will greatly assist  
19 California in meeting its Renewable Portfolio Standard.  
20 As my fellow Commissioners know, producing electricity  
21 from renewable resources provides a number of significant  
22 benefits to California's environment and economy,  
23 reducing global warming emissions, developing local  
24 energy sources, diversifying our energy supply, and  
25 improving our energy security. At the end, I believe the

1 Commission's deliberative process has resulted in a  
2 beneficial project; I recommend it for your approval.  
3 Despite the length of the errata, Mr. Kramer indicated, I  
4 think, it is 101 pages, these corrections are not  
5 substantial, nor has it had any change in the  
6 recommendation that this Committee has put forward. I  
7 will reserve final remarks until after you deliberate on  
8 this issue.

9 CHAIRMAN DOUGLAS: Thank you, Commissioner  
10 Byron. Commissioner Boyd?

11 HEARING OFFICER KRAMER: Madam Chairman?

12 CHAIRMAN DOUGLAS: Yes.

13 HEARING OFFICER KRAMER: Just for the record, I  
14 wanted to note that the staff proposed changes that we  
15 spoke of earlier were to Conditions Bio 17 and Bio 22,  
16 and they have been passed out to people who spoke here in  
17 the room, and they were e-mailed, as well, to all the  
18 parties in the case, so those on the telephone should  
19 receive a copy, as well. Oh, and 21, I am sorry. So, it  
20 is 17, 21, and 22. And the reason I need to make that  
21 clear is because these are just excerpts and, in the  
22 first two cases, you cannot see the Condition number on  
23 the print-out.

24 CHAIRMAN DOUGLAS: Thank you, Hearing Officer  
25 Kramer.

1           VICE CHAIR BOYD: Paul, does that mean what is  
2 identified as page 54 is Condition Number -

3           HEARING OFFICER KRAMER: Bio 17.

4           VICE CHAIR BOYD: Seventeen.

5           HEARING OFFICER KRAMER: And then the top of  
6 the next page is 21.

7           VICE CHAIR BOYD: Right, that is identified.

8           HEARING OFFICER KRAMER: So, below that, it  
9 starts 22.

10          VICE CHAIR BOYD: Okay, gotcha.

11          COMMISSIONER BYRON: Do we have agreement on  
12 these changes?

13          VICE CHAIR BOYD: Yeah, I was going to ask the  
14 Applicant -

15          MR. HARRIS: Enthusiastic agreement for the  
16 Committee. These are important changes to allow us to  
17 get out there and proceed with this project, and they are  
18 all verification language, as you can see, and it could  
19 have been changed by the staff post-certification, but  
20 they were things that we noticed and the staff noticed,  
21 and sat down and hammered this out today. So, yes, you  
22 have our support for these.

23          VICE CHAIR BOYD: Okay, Madam Chair, I think  
24 you turned to me before. Mr. Kramer, do you need any  
25 more action on -

1 HEARING OFFICER KRAMER: No, that was what I  
2 needed to point out.

3 VICE CHAIR BOYD: You wanted to get that on the  
4 record. Thank you. I think the Chair called upon me as  
5 the second member of this Committee, and I would say  
6 that, as indicated earlier, this was the first project in  
7 and probably the Applicant is concerned that it was not  
8 the first project out either, but the good news, I guess,  
9 is you were the first in, the bad news is you were the  
10 first in, and as already indicated, lots of learning went  
11 on around your case. And lots of process and procedure  
12 with newly found partners had to take place, a lot of  
13 them revolving around this particular case. I would add,  
14 and I would compliment my fellow Commissioner,  
15 Commissioner Byron, for the huge effort he put in to this  
16 during multiple processes, and his insistence upon  
17 examining lots of the written word, following that model  
18 I, well, I know Mr. Kramer is sleep deprived as a result  
19 of the process, and my Advisors and I spent a lot of time  
20 down here last Furlough Friday reading the errata. And I  
21 have signed off on it, so obviously I signed off on the  
22 PMPD, and certainly approved the errata, and therefore am  
23 supportive of what has been done here. It has been a  
24 tough lesson, and there are going to be more learning by  
25 doing associated with the construction of this plant. I



1 think the Project Manager and the Compliance Manager have  
2 their hands full on this particular case in following up  
3 on requirements and what have you, and I will give  
4 Commissioner Byron an opportunity for closing remarks, or  
5 the both of us, but I do want to commend the staff, our  
6 Advisors, and Hearing Officer Kramer for the work they  
7 did on this, and I have already commented that I know  
8 Hearing Officer Kramer is sleep deprived based on the  
9 fact that not only has this case been difficult, but he  
10 has got some other beauties, as well, that impact at the  
11 same time. And I know we have exchanged e-mails on all  
12 days and at all hours of each day, so this has been a  
13 tough project.

14 I very much enjoyed the Interveners and I think  
15 they made a significant contribution, which is reflected  
16 in the PMPD and corrections in the errata thereto, so  
17 enough said.

18 COMMISSIONER EGGERT: Thank you, Madam Chair.  
19 Just one comment, I just want to also thank the Committee  
20 for their hard work on this project. I think  
21 Commissioner Boyd, you made the comment about learning by  
22 doing, and I think that is certainly some of what we are  
23 doing here through these projects. There was a comment  
24 made earlier on the research project looking at the  
25 desert ecosystem biological impacts and mitigation

1 strategies, and a suggestion that we wish had begun  
2 several years ago, similarly with respect to the DRECP,  
3 and the activities that we are undertaking to really  
4 establish a better blueprint, which I think was a comment  
5 or a term that was used by one of the Interveners for the  
6 process of site selection, avoidance of sensitive  
7 habitat, and the mitigation for any impacts that might  
8 occur. And so I think, I am happy that we are moving in  
9 that direct to establish those processes, and I think in  
10 the future we will have a lot more information about  
11 prior to site selection, and that is going to benefit all  
12 future projects, but of course, you know we are dealing  
13 with what we have today. You know, we do have some  
14 significant challenges and goals with respect to the  
15 State's energy system, and particularly with respect to  
16 climate change. I was happy to hear the comment of our  
17 public commenter from, I think it was Australia -  
18 Austria, sorry, mate. Actually, I am part Austrian,  
19 mostly German, so I have got to be careful there.

20 VICE CHAIR BOYD: No wonder the Governor likes  
21 you.

22 COMMISSIONER EGGERT: No comment on that. But  
23 again, I think that we are likely to see some more  
24 challenging projects come before us this year and I think  
25 it is a tremendous challenge, you know, given kind of the

1 information that we have had to work with and the  
2 timelines. But I think the Committee has done a  
3 reasonable job of doing - and the staff, as well - doing  
4 their best to address those issues in the context of this  
5 decision.

6 CHAIRMAN DOUGLAS: Thank you, Commissioner.  
7 Commissioner Weisenmiller?

8 COMMISSIONER WEISENMILLER: Yes, first of all,  
9 I also would like to thank the Committee, the staff, the  
10 Applicant, the Interveners, for their hard work on this  
11 project. I think we are certainly learning - we have not  
12 found many perfect projects, but at least coming out of  
13 our process, we think there are better projects and  
14 certainly appreciate the hard work of everyone to improve  
15 those projects. Certainly, I would like to in some  
16 respects welcome back the Luz Alumnae to California.  
17 Obviously, this is the second generation in a way of  
18 segues\* [ph.] [2:41:34] in terms of the technology and  
19 experience and, again, you have certainly been on both  
20 the leading and bleeding edge of our siting process here.  
21 You know, I think we have all learned a lot in the three  
22 years. I think certainly, going forward, I think all of  
23 us need to do better, certainly we have talked a lot  
24 about providing better tools up front for the projects,  
25 but we have learned a lot on how to work with the other

1 agencies and to move forward. But we do realize that  
2 time is really money for Applicants and, at the same  
3 time, we are at a stage where we have to reach a  
4 decision. As the people have noted that some of the  
5 records are different, but, again, we are basing our  
6 decision on the record in this case and we have gone  
7 through a very very thorough environmental assessment, we  
8 have tried to identify all the impacts and come up with  
9 the mitigation measures for that. And obviously, even  
10 with that, the very very comprehensive mitigation  
11 measures, where we have looked, we have had to consider  
12 an override, here we are and, again, I think all of us  
13 are motivated, at least speaking for myself, by dealing  
14 with the realities of climate change, that it is critical  
15 to reduce our fossil fuel dependence, a key part of that  
16 is going to be renewables, a key part of that are  
17 projects like this. Certainly at this stage, we would  
18 like projects that are closer to the load center, but  
19 frankly, we need all those renewable projects. And in  
20 terms of it is also important not just to deal with the  
21 environmental issues, but we must deal with the  
22 California economy, that certainly this project and the  
23 other projects, we are in the middle of -- I do not know  
24 if you want to call this the Great Recession, or the  
25 Mini-Depression -- but we really need to deal with our

1 unemployment issues. When you look at San Bernardino, in  
2 that area unemployment is at least 15 percent, and that  
3 is people who stop looking for jobs. So, the fact that  
4 this is applying - will be providing about 500 new jobs  
5 to a peak of about 5,000, and about 100 long-term jobs  
6 operating is very important to our economy, as is the \$2  
7 billion investment, there are a lot of multipliers  
8 associated with that. So, again, I certainly heartily  
9 support this project and, again, would like to thank the  
10 Committee and the Applicant and the staff and the  
11 Interveners for their hard work.

12           CHAIRMAN DOUGLAS: Thank you, Commissioner  
13 Weisenmiller. And I have some comments to make, but I  
14 will note that BLM is on the phone. Amy Resnick, are you  
15 here to make a comment or just to listen? Well, it  
16 sounds to me like she is here to listen. But if she  
17 would like to make a comment, if she can please indicate  
18 that or speak up.

19           So, I would like to thank Commissioners Byron  
20 and Boyd, the Committee that lived with this project for  
21 literally years, and lived with the early stages of our  
22 efforts to synchronize our process with the Bureau of  
23 Land Management, and to build the partnerships with the  
24 Department of Fish & Game, Fish and Wildlife Service,  
25 that have been so critical on all of these projects that

1 are coming before us, and your work really did set the  
2 stage for our ability to move forward on the range of  
3 ARRA projects - ARRA, Recovery Act - projects before us.  
4 This has been an exciting time for the Commission and I  
5 think for me, personally, in seeing this large number of  
6 projects, renewable energy projects, come before us for  
7 siting and serious and with real Business Plans, and with  
8 real intent, to build the projects. It is tangible  
9 evidence of a substantial move away from dependence on  
10 fossil fuel for the electricity system in the State of  
11 California, and it is the beginning of what we need to do  
12 to make that transition fully effective. I also heard  
13 and listened carefully to the concerns of environmental  
14 groups, the Interveners, and the commenters, and I thank  
15 you very much for your engagement in our process. You  
16 have helped us analyze it, helped us make the project  
17 better, and you have helped us realize the concerns that  
18 you brought to us and weigh them as we sit here today.  
19 Our commitment to realizing the full mitigation for the  
20 Ivanpah Solar project is very strong, and we have a very  
21 thorough mitigation scheme, but our commitment here does  
22 not stop at that project mitigation. The Energy  
23 Commission is working with other rate agencies and  
24 stakeholders on the Desert Renewable Energy Conservation  
25 Plan. This is the way that we believe we will be able to

1 achieve landscape level conservation in the California  
2 deserts, while meeting our renewable energy goals. And  
3 so I would like to ask you, the environmental groups, the  
4 Interveners in this case, and also make a point to the  
5 Applicant and to others here who represent the industry,  
6 that we really want to make this process work, and this  
7 is, I think, going to be one of the bedrock ways that we  
8 achieve all of our environmental goals, our renewable  
9 energy goals and our conservation goals.

10           So with that, I certainly intend to approve  
11 this project, again thank the committee, and I will also  
12 say that the Siting Committee, moving forward into the  
13 fall of next year will be looking hard at - Commissioner  
14 Weisenmiller likes to call it "lessons learned" - out of  
15 this, lessons learned and how our process works, what  
16 could be better, what could be easier for Interveners,  
17 for Applicants, and for others, also lessons learned in  
18 terms of policy - what policies should the Energy  
19 Commission consider with regard to water use, with regard  
20 to site selection, with regard to other issues that have  
21 come before us, that all of us have had the opportunity  
22 to experience in great depth and detail this summer, and  
23 much longer than the summer. So, with that, are there  
24 further comments? No. I will entertain a motion.

25           COMMISSIONER BYRON: Mr. Kramer, I have - thank

1 you, Madam Chair - I have the PMPD, the errata, the  
2 changes agreed to the errata at this meeting, and the  
3 Commission Adoption Order. Is there anything else we  
4 need to consider in a resolution to adopt here today?

5 HEARING OFFICER KRAMER: No, just note that  
6 there would be three separate Adoption Orders.

7 COMMISSIONER BYRON: Three separate Adoption  
8 Orders. So, Madam Chair, I recommend for approval this  
9 item on the agenda in accordance with the Presiding  
10 Member's Proposed Decision for the Ivanpah Solar Energy  
11 Generating System with the Errata, the changes to the  
12 Errata agreed to at this meeting, and the three Adoption  
13 Orders in draft form that Mr. Kramer has circulated for  
14 us earlier today.

15 VICE CHAIR BOYD: I will second it.

16 CHAIRMAN DOUGLAS: All in favor?

17 (Ayes.)

18 The project is approved.

19 COMMISSIONER BYRON: If I may, Madam Chair, I  
20 would just like to make a few remarks.

21 CHAIRMAN DOUGLAS: Commissioner Byron, go  
22 ahead.

23 COMMISSIONER BYRON: You know, this project,  
24 this application, took an enormous amount of resources to  
25 review, and I would like to take just a few moments to



1 acknowledge and thank some people. Commissioner Boyd,  
2 certainly, I was so pleased to have him with me on this  
3 committee, his siting experience, I believe, cumulatively  
4 exceeds the rest of us and I do not want to make a  
5 comparison with regard to his wisdom, but it was  
6 extremely valuable. Hearing Officer Kramer did an  
7 excellent job, his calm demeanor and thoroughness on  
8 this, and more recently the involvement of Chief  
9 Counsel's Office and the reviews that we received with  
10 regard to process and some of the details were extremely  
11 helpful, so, Mr. Levy, thank you and your staff. I would  
12 like to thank the Governor's Office for honoring the ex  
13 parte rules, leaving us alone while working through the  
14 Renewable Energy Action Team and policy groups, they were  
15 very effective with our Federal partners and enabling --  
16 dare I say "making" -- the agencies work together. I  
17 certainly would like to acknowledge our Federal partners,  
18 the Bureau of Land Management and the Department of the  
19 Interior, U.S. Fish and Wildlife Service, they - I do not  
20 even know the full extent of the efforts that were  
21 involved on their part, but enormous professional  
22 coordination and expertise applied there. There are  
23 numerous State and local agencies that are involved in  
24 this, I would like to particularly thank the Department  
25 of Fish and Game and our own resources agency. And as

1 has been mentioned by you and others, the Interveners,  
2 most of them whom are environmental NGOs with varying  
3 interests, they made this a much better project. As a  
4 result of your tireless participation and expertise and  
5 input, you enabled this project to be improved and  
6 ultimately approved by this Commission. Now, what I  
7 heard today indicates that some still do not support this  
8 decision, and I ask you to consider how important it is  
9 that California move aggressively towards renewables, and  
10 how important these pioneer projects are to California  
11 and to the rest of the nation. The Applicant, who was  
12 extremely responsive to the issues and the changes to the  
13 project, very impressive, gentlemen and ladies, in how  
14 you responded to the adversity of this long process. But  
15 I would really like to acknowledge Energy Commission  
16 staff. This was a trailblazing process in synchronizing  
17 CEQA and NEPA, working with State and Federal agencies,  
18 protecting the environment with your thorough analysis,  
19 moving renewable energy forward in the State. My sincere  
20 appreciation to Mr. O'Brien and the Siting Transportation  
21 Environmental Division staff for your thorough work and  
22 professionalism under incredibly challenging  
23 circumstances. Mr. O'Brien, I do not know how you keep  
24 your staff motivated and locked in on California's  
25 interests, but I want to thank you and them. I also need

1 to put a little special thanks to my Advisor, Ms. Kristy  
2 Chew, she has worked tirelessly on this, reading all of  
3 the testimony, with a keen eye on seeing that we consider  
4 all the potential impacts and adhere to all the  
5 environmental laws and ordinances. I cannot tell you how  
6 valuable she has been in my office.

7           Finally, the decision we approved today has  
8 numerous compliance provisions to mitigate impacts, there  
9 is a lot of work ahead for our staff, as Commissioner  
10 Boyd has pointed out, and for the project owner. BLM  
11 will also publish the Record of Decision, the Applicant  
12 will have to comply with a phalanx of requirements from  
13 all the State and Federal agencies, as well as satisfy  
14 the provisions of their Power Purchase Agreement, and the  
15 obligations to their financial partners, of which we know  
16 little. And although it has been very somber and serious  
17 here today, I believe this is a very good day for  
18 California and the benefits of this project far outweigh  
19 the impacts. My thanks to the project owner for bringing  
20 us this project, I am guessing you are not completely  
21 happy with the difficult challenge of siting in this  
22 State, and the length of time it took us to get this  
23 done, but I hope you will be successful in seeing the  
24 project through and perhaps, Mr. Woolard, you would like  
25 the last word on this.

1           MR. WOOLARD: Thank you, Commissioner Byron. I  
2 would just like to thank the entire Commission for  
3 everything you have considered and done, we have all  
4 learned a lot in the last few years. You know, I cannot  
5 say that we are - I think the process ultimately emerged  
6 a better project, it emerged as a strong project, and I  
7 think, as a Californian, I am proud of the way it all -  
8 it was not easy, it was hard, it took a long time, but I  
9 think that we are there, and we are looking forward to  
10 actually - we were the first one through this process,  
11 now hopefully we will be the first one in construction,  
12 and so we are looking forward to building, putting a plan  
13 in the ground that is going to hold high standards, and  
14 looking forward to delivering for the State of  
15 California. So, thank you to everybody.

16           CHAIRMAN DOUGLAS: Well, thank you.

17           VICE CHAIR BOYD: I must say, Commissioner  
18 Byron, you made reference to my wisdom, but I did not  
19 show wisdom in leaving out the names of both of our  
20 Advisors, so since you set a precedent of thanking Ms.  
21 Chew, I need to mention Tim Olson, who was my Advisor on  
22 this, and who equally worked very hard.

23           COMMISSIONER BYRON: He did, my mistake -

24           VICE CHAIR BOYD: Well, no, it is my fault. I  
25 saw the two of them huddled together for long hours

1 trying to help us out, so thanks, staff. Enough said.

2 CHAIRMAN DOUGLAS: All right, enough said. We  
3 are on to Item 16. Minutes. Possible approval of the  
4 Minutes of the September 15<sup>th</sup>, 2010 Business Meeting.

5 COMMISSIONER EGGERT: I will move the item.

6 COMMISSIONER BYRON: Second.

7 CHAIRMAN DOUGLAS: All in favor?

8 (Ayes.)

9 VICE CHAIR BOYD: Abstain, not here.

10 CHAIRMAN DOUGLAS: The minutes are approved,  
11 with Commissioner Boyd abstaining.

12 Item 17. Are there any Commission  
13 Presentations and Discussion?

14 VICE CHAIR BOYD: Very brief comment. I think  
15 I mentioned in the past that Secretary Chu had appointed  
16 me to the National Petroleum Council. I want to thank my  
17 fellow Commissioners for allowing me the rare travel  
18 opportunity, to leave the building, even, last week. And  
19 my first meeting with the Petroleum Council -

20 COMMISSIONER BYRON: And to load up your own  
21 personal credit card with all your travel expenses.

22 VICE CHAIR BOYD: Well, actually DOE will  
23 refund this, I am not as worried about that as I would be  
24 the ones I am carrying for the State, as the rest of you  
25 are. Anyway, we received status reports on the two

1 studies that Secretary Chu had asked the National  
2 Petroleum Council to undertake, and they have never done  
3 two at the same time before, so one of them is about  
4 North America's resource development, and the other is  
5 about future transportation fuels. I was added to this  
6 second study, I had requested to be added to that study.  
7 What we received, as I said, was status reports because  
8 those two studies have started, so preliminary planning  
9 has gone on for the projects, but they are nowhere into  
10 the meat of these, so there will be an opportunity to  
11 further the effort. And I was pleased to learn that the  
12 other committee, and these committees are large and they  
13 have multiple subcommittees, the North American Resource  
14 Development Committee reached out to the Energy  
15 Commission and asked staff for the Fuels and  
16 Transportation Division, namely Peter Ward, to  
17 participate in the natural gas component of that  
18 particular study, so it is unfortunate this Commission  
19 was not involved more deeply in the past, I appreciate  
20 Secretary Chu's recognition of California can make a  
21 contribution. And as I said before, I would not have  
22 participated if I had not studied and seen that, in spite  
23 of the name, they really are looking at alternative fuels  
24 and what have you, it is not just a petroleum fix. So,  
25 more to follow, but thought I should share with you what

1 has happened so far. And thank you for the opportunity  
2 of letting me out of the building for a couple of days.

3 CHAIRMAN DOUGLAS: Well, thank you,  
4 Commissioner Boyd, and thanks for representing us at that  
5 important forum. Are there other reports today?

6 COMMISSIONER WEISENMILLER: Again, I will just  
7 be brief. I just wanted to mention that I did meet with  
8 the staff of Major General Jackson; unfortunately, his  
9 son was in an auto accident over the weekend, so he did  
10 not come. I understand he got out of the hospital last  
11 night, but, anyway, it was a productive meeting with his  
12 staff. I think he will probably be back up in a couple  
13 weeks. And also, in terms of combining the sort of  
14 Siting and Electricity and Natural Gas Committee, I sort  
15 of informed both the utilities and the staff that we are  
16 likely to see gas pipeline issues emerge as issues in  
17 some of our fossil fuel siting cases and have asked them  
18 to think of ways they can help us address the public  
19 concerns, assuming they come up.

20 CHAIRMAN DOUGLAS: Thank you, Commissioner.  
21 All right, we will move on to Item 18. Chief Counsel's  
22 Report.

23 MR. LEVY: Good afternoon, Commissioners. I  
24 would like to request a closed session on four items, if  
25 you please, Items 18A and B, also to determine whether

1 facts and circumstances exist that warrant initiation of  
2 litigation, and to discuss facts and circumstances that  
3 constitute a significant exposure to litigation against  
4 the Commission. I anticipate about a 45-minute  
5 discussion.

6 CHAIRMAN DOUGLAS: Thank you, Mr. Levy. Item  
7 19. Executive Director's Report.

8 MS. JONES: In the interest of brevity, I have  
9 nothing to report today.

10 CHAIRMAN DOUGLAS: Thank you very much, Ms.  
11 Jones. Item 20. Public Advisor's Report.

12 MS. JENNINGS: I have nothing to report, thank  
13 you.

14 CHAIRMAN DOUGLAS: All right, thank you. Item  
15 21. Is there any public comment? All right, we will  
16 move to Executive Session.

17 (Whereupon, at 1:05 p.m., the business meeting was  
18 adjourned.)

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