

Sustainable Energy Advisory Board (SEAB)

August 13, 2015

Meeting No. 110

MINUTES

MEMBERS PRESENT:

John Bumgarner (Chair) – Solar Industry
Jerry Butkiewicz – San Diego Gas & Electric
Jack Clark – Center for Sustainable Energy
Douglas Kot (Vice Chair) – Building Industry
Julia Brown – At Large Member

Jay Powell – Environmental Advocate
Andrew McKercher – Labor Organization
Eddie Price – At Large Member Alternate #1
Eric Scheidlinger – At Large Alternate #2
Sean Karafin – At Large Member

MEMBERS ABSENT:

Jason Anderson – Business Community

I. Call to Order

Chair John Bumgarner called the meeting to order at 10:00 A.M.

II. Introductions

John Bumgarner introduced two new board members, Eric Scheidlinger “At Large Alternate #2” and Eddie Price “At Large Alternate #1.”

III. Adoption of the Minutes (Taken out of order)

Motion by Jay Powell to approve minutes with addition of missing word on page 3 and addition staff report on impact of SDG&E rate proposals to increase costs of street of lighting to City Update; second by Jerry Butkiewicz. Motion passed unanimously.

IV. Announcements

John Bumgarner requested that a Brown Act briefing be provided at the September meeting.

Alice Daniels provided operating procedure binders for new members. Staff will send out operating procedures electronically to all members.

V. Non-Agenda Public Comment

None

VI. CAP Update

Cody Hooven, City Sustainability Program Manager, provided an update on the Climate Action Plan and Environmental Impact report. She noted that comments can be submitted via either letter or email. Any previously submitted comments should be resubmitted to make sure they are included. She also stated that the energy related policies below would probably be of most interest to the SEAB:

- Residential Energy Disclosure Ordinance
- Municipal Energy Strategy
- 100% Renewable Energy goal by 2035
- Zero Emission Vehicles Policy

Julia Brown asked if the section related to jobs had been strengthened – Cody Hooven responded that language on social equity had been added but no changes were made regarding jobs.

Jack Clark asked if there is a timeline for wrapping up the CAP? Cody Hooven responded that once the public comment period closes the EIR will go to the Planning Commission in October then City's Environmental Committee Nov 7th and City Council by December.

Jay Powell asked what is the Council's action? Cody Hooven responded to certify the EIR and adopt the CAP. Cody Hooven will be the key liaison for this action.

Doug Kot asked is there a plan for doing outreach? Cody Hooven responded that outreach is ongoing. Anytime someone requests a presentation for their group if they can accommodate them they will.

John Bumgarner asked if the real estate community had been engaged regarding the planned residential disclosure ordinance? Cody Hooven responded that they had, but the first step in the CAP is to develop the ordinance then the Real Estate community will be reengaged.

Sean Karafin asked about SEAB's involvement regarding previous versions of the CAP. Doug Kot stated that there has been some input previously on elements of the CAP including a letter to the Mayor's Office on Community Choice Aggregation, as well as formation of an ad-hoc working group.

John Bumgarner asked Cody to forward CAP/EIR timeline to board members for next meeting.

John Bumgarner asked that the CAP Working Group try to meet before the September Board meeting to discuss any comments or position that the Board may want to endorse as a group.

VII. Net Energy Metering Update

Ben Airth from CSE provided a presentation on the Net Energy Metering (NEM) proceeding and a summary of the following three proposals that were provided to the CPUC by participating parties:

- Office of Ratepayer Advocates
- SDG&E Residential/Commercial
- Alliance for Solar Choice

Tom Brill from SDG&E stated that SDG&E's goal is to reduce emissions by fitting Net Energy Metering into San Diego's Climate Action Plan and a SB32 framework, while also ensuring the growth of the solar industry. The goal is to find a solution that involves low emission transportation, promotes electric storage and demand response, while also ensuring that all customers have reliable service at an equitable cost for all. Everyone should pay their fair share of the fixed system costs needed to serve all customers. They also want to find ways to encourage people to more efficiently use energy at appropriate times to reduce the effects of the Duck Curve.

Jay Powell stated the real issue of NEM is how to take full advantage of the potential of roof top and parking lot generated solar energy which is estimated to be in the range of 7,000 Megawatts in SDG&E service territory in a sustainable manner. He cited issues raised by interveners including the Sierra Club regarding the CPUC's computer model that need to be addressed. He would like to see other proposals such as the Sierra Club's brought forward for consideration by the board. With respect to the Board's recommendations to Staff regarding the City's NEM proceeding comments he noted that the resolution passed by City Council encouraging a rate structure that promotes energy efficiency and clean distributed energy is a good benchmark. He also cited the Chair's letter to the Mayor and City Council which provides a strong position adopted by the SEAB on NEM as well as the letter signed by

elected officials from a number of jurisdictions in California to the PUC which had been forwarded to the Board by staff and urges PUC to preserve and expand net metering and expand opportunities for renters and disadvantaged communities to benefit from net metering.

Jack Clark stated that his concern is with economic impact that could occur with a contraction in jobs and businesses that is envisioned and what will be most useful to labor and industry to maintain a robust industry?

John Bumgarner stated that from an industry perspective they don't mind for business to slow some but they need to see a consistent long term future in order for businesses to continue to invest in solar.

Eric Scheidlinger noted that uncertainty regarding the rate structures for the next two to three years is what his biggest concerns are.

Andrew McKercher stated that labor's concern is creating local jobs that provide good, well paying careers. These issues should be part of the focus otherwise there won't be any improvement in the conditions for the workers. Part of sustainability needs to be creating careers for people.

Sean Karafin asked how a tariff structure can be created that won't continue this debate if we get the growth that we hope for. He suggested that this should be the focus of any Board recommendations.

John Bumgarner then asked Ben Airth if any of the proposals addressed what "should happen next?" Ben stated that the proposals are really only focused on consumer costs and should the perceived cost shifts really change NEM. Many of the proposals are saying let's wait and see how the loss of ITC will affect the growth of solar and then evaluate the actual costs that should be paid by solar customers.

Tom Brill added that most of the proposals are focused on short term growth rather than looking at a NEM tariff that would work regardless of how much distributed solar there is. He cited scenarios of where every roof has solar as well as the case where only home owners have solar but renters don't, noting that the current NEM wouldn't work.

Jack Clark then noted that the arguments provided by SDG&E lead to the need for other solutions like CCAs.

Tom Brill commented that the issue really is about the fixed costs of transmission and distribution and is irrespective of how the energy is procured.

John Bumgarner commented that the SEAB should think about the foreseeable future and what recommendation can the Board provide that will help meet the CAP's sustainable energy goals.

Following this was a discussion regarding the "Duck Curve" and how this can be addressed. Tom Brill commented that demand response and price signals are needed. Ben Airth noted that the focus should be better planning not cost. Hanna Greene from CSE noted that other CPUC proceedings are focusing on elements affecting the "Duck Curve" so the NEM comments don't have to cover everything.

John Bumgarner asked what staff are looking for from the Board? Dave Weil commented that staff are looking for general guidance, and what has been provided will help in developing the City's comments for the CPUC. Jay Powell stated that enough information was provided within the documents he

previously cited including the City Council resolution on rate restructuring and the SEA Board Chairman's letter to the Mayor and City Council on NEM to help staff in the preparation of the comments.

VIII. City Energy & Sustainability Division Update/Priorities

Dave Weil gave a presentation on the Energy Division's roles and responsibilities. In addition, staff responded to questions and provided information regarding energy storage, the San Vicente Pumped Storage Project, community outreach programs, and assistance provided to the Development Services Department. Staff also mentioned that the City is investigating options for better communications with the public, as well as opportunities for micro-grids and supporting demand response events. He noted that the City is seeking to fill a currently vacant management position in Division's organization, which provides administrative support to the SEA Board.

Dave Weil stated that the following are some of the areas the Board can assist the Division in:

- Identification of stakeholders and assistance with outreach, especially on CAP ordinances.
- Recommendations regarding engagement in CPUC and legislative proceedings.
- Potential future funding opportunities.
- Recommendations regarding emerging technologies that the City should investigate.

IX. Operating Procedures

Dave Weil provided a draft of the meeting's operating procedures for the board to review.

Jay Powell asked that the order of business should be modified so that the agenda is reviewed at the beginning of each meeting with new business discussed before "Suggested Guests and Presentations." John Bumgarner agreed that he will do an agenda review, identify potential conflicts of interest, and note which items are actions, and change the order of items if needed.

Doug Kot noted that under Robert's Rules of Order there is generally public comment before Board members discuss the item. Dave Weil commented that he has seen it done that way at other City commission and City Council meetings

Sean Karafin commented that there are always a lot of agenda items and questioned if we should have so many? Not having as many items would allow the members to better focus on specific items. John Bumgarner noted that if an item is not on the agenda then it can't be discussed. Possible ways to streamline the agenda would be to make the City/Legislative update a quarterly item. This will continued to be looked at for future agendas.

John Bumgarner said that there was no need to vote on the Operating Procedures. Jay Powell noted that he had some clarifying comments that he will provide to staff.

Staff was asked where Board documents are kept? Dave Weil mentioned that all documents reside on the Environmental Services website under SEAB. Jay Powell suggested that staff post information like the Operating Procedures and the Sustainable Energy Advisor Board's charge on the website.

X. Task Group Reset

John Bumgarner commented that we agreed to develop a work plan to help focus the board's activities for the year. Next month the goal will be to discuss a work plan for presentation to the Environmental Committee. To develop the work plan, he recommended that a "Work Plan" working group be established that would meet at least twice before the next Board meeting with the goal of presenting a draft work plan that the Board can vote on in September.

John Bumgarner stated that the SEAB has two active working groups, with the working groups only being active until their task is complete. He also noted that according to the Brown Act each group can only consist of 4 members. Because several members had left the Board, there was a need to find new members for the two current working groups as well as the "to be formed" Work Plan working group.

Jay Powell commented that he is currently on two working group, however, his preference is to continue on the CCA group.

After some discussion it was decided that the Working Groups and members will be:

- CCA – Sean Karafin, Doug Kot, Eric Scheidlinger, Jay Powell
- CAP Working Group – Julia Brown, Jason Anderson, Doug Kot, Eddie Price
- Work Plan Working Group – Eric Scheidlinger, Sean Karafin, Jack Clark, Jerry Butkiewicz

Specifically regarding the Work Plan, it was mentioned that the CAP should be a key item of the Plan.

XI. Presentation to Environment Committee

Jay Powell asked about the presentation to the Environment Committee, noting that the goal was to provide a report as well as the Municipal Code changes. He asked if the changes had been presented to the Mayor's Office and the Environment Committee Chair. Dave Weil stated that John Bumgarner has been trying to meet with Mike Hansen to discuss. Jay Powell expressed concern that actions of the SEA Board are advisory to Mayor and City Council and when voted on by the Board they should be transmitted to the City Council as the policy making body for the City.

John Bumgarner will check with Mike Hansen to make sure this item is taking care of.

XII. Suggested Topics/Guests for Upcoming Meetings

- i. Brown Act Update by City Attorney
- ii. Presentation on "Building Energy Master Planning"
- iii. Model energy conservation ordinances

XIII. Legislative Update

Item postponed.

XIV. City Update:

Item postponed.

XV. General Membership Update:

Some members commented that the Council District listed for them were incorrect. Members will provide the correct information.

XVI. New Business

None.

XVII. Adjourn

John Bumgarner adjourned the meeting at 12:03 P.M.