

**Sustainable Energy Advisory Board (SEAB)
September 10, 2015
Meeting No. 111**

MINUTES

MEMBERS PRESENT:

Julia Brown – At Large Member

John Bumgarner (Chair) – Solar Industry

Jack Clark – Center for Sustainable Energy

Sean Karafin – At Large Member

Douglas Kot (Vice Chair) – Building Industry

Andrew McKercher – Labor Organization

Jay Powell – Environmental Advocate

Eddie Price – At Large Member Alternate #1

MEMBERS ABSENT:

Jason Anderson – Business Community

Jerry Butkiewicz – San Diego Gas & Electric

Eric Scheidlinger – At Large Alternate #2

I. Call to Order

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

II. Introductions

Dave Weil introduced Deputy City Attorney Fritz Ortlieb, who will provide a Brown Act briefing.

III. Approval of Agenda and Adoption of the minutes

John Bumgarner noted that he would like to move the CAP discussion up on the agenda to after the Brown Act briefing in order to allow Sean Karafin to participate in the discussion.

Motion by Jay Powell to approve minutes; seconded by Julia Brown. Motion passed unanimously.

IV. Announcements

None

V. Non-Agenda Public Comment

None

VI. Brown Act Briefing

Fritz Ortlieb, Deputy City Attorney gave an overview on the Ralph M. Brown Act. The Power Point is available on the ESD website at [SEAB Brown Act Briefing](#).

Fritz Ortlieb addressed questions regarding whether or not action could be taken on an item even if it was not indicated as being an action item on the agenda, noting that this was permissible. He will also provide a response back to Board members regarding the use of social media.

IX. CAP Comment Discussion (Item taken out of order)

Doug Kot presented an update on the Climate Action Plan (CAP). The draft EIR is currently out for comment, with comments due by September 29th. The proposed EIR and CAP are planned to go to Committee in November and Council in December so that it can be adopted by the end of the year.

Doug Kot noted that the CAP Working Group met via phone on September 4 and developed a draft letter with proposed SEAB comments that he will send to the Board members for review. He then went through the contents of the draft letter.

Julia Brown noted that the Social Equity and Job Creation section of the draft letter still needed work.

Sean Karafin noted that there did not seem to be a statement regarding the position of the Board. In response, Doug Kot commented that a clear statement of the position of the board needs to be added.

Jack Clark commented that since he had not seen the document he recommended that it might be a good idea to schedule a special meeting to address the letter. He also noted that more regarding building energy efficiency needs to be included, and that if the State already has legislation in this regard, this should be noted. Doug Kot addressed the Sustainable Buildings Expedite Program and was concerned that it is not addressed in the draft CAP.

Jay Powell commented that he shared the concern regarding whether or not action could be taken at this meeting. He noted that comments on the EIR should be focused on the adequacy, correctness and accuracy of the EIR in order to help the decision makers ensure the issues are evaluated.

During public comment, Kathleen Connell, Principal at The Connell Whittaker Group, LLC commented that a policy on telecommuting could have significant Green House Gas reductions. She also noted that every job is becoming green.

Aaron Rivera-Dominquez, Cleanspark San Diego, asked about the 100% renewable energy goal and CCA, and whether or not the direction is for more centralized or distributed generation. Doug Kot noted that this was addressed in a letter on CCA forwarded by the Board. Jay Powell commented that the pertinent things the Board has already done, such as the CCA letter should be included in the EIR.

John Bumgarner noted given the number of comments, the board should schedule another meeting before September 29th.

Sean Karafin stated that in general it seemed that the Board was in agreement with the CAP as currently written and the Boards comments seemed to be about implementation. Given that, maybe another meeting was not needed. Others disagreed noting that there were sections that still needed to be addressed including energy efficiency and jobs.

Eddie Price noted that it would help if the comments in the letter were presented more succinctly.

Doug Kot stated that the draft EIR needs to provide a specific method for job creation and create accountability moving forward.

Sean Karafin reminded the group that this plan will be updated in the future and that if the Board says that the EIR and this plan is inadequate, this could possibly trigger the process to start over. He commented that the Board should support the Plan and then talk about implementation. Andrew McKercher noted that as an advisory board if things were missed they should be commented on. Sean Karafin expressed his concern about the plan possibly being pushed back a year. Eddie Price stated that while the Board may like the plan, the Board's concerns need to be included for the record.

Julia Brown noted that the jobs section needs more work. She also noted that many of the actions are unclear as to what they mean. Sean Karafin commented that that is why it is important for the Board to make a strong statement on implementation.

Doug Kot provide a possible idea for a motion that would say this is good plan but there are some things that need to be changed or added, such as metrics around jobs and more on energy efficiency. Sean Karafin expressed concern this could trigger a new EIR. Jay Powell stated that he did not think this was correct and that these are valid comments that should be included, and that this item should be docketed for a special meeting, which would allow the working group to gather public comment and then use this to provide a revised version of the letter for further review by the Board.

Motion by Jay Powell to docket the CAP discussion for Special Board meeting on September 24 and have the working group put out another version of the CAP; seconded by Sean Karafin. Motion passed unanimously

John Bumgarner stated that public comment will be continued next session. Doug Kot noted that working group will take the comments provided by Board members and the public to provide a revised version for discussion at the meeting to be held on the 24th.

Andrew McKercher requested that a provision for local hire be included. Eddie Price stated that not only jobs but local businesses should be included.

Dave Weil stated that staff will send the current version of the draft letter to the Board; if there are any comments staff will distribute to the task group. The working group will need to meet before September 24th so that a revised version of the letter can be provided to the Board prior to the meeting. All comments must be submitted to staff for distribution to the working group by September 14th.

John Bumgarner noted that the quality of the jobs should also be addressed.

VII. SEAB Work Plan

Jack Clark presented a 6 month high level Work Plan, noting that at some point the Board should adopt a 12 month plan. The working group recommended that there be a standing agenda item for the CAP and CCA working groups to provide updates. In discussing the Plan, it was noted that the group tried to align the work items with CAP Action items that fall within the next 6 to 12 months.

There was also some question regarding the “Duck Curve” and its priority. There has been a lot of information provided, so the Board needs to determine where it falls within the SEAB’s priorities.

There was also discussion about where the NEM discussion should fall...CCA or CAP. Jack reiterated that the goal of the Plan is help keep the Board focused.

Jay Powell expressed his concern about what the Duck Curve is really trying to solve and commented that it should address how to implement solar and energy storage.

Doug Kot mentioned that he thought the Duck Curve is used by the Utilities to describe a problem that probably doesn’t exist and its impacts are overstated. He thought it would be good to get another perspective on the Duck Curve. Understanding how the City’s constituents interact with the grid could help form the CCA and CAP. Fritz Ortlieb commented that he could provide a summary of the testimony and City’s position during the Rate Design proceeding regarding the Duck Curve. Jack Clark said that it might be good to have a counter point presentation as a tentative agenda item for the next meeting as this is a topic that is related to the CAP and CCA.

Jack Clark noted that he thought it would be good to have the Board members spend some time reviewing the Plan and make comments as this is only a draft.

Doug Kot mentioned that there are some other topics like NEM and expiration of the investor tax credit and how these might impact the solar industry locally. He also stated that were will be an energy policy context that should be anticipated now in the Plan’s timeline.

Jay Powell stated that it would be good to discuss this at the Environment Committee so that the Board could get feedback from the Committee on the Plan.

Motion by Jay Powell to add vote for Work Plan as an action item to next September 24th special meeting; second by Doug Kot. Motion passed 7-0-1, with Chair abstaining.

VIII. Environment Committee Update

John Bumgarner provided a summary of his meeting with the Mayor’s Office. He mentioned that Mike Hansen and Francis Barraza are driving the adoption of the Board’s suggestions, however, there

was no progress update and that it is a multi-step process with several levels of review. He also noted that during an initial review it was determined that a few of the suggested changes were mute because the City had already made changes elsewhere that make them unnecessary. He also stated that they probably won't happen very quickly, however, this shouldn't impact the operation of the Board.

Fritz Ortlieb stated that many of the changes were done when the City moved to the strong Mayor form of Government including a change to the charter where it says City Manager means the Mayor. Similarly the eight year term limit for a board member is also in the charter. Dave Weil stated that the language regarding the City Energy Administrator should remain as is rather than being specific. Fritz Ortlieb also indicted that April 15th is the standard for the time the Mayor has to appoint a chairman.

Jay Powell questioned why the change from City Manager to Mayor isn't made given that the changes are going forward anyway. He also asked about the timeline and commented that the substance of the proposed Municipal Code changes could be included in the presentation to Committee. John Bumgarner mentioned that it would also depend on how much time they are allocated at Committee.

X. CCA Update

Dave Weil stated that the City has received a draft of the report prepared by Community Choice Partners and Protect Our Communities, which should be released in final form next week. The report will then be forwarded to the Board for review and input. The city also has contracted with the Center for Sustainable Energy to assist with RFP development for the follow-on gap analysis and CCA study.

Jack Clark stated that CSE is working as extension to City Staff, the SEAB and CCA working group and will assist City staff in obtaining stakeholder input.

Jay Powell asked if there was a sense of timing. Dave Weil stated that the report should be received next week and it will be forwarded to the CCA working group, which should convene soon after that.

Doug Kot asked if there was a timeline for the release of the RFP. Jack Clark responded that those details weren't known yet, but that he thought it could happen relatively quickly.

Doug Kot asked who are the members of the CCA Working Group. It was stated that they are: Sean Karafin, Doug Kot, Eric Scheidlinger, and Jay Powell.

XI. NEM Proceeding Update

Fritz Ortlieb spoke on the NEM proceeding, stating that on September 1st the City provided comments regarding the NEM proposals noting the wide range of difference between proposals that were submitted. He also commented that in general the City aligned with the positions of the solar parties, primarily the California Solar Industries Association and the Federal Executive Agency, who argued for no new surcharges or fixed fees. The City also took a secondary or fallback position that embraced a modified version of the Office of Rate Payer Advocates "Installed Capacity Fee" as a method for collecting the costs of distributed generation impacts on the grid. The City argued that ORA's proposal was too steep and recommended that the fee be capped at \$6 per kilowatt. In addition, the City argued for the expansion of virtual net metering and aggregation of net energy metering for systems over 1 megawatt. The City's comments will be posted on the SEAB website.

Jack Clark stated that CSE's focus was on the guiding principles of AB 327, which is to maintain a sustainable market for the solar and distributed energy industries as well as providing benefits of solar and distributed energy to communities of concern. This is broader than solar, energy storage needs to be considered as well, and there has been little feedback from that sector. CSE also highlighted that NEM is not a silo for driving the solar market, there were other programs

supporting growth of the sector such as CSI and the ITC which are waning. Because of this there should be more of a modest adjustment to NEM, especially when there is so much uncertainty. CSE also highlighted that the NEM issue should be called out in the IDSM and the Distribution Planning proceedings, as they are all related. A more phased approach and slow transition is needed. CSE is already preparing reply comments.

Fritz Ortlieb commented that hearings in this case will commence on October 5th with a pre-hearing conference for September 18th and pre-hearing conference statements due before that date.

Jack Clark also noted that there was a lot of push back on the modeling time. CSE tried to focus on the shifting of cost, indicating that it is unclear how this will change as there is more distributed generation on the grid. CSE will provide their reply comments as they are developed.

Jay Powell commented that he continues to be concerned about the quantification of the NEM cap and where the 5% came from; the case has never been made for what it will do to the grid. There are serious issues with respect to the NEM cap that have been outlined in the work plan. This is a potential shift of the paradigm and how we accommodate people in communities of concern with the opportunity to participate in rooftop solar and distributed energy. That's what the real issue is.

Eddie Price commented that Grid Alternatives is very involved in this and that they would like to see communities of concern get some added benefit. Grid Alternatives has worked hard to provide solar for communities of concern and doesn't want to see these communities impacted by changes in NEM.

Jack Clark commented that this intent is in AB 327 and that CSE made comments regarding this issue. Dave Weil commented that the City addressed this as well.

Doug Kot asked about the timeline during the holidays. Fritz Ortlieb mentioned that the CPUC may not be able to meet the statutory timeline.

XII. New Business

John Bumgarner asked if the Board should meet December 10th. General impression was that the Board should meet.

XIII. Suggested Topics/Guests for Upcoming Meetings

- i. Counterpoint Duck Curve Contribution – Jack Clark will work on.
- ii. Additional insight from City Attorney on the social media component of the Brown Act.

XIV. Legislative and City Update

None.

XV. General Membership Update:

Dave Weil stated that Council Districts listed for new members had been corrected.

XVI. Adjourn

John Bumgarner adjourned the meeting at 12:10 P.M.