MEETING NOTICE AND AGENDA

REGIONAL ENERGY WORKING GROUP
The Energy Working Group may take action on any item appearing on this agenda.

Thursday, April 28, 2011
11:30 a.m. to 1:00 p.m.
SANDAG, Conference Room 7
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Andrew Martin
(619) 699-7319
ama@sandag.org

AGENDA HIGHLIGHTS

- STATE LEGISLATIVE STATUS REPORT
- CLEAN VEHICLE REBATE PROJECT
- PROPOSED TULE WIND PROJECT

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To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.
## REGIONAL ENERGY WORKING GROUP

**Thursday, April 28, 2011**

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>1.</td>
<td>WELCOME AND INTRODUCTIONS</td>
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<tr>
<td>+2.</td>
<td>APPROVAL OF MEETING SUMMARY</td>
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<tr>
<td></td>
<td>The Energy Working Group (EWG) is asked to approve the March 24, 2011, meeting summary.</td>
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<td>3.</td>
<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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<td></td>
<td>Members of the public shall have the opportunity to address the EWG on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the EWG coordinator prior to speaking. Public speakers should notify the EWG coordinator if they have a handout for distribution to EWG members. Public speakers are limited to three minutes or less per person. EWG members also may provide information and announcements under this agenda item.</td>
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<tr>
<td>+4.</td>
<td>PLUG-IN ELECTRIC VEHICLE RULEMAKING</td>
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<td>Staff will present information on a proposed decision in the plug-in electric vehicle (PEV) proceeding at the CPUC. Parties to the proceeding, including SDG&amp;E, have raised concerns with utility restrictions on education and market participation. The EWG is asked to discuss the issues and decide whether to recommend that SANDAG write a letter to the CPUC concerning this proposed decision.</td>
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<td>+5.</td>
<td>STATE LEGISLATIVE STATUS REPORT</td>
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<td>Staff will provide an update on legislation that is currently pending before the California Legislature, including Assembly Bill (AB) 631 (Ma) pertaining to electric vehicle charging. The EWG is asked to discuss the bills and recommend that the Regional Planning Committee recommend that the Executive Committee support AB 631 (Ma) Electric Vehicle Charging Stations.</td>
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<tr>
<td>+6.</td>
<td>CLEAN VEHICLE REBATE PROJECT</td>
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<td>David Almeida, California Center for Sustainable Energy, will provide an overview of the Clean Vehicle Rebate Project, which provides rebates to promote the production and use of zero-emission vehicles including electric, plug-in hybrid electric, and fuel cell vehicles in California. Statistics on rebates issued to-date in the San Diego region and state-wide also will be discussed. This item is presented as information.</td>
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</tbody>
</table>
+7. **PROPOSED TULE WIND PROJECT**

Harley McDonald, Business Developer for Iberdrola Renewables, will provide an overview of the proposed Tule Wind Project and talk about the efforts involved in developing a wind energy project in the San Diego region. This item is presented as information.

8. **SCHEDULING AGENDA ITEMS FOR FUTURE MEETINGS**

Members of the Working Group are invited to suggest topics for future meetings.

+ next to an agenda item indicates an attachment
 ITEM #1:  WELCOME AND INTRODUCTIONS

Chair Carrie Downey, City of Coronado, called the meeting to order at 11:38 a.m.

 ITEM #2:  FEBRUARY 24, 2011, MEETING SUMMARY

Mike Evans, San Diego Regional Chamber of Commerce, requested changes to the meeting summary: electric Public Purpose Program (PPP) rates for residential and commercial use were incorrectly listed in dollars instead of cents. The meeting summary was unanimously approved with the requested changes. (The revised meeting summary has been posted to the EWG Web site.)

 ITEM #3:  PUBLIC COMMENTS/MEMBER COMMENTS

There were no public comments or member comments.

 ITEM #4:  PUBLIC GOODS CHARGE AND GAS SURCHARGE UPDATE

Susan Freedman, SANDAG, provided an update on the status of energy efficiency programs funded through the public goods charge (PGC) and natural gas consumption surcharge. The State Legislature passed the transfer of $155 million of the gas consumption surcharge to the General Fund on Thursday, March 17, 2011.

The worst-case scenario from this funding transfer would be the termination of all gas efficiency programs on July 1, 2011, and a 20 percent overall loss in funding for energy efficiency programs. San Diego Gas and Electric (SDG&E) and the California Public Utilities Commission (CPUC) have been discussing funding options to continue the gas efficiency programs. Four bills have been introduced in the Legislature that would extend the PGC, which under existing law is set to expire on January 1, 2012. Summaries of the bills were provided under Item No. 5.

Chair Downey asked EWG members about their interest in providing input on maintaining or discontinuing programs in light of funding cuts. Ms. Freedman confirmed that EWG recommendations could be presented to the Executive Committee by SANDAG legislative staff.

Ed Gallo, City of Escondido, requested that SANDAG make a statement to request that funding for these programs not be transferred. Risa Baron, SDG&E, added that the CPUC and SDG&E have
discussed options to make up for the loss of the gas surcharge funds. She offered to keep SANDAG informed of these discussions and noted that SANDAG support may help their efforts.

**ITEM #5: STATE LEGISLATIVE STATUS REPORT**

Andrew Martin, SANDAG staff, stated that bill summaries are provided in the agenda, many of which were introduced in the State Legislature after the EWG meeting on February 28, 2011. The EWG was asked to review the legislative summaries and provide input to staff. Chair Downey asked the EWG to review the summaries after the meeting and provide staff with input on which bills they would like to have monitored or removed from the list.

In addition, Mr. Martin explained that SANDAG has been asked to support Assembly Bill (AB) 631. AB 631 would provide that ownership, control, operation, or management of electric vehicle charging infrastructure for light-duty, plug-in vehicles does not make a corporation or person a public utility. The EWG will be asked to make a recommendation on the legislation at its April 28, 2011, meeting. Staff will provide a detailed analysis of the bill for the meeting.

Mr. Martin noted that the EWG may have interest in monitoring Senate Bill (SB) 730, introduced by Senator Kehoe. This bill would, among other things, require a city or county to approve an online building permit for vehicle charging equipment within 24 hours of its receipt. Chair Downey requested that SANDAG staff follow up with Senator Kehoe’s staff on SB 730.

Irene Stillings, CCSE, expressed concern with SB 118, and stated that as currently written, it could prevent public agencies like schools and municipalities from entering into power purchase agreements (PPA).

Pamela Bensoussan, South County Economic Development Council, asked for clarification on how AB 915 would modify the California Solar Initiative (CSI) program, which is administered by CCSE in the SDG&E service area. Ms. Stillings explained that the non-residential incentive budget in the SDG&E service area has been expended and existing law establishes a hard cap on available funds. As a result, multiple bills addressing CSI funding issues have been introduced in the current legislative session. Mr. Martin stated that SANDAG staff would compile more information on bills such as AB 915 and SB 585 and others that address CSI. Ms. Stillings added that CCSE could provide assistance.

**ITEM #6: AIRPORT VEHICLE REBATE PROGRAM**

Heather Shepard, CCSE, made a presentation on the San Diego Airport Vehicle Rebate Program (AVRP). She explained that the AVRP will provide incentives for San Diego Airport ground transportation providers to switch to clean and lower emissions vehicles. The grant budget awarded to CCSE to administer the AVRP is $750,000, of which $75,000 is available for training, education and outreach. The remainder and bulk of the funds will provide vehicle rebates.

CCSE is developing the program in collaboration with the San Diego County Regional Airport Authority (SDCRAA), ground transportation providers at San Diego Airport, and other stakeholders. CCSE will work closely with its two other project-funded partners, Miramar College and SANDAG, to provide technical support, assess alternative fuel infrastructure needs, and leverage the anticipated success of the AVRP to additional ground transportation fleets in the San Diego region.
The program will provide rebates for qualifying alternative fuel and clean vehicles permitted to operate at San Diego Airport. There are currently 20 vehicles that meet the vehicle eligibility criteria including compressed natural gas (CNG), biodiesel, electric vehicles (EV), and some hybrid vehicles. In order to provide as much flexibility as possible, CCSE is working to expand the list of eligible alternative fuel and clean vehicles.

On March 15, 2011, CCSE met with airport ground transportation providers to solicit input on the AVRP. Stakeholder comments included concern that large fleets would receive a disproportionate share of the rebates, strong interest in biodiesel and propane, the number of eligible vehicles, and infrastructure availability. Ms. Shepard reviewed the program schedule. The next steps are to finalize the vehicle eligibility list, disbursement schedule, and publish the program Web site. CCSE is on target to begin disbursing rebates in June 2011.

Kurt Kammerer, member of the public, asked about the proposal to grant rebates retroactively to July 1, 2010. Paul Manasjan, SDCRAA, responded that the intent is to provide an incentive for early adopters of the Airport Authority vehicle inventive program, which starting July 1, 2010, provides incentives with the goal of converting 100 percent of the public commercial ground transportation vehicles operating at San Diego Airport to alternative fuel or clean vehicles.

David Alvarez, City of San Diego, questioned whether there was space to build alternative fueling infrastructure at or near the airport. Mr. Manasjan confirmed there are currently CNG fueling locations within the vicinity of the airport, and that locally produced biodiesel is available to ground transportation providers. The SDCRAA is looking into the concept of providing fueling infrastructure for a variety of alternative fuels at San Diego Airport.

Ms. Stillings commented on her recent “inside the fence” tour of San Diego Airport and its impressive Green Build program. Members of the EWG expressed interest in taking the tour.

In response to a question from Sharon Cooney, Metropolitan Transit System, Mr. Manasjan explained that it is unlikely that vehicles receiving rebates through the AVRP would be moved to another airport if San Diego Airport moved to a concession-based system (there are currently no plans to switch to such a system). Ms. Stilling clarified that a class action lawsuit is the source of AVRP funds and not local tax dollars.

There were additional questions and discussion about the relationship between the AVRP and the EV Project, whether individual vehicle owners or fleet owners would receive rebates, and the use of increased permit for non-alternative fuel vehicles by the SDCRAA as an additional method of encouraging airport ground transportation providers to integrate alternative fuel and clean vehicles into their fleets.

**ITEM #7: ENERGY UPGRADE CALIFORNIA IS UP AND RUNNING IN SAN DIEGO**

Jack Clark, Retrofit Program Senior Manager for CCSE, provided an overview of the Energy Upgrade California (EUC) program. EUC was built as a partnership between the CPUC and California Energy Commission (CEC) to collaborate with investor and municipal-owned utilities as well as local governments. The Web site (www.energyupgrade.ca.org) provides residential home owners with...
comprehensive whole-house upgrade information compiled under a single name, brand, and location.

The goals of the program are to improve safety and energy home performance and encourage “house-as-a-system” solutions instead of individually upgrading components of houses. Additional goals include training more than 150 contractors to be qualified as Energy Upgrade contractors and developing a strong industry for home performance assessors.

Chair Downey asked about the qualifications for Energy Upgrade contractors. Mr. Clark responded that CCSE provides a three-day course as well as a more comprehensive six-day course on building science to prepare contractors for Building Institute Certification. In response to a question from Scott Anders, Energy Policy Initiatives Center, Mr. Clark clarified that a goal of the EUC is to retrofit 3,600 single-family houses and 1,000 multi-family units by 2013.

Mr. Clark explained the various programs that come together under EUC. They include the SDG&E Whole House Program, the County of San Diego Comprehensive Retrofit Program, and U.S. Department of Energy-funded Better Buildings Program. Rebates under the program range from $1,000 for a basic upgrade up to $4,000 for an advanced upgrade. Homeowners can find out about additional rebates that may be available in their area by entering their zip code on the EUC Web site.

Ms. Bensoussan stated that the City of Chula Vista Neighborhood project under the Better Buildings Program will target an entire neighborhood of single-family detached housing for home energy efficiency upgrade projects. The project will employ outreach events, involve community leaders, and take advantage of discount pricing through bulk purchasing. Ms. Stillings stated that the Better Buildings Program includes four pilot programs designed to test different strategies of promoting home energy efficiency upgrades (including the City of Chula Vista project described above). Nicole Capretz, Environmental Health Coalition, noted that in some neighborhoods, the best approach to achieve home energy efficiency upgrades would be to work with community-based organizations.

ITEM #8: EWG CHARTER AND MEMBERSHIP

Mr. Martin explained that the Regional Planning Committee approved clean-up amendments to the EWG Charter and the addition of the SDCRAA to the EWG membership at its March 4, 2011, meeting. These documents are available on the Web site for the EWG.

Chair Downey expressed interest in adding a representative from the U.S. Navy to the EWG membership.

ITEM #9: ADJOURNMENT AND AGENDA ITEMS FOR FUTURE MEETINGS

The next meeting is scheduled for April 28, 2011, from 11:30 a.m. to 1:00 p.m. Chair Downey asked EWG members to send suggestions for future agenda items to Mr. Martin. The meeting adjourned at 12:52 p.m.
## REGIONAL ENERGY WORKING GROUP MEETING ATTENDANCE

**March 24, 2010**

<table>
<thead>
<tr>
<th>REPRESENTATION</th>
<th>JURISDICTION / ORGANIZATION</th>
<th>NAME</th>
<th>MEMBER / ALTERNATE</th>
<th>ATTENDING</th>
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<tr>
<td>South County Subregion</td>
<td>City of Coronado</td>
<td>Hon. Carrie Downey, Chair</td>
<td>Member YES</td>
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<td></td>
<td>City of Chula Vista</td>
<td>Hon. Pamela Bensoussan</td>
<td>Alternate NO</td>
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<td>North County Coastal Subregion</td>
<td>City of Del Mar</td>
<td>Hon. Don Mosier</td>
<td>Member NO</td>
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<td>City of Solana Beach</td>
<td>Hon. Lesa Heebner</td>
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<td>North County Inland Subregion</td>
<td>City of Escondido</td>
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<td>East County Subregion</td>
<td>City of Santee</td>
<td>Hon. Rob McNelis</td>
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<td>City of San Diego Subregion</td>
<td>City of San Diego</td>
<td>Hon. Sherri Lightner</td>
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<td></td>
<td>Hon. David Alvarez</td>
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<td>County of San Diego Subregion</td>
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<td>Peter Livingston</td>
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<td>Public Transit Operators</td>
<td>Metropolitan Transit System (MTS)</td>
<td>Sharon Cooney</td>
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<td>North County Transit District (NCTD)</td>
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<td>Other Public Agencies</td>
<td>San Diego County Regional Airport Authority</td>
<td>Paul Manasjan</td>
<td>Member YES</td>
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<td>Brett Caldwell</td>
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<td>Unified Port of San Diego</td>
<td>Michelle White</td>
<td>Member YES</td>
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<td>Cody Hooven</td>
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<td>Universities</td>
<td>San Diego State University</td>
<td>Dr. Heather Honea</td>
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<td></td>
<td>University of California, San Diego</td>
<td>Dave Weil</td>
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<td>Energy Utility</td>
<td>San Diego Gas &amp; Electric</td>
<td>Matt Burkhart</td>
<td>Member YES</td>
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<td>Claudia Valenzuela</td>
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<td>Energy Non-Profit</td>
<td>California Center for Sustainable Energy</td>
<td>Andrew McAllister</td>
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<td></td>
<td>Irene M. Stillings</td>
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<td>Transportation Fuels</td>
<td>San Diego Clean Fuels Coalition</td>
<td>Greg Newhouse</td>
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<td>Energy Academics and Research</td>
<td>Energy Policy Initiatives Center, University of San Diego School of Law</td>
<td>Scott Anders, Vice Chair</td>
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<td></td>
<td>Nilmimi Silva-Send</td>
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<td>Environment/Social Justice</td>
<td>Environmental Health Coalition</td>
<td>Laura Hunter</td>
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<td></td>
<td>Nicole Capretz</td>
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<td>Sierra Club</td>
<td>Bill Powers</td>
<td>Member NO</td>
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<td>Carolyn Chase</td>
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<td>Business</td>
<td>San Diego Regional Chamber of Commerce</td>
<td>Mike Evans</td>
<td>Member YES</td>
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<td>Mike Nagy</td>
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<td>Economic Development</td>
<td>North County Economic Development Council</td>
<td>David Lloyd</td>
<td>Member NO</td>
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<td>South County Economic Development Council</td>
<td>Pamela Bensoussan</td>
<td>Alternate YES</td>
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OTHER ATTENDEES

Claudia Loeber, County of San Diego
Ignacio Jimenez, Maac Project
Kevin Wood
Risa Baron, SDG&E
Dean Kinports, SDG&E
Lianna Rios, SDG&E
Dinah Willier, SDG&E
Mike Barry, CCSE
Heather Shepard, CCSE
Michael Gervais
Molina Meza
Kurt Kammerer, Energy Consultant
Jim McCollum, Solar Turbines
Rob Rundle, SANDAG
Susan Freedman, SANDAG
Andrew Martin, SANDAG
Katie Levy, SANDAG
Introduction

The California Public Utilities Commission (CPUC) issued the Alternative-Fueled Vehicle Rulemaking (R.09-08-009) in order to prepare for the large-scale rollout of plug-in electric vehicles (PEV) across the state and to support California’s greenhouse gas emissions reduction goals. The CPUC sets the rules for California’s investor-owned utilities (IOUs): Pacific Gas and Electric, Southern California Edison, Southern California Gas, and San Diego Gas and Electric (SDG&E). SANDAG staff has been monitoring the proceeding and its implications for implementation of the Electric Vehicle (EV) Project in the San Diego region.

On March 15, 2011, Commissioner Peevey released a proposed decision that included measures that could potentially inhibit the EV Project, and many parties to the proceeding have expressed concern. Two components relate to SDG&E’s role in PEV education and the PEV market.

Discussion

The proposed decision states that utilities “have no role in actively and broadly promoting plug-in hybrid and electric vehicle adoption or the societal or environmental benefits of plug-in hybrid and electric vehicle adoption.” Many concerns have been raised about restricting the educational role that utilities can play in helping the public understand and embrace PEVs.

The proposed decision also restricts utility ownership of PEV chargers, also known as electric vehicle supply equipment (EVSE). Concerns have been raised about limiting market participants at this early stage in market development of vehicles and charging equipment. SDG&E recommended that the CPUC examine the specific merits of utility proposals of EVSE ownership in determining whether utility ownership of EVSE is in the public interest. In addition to SDG&E’s filing, others in the proceeding recommended that the CPUC remain flexible on EVSE ownership in this nascent market.

Parties to this proceeding include major car manufacturers, EV charger manufacturers, investor-owned utilities, municipally-owned utilities, Natural Resources Defense Council, Environmental Defense Fund, Division of Ratepayer Advocates, the Utility Reform Network, and several more companies and stakeholder groups.

At the April 28, 2011, meeting, staff will provide the Energy Working Group with an assessment of this proposed decision and concerns filed by the parties. The proposed decision and the opening
and reply comments filed by parties are found at the following CPUC Web site link: http://docs.cpuc.ca.gov/Published/proceedings/R0908009.htm.

**Possible Recommendation**

The Energy Working Group is asked to consider the implications of this proposed decision, whether it would like to take action, and if so, if it would recommend to the SANDAG Executive Committee that SANDAG send a letter to the CPUC commissioners stating its concern.

Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org
STATE LEGISLATIVE STATUS REPORT

Introduction

This report provides an update on legislation that is currently pending before the California Legislature, including Assembly Bill (AB) 631 (Ma), which provides that a facility that supplies electricity to charge electric vehicles is not a public utility regulated by the California Public Utilities Commission (CPUC). SANDAG staff was approached by ECOtality to consider a support position on AB 631. SANDAG is participating with ECOtality on the EV Project, which implements one of the priority early actions of the Regional Energy Strategy to support planning of electric charging and alternative fuel infrastructure. Attachment 1 provides status updates on various energy-related state bills that SANDAG is monitoring.

Recommendation

The Energy Working Group is asked to discuss and recommend that the Regional Planning Committee recommend that the Executive Committee support AB 631 (Ma) Electric Vehicle Charging Stations.

Discussion

Assembly Bill 631 (Ma) Electric Vehicle Charging Stations

AB 631 was introduced by Assemblymember Fiona Ma (D-San Francisco) on February 16, 2011. AB 631 provides that a facility that supplies electricity to charge electric vehicles is not a public entity regulated by the CPUC.

Under existing law, the State Constitution permits the CPUC to fix rates and establish rules for all public utilities. Existing law includes electrical corporations in the definition of a public utility. In addition, existing law requires that the CPUC evaluate policies to develop infrastructure sufficient to overcome any barriers to the widespread deployment and use of plug-in hybrid electric vehicles (PHEVs) and electric vehicles (EVs), and adopt rules by July 1, 2011.

The CPUC has an open proceeding (R.09-08-009) to consider the impacts of the electrification of vehicles on the grid and how to manage those impacts. On July 29, 2010, the CPUC issued a decision on Phase I of the rulemaking. It ruled that the ownership or operation of a facility that sells electricity at retail or to the public for use only as a motor vehicle fuel does not make the corporation or person a “public utility” within the meaning of the Public Utilities Code. Phase II of
the rulemaking will consider the appropriate utility role: (1) in the provision of electric vehicle charging services to the public; (2) with respect to charging equipment on the customer’s side of the meter; and (3) in cost allocation, including a consideration of the circumstances in which the costs of any distribution system upgrades should be borne by an individual customer or be recoverable from all customers, in addition to other related issues. The Phase II decision is expected to be released soon.

AB 631 was introduced to codify the unanimous decision by the CPUC not to regulate electric vehicle charging stations as utilities. According to the Assembly Utilities and Commerce Committee analysis, the author states “without this bill, the needed charging stations won’t exist. Apartment complexes, parking garages, and commercial buildings will not want to install these stations if they are regulated as a public utility. They don’t want to assume the regulatory burden of hiring lawyers in order to invest in expanding (electric vehicle charging) infrastructure.”

The California Energy Commission projects that the number of EVs in California could grow from 32,756 in 2011 to 1.5 million by 2020 and 2.8 million by 2030. There is a need for electric vehicle infrastructure to support the projected growth for electric vehicles and state goals for petroleum reduction, lower greenhouse gas emissions, and less air pollution.

The EV Project in the San Diego Region

In August 2009, ECOtality was awarded a $99.8 million grant from the U.S. Department of Energy to embark on the EV Project. This project will support the planning of electric vehicle charging and alternative fuel infrastructure in the San Diego Region. The EV Project will deploy nearly 15,000 electric vehicle charging units in 16 major population areas located in six states, including California. In the San Diego region, up to 1,000 Nissan LEAFs will be for-sale to customers willing to participate in the EV Project. Approximately 2,500 electric vehicle charging units are expected to be installed in the San Diego region by the project’s completion in December 2012.

The EV Project will collect and analyze data to characterize vehicle use in diverse topographic and climatic conditions, evaluate the effectiveness of electric vehicle charging infrastructure, and conduct trials of various revenue systems for commercial and public charging. The ultimate goal of the EV Project is to streamline future electric vehicle deployment by learning from this effort. If enacted, AB 631 could facilitate participation in programs like the EV Project and development of charging infrastructure needed to support growth in electric vehicles.

Support/Opposition

Proponents of the measure argue that AB 631 will give market certainty to ensure consumer and fleet adoption of EVs in California. Opponents argue that the bill is premature because the market for EVs is still in its infancy and that the CPUC is already addressing the early market concerns.

The California Electric Transportation Coalition, members of which include Southern California Edison, Pacific Gas & Electric, San Diego Gas & Electric, Los Angeles Water and Power, Sacramento Municipal Utility District, and Nissan, claim “the issues surrounding the decision by the CPUC, codified AB 631, are directly related to the issue of how the entities identified in AB 631 will be regulated and by whom. Without the benefit of the completion of the CPUC proceeding and an
understanding of customer and ratepayer protection as determined by the proceeding, this bill is premature."

AB 631 is supported by the following organizations: Alliance for Automobile Manufacturers; Better Place; California Apartment Association; California Business Properties Association; California Manufacturers and Technology Association; California Retailers Association; Coulomb Technologies, Inc.; ECOtality, Inc.; Environmental Defense Fund; Plug In America; and Western States Petroleum Association.

The bill is opposed by California Electric Transportation Coalition, Pacific Gas and Electric, and Southern California Edison.

Consistent with the SANDAG 2011 Legislative Program, which supports energy-related legislation, programs, and policies that are consistent with the Regional Energy Strategy, the Regional Energy Working Group is asked to recommend that the Regional Planning Committee recommend that the Executive Committee support AB 631. The bill passed out of Assembly Utilities and Commerce committee by a vote of 12-1, and is scheduled for a future hearing at the Assembly Transportation Committee.

Attachment: 1. Summaries of Energy-Related Legislation

Key Staff Contacts: Andrew Martin, (619) 699-7319, ama@sandag.org
Genevieve Morelos, (619) 699-1994, gmo@sandag.org
Summaries of Energy-Related Legislation

The following have been identified as bills of interest for the Energy Working Group that SANDAG is monitoring. A short description as well as the status of each bill is included.

PUBLIC GOODS CHARGE

**AB 723 (Bradford) Energy: Public Goods Charge**
AB 723 amends existing law requiring an electrical corporation to identify a separate electrical rate component, commonly referred to as the public goods charge to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. This bill extends this requirement to January 1, 2016.
Hearing Date: Pending; Assembly Second Reading

**AB 1303 (Williams) Renewable Energy Resources Program**
This bill requires that 20 percent of the funds collected pursuant to a renewable energy public good charge be used for programs that are designed to achieve fully competitive and self-sustaining existing in-state renewable electricity generation facilities, and to secure for the state the environmental, economic, and reliability benefits that continued operation of those facilities will provide during the 2012-2020 investment cycle.
Hearing Date: Pending; Assembly Second Reading

**SB 35 (Padilla) Public Interest Energy Research & Development Program**
SB 35 extends to January 1, 2013, the requirement for an electrical corporation to identify a separate electrical rate component to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits.
Hearing Date: 5/3/11; Senate Energy, Utilities, and Communications Committee

**SB 410 (Wright) Public Interest Research, Development and Demonstration**
This bill extends to January 2, 2022, a requirement in the Public Utilities Act that requires the Public Utilities Commission to require an electrical corporation to identify a separate electrical rate component to fund energy efficiency, renewable energy, research, development, and demonstration programs that enhance system reliability and provide in-state benefits. SB 410 requires the Energy Commission to follow procedures prescribed in existing law in making awards for public interest energy research, development, and demonstration projects.
Hearing Date: 5/3/11; Senate Energy, Utilities, and Communications Committee

ALTERNATIVE FUEL VEHICLES/TRANSPORTATION

**SB 730 (Kehoe) Building Permits: Electric Vehicle Charging**
SB 730 requires a city or county to approve a building permit application to install vehicle charging equipment within one business day. This bill also requires the local home building inspector that approves a building permit to review the work completed within seven days of completion of the work. SB 730 specifies projects eligible for funding under the Alternative and Renewable Fuel and Vehicle Technology Program include a program to provide funding to local governments that accept building permit applications for the installation of vehicle charging equipment online.
Hearing Date: 5/2/11; Senate Environmental Quality Committee
ENERGY EFFICIENCY

AB 904 (Skinner) Energy Efficiency
This bill requires the Public Utilities Commission to ensure that energy efficiency programs (1) result in real reductions in energy consumption, (2) examine alternatives to traditional administration, delivery, and evaluation mechanism for such services, and (3) examine the establishment of a program for on-bill financing for residential retrofit and improvement of heating, ventilation, and air conditioning. The bill would require the CPUC to consult and coordinate with the Energy Commission in achieving these results.
Hearing Date: 5/4/11; Assembly Utilities and Commerce Committee

RENEWABLE ENERGY

AB 512 (Gordon) Local Government Renewable Energy Self-Generation
AB 512 amends existing law authorizing a local government to receive a bill credit for electricity exported to the electrical grid by an eligible renewable generating facility. This bill expands the definition of an eligible renewable generating facility to include a facility that has a generating capacity of no more than five megawatts. An eligible facility is limited to no more than one megawatt of generating capacity under existing law.
Hearing Date: Pending; Assembly Appropriations Committee

AB 915 (Fletcher) California Solar Initiative
AB 915 declares the intent of the Legislature to modify the California Solar Initiative. Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations. Decisions of the CPUC adopted the California Solar Initiative.
Hearing Date: Pending; Assembly

SB X1 2 (Simitian) Energy: Renewable Energy Resources
Approved by the Governor on April 12, 2011, SB X1 2 (Chapter 1, Statutes of 2011) increases California's renewables portfolio standard (RPS) to require all retail sellers of electricity and all publicly owned utilities (POUs) to procure at least 33 percent of electricity delivered to their retail customers from renewable resources by 2020. Specifically, this bill:

- Requires the following targets: 20 percent by December 31, 2013; 25 percent by December 31, 2016; and 33 percent by December 31, 2020, and each year thereafter.
- Revises eligibility conditions to allow various electricity products from eligible renewable energy resources located within the Western Electricity Coordinating Council transmission network service territory and differentiates the products based on three categories of renewable energy products specified in the legislation.
- Deletes the existing market price referent provisions, and instead require the CPUC to establish a limitation for each electrical corporation on the procurement expenditures for all eligible renewable energy resources used to comply with the renewables portfolio standard.
- Sets aside 25 percent of the 33 percent renewable market for IOU-owned generation.
- Prescribes factors that CPUC must consider when establishing a feed-in tariff for electricity generated from a renewable generating facility that is less than three megawatts (MW).
SB 118 (Yee) Public Contracts: Energy Service Contracts: Bidding
This bill authorizes a public agency to enter into an energy service contract and any necessarily related facility ground lease only if its contracting process is in accordance with competitive bidding requirements and procedures for public contracts. Existing law makes an exception from these bidding requirements for energy service contracts and related facility ground leases if the governing body of a public agency makes a determination at a public hearing that specified cost savings and benefits of the project are in the public agency’s best interests.
Hearing Date: 4/26/11; Senate Governmental Organization Committee

SB 372 (Blakeslee) Distributed Generation
SB 372 requires each large electrical corporation and large local publicly owned electric utility to identify and designate zones within their service territory optimal for deployment of distributed generation. It would require the Energy Commission, in consultation with the CPUC, to develop guidelines for utilities to utilize in identifying and designating those zones. This bill requires the Energy Commission to review each electrical utility’s designation of zones and approve or disapprove them. The bill would require that, upon approval by the Energy Commission, that each electrical utility make this information available on its Internet Web site.
This bill would declare the intent of the Legislature that in supervising and administering the California Solar Initiative and self-generation program, the CPUC give priority to distributed generation projects proposed within those zones. The bill would state the intent of the Legislature that the CPUC review current rules, pertaining to interconnection, to facilitate interconnections of distributed generation facilities within those zones.
Hearing Date: 4/28/11; Senate Energy, Utilities and Communications Committee

SB 585 (Kehoe) Energy: Solar Energy Systems: Funding
This bill amends an existing law that requires the Public Utilities Commission, in implementing the California Solar Initiative, to ensure that the total cost over the duration of the program does not exceed a specified sum, and imposes monetary limits on programs funded by charges collected from customers of electrical corporations. SB 585 would require the commission, to fund certain program shortfalls, to first allocate interest accumulated from customer collections and, for the remainder of the shortfall, to increase collections from customers of the state’s three largest electrical corporations for specified programs. This bill would take effect immediately as an urgency statute.
Hearing Date: 5/2/11; Senate Appropriations Committee

SMART GRID

AB 37 (Huffman) Smart Grid Deployment
This bill requires the CPUC, by January 1, 2012, to identify alternative options for customers of electrical corporations that decline the installation of wireless advance metering infrastructure devices or smart meters as part of an approved smart grid deployment plan. AB 37 requires the CPUC when it has identified those alternative options, to require each electrical corporation to permit a customer to decline the installation of an advanced metering infrastructure device and make the alternative options available to that customer. The bill would also require the CPUC to disclose certain information to customers about the technology of smart meters. The bill would require the CPUC to direct each electrical corporation to suspend the deployment of advanced metering infrastructure until the CPUC has complied with the above requirements.
Hearing date: Pending; Assembly Utilities and Commerce Committee
Introduction

SANDAG is partnering on regional programs to support clean, alternative fuels and plug-in electric vehicles (PEVs), including the EV Project administered by ECOtality and the Airport Vehicle Rebate Program administered by the California Center for Sustainable Energy (CCSE). Both of these programs have been discussed at recent Energy Working Group meetings. At the April 28, 2011, meeting, CCSE will provide an overview of a separate but complementary program promoting clean, alternative fuels and PEVs, the Clean Vehicle Rebate Project (CVRP).

Discussion

The CVRP is funded by the California Air Resources Board (CARB) and administered state-wide by CCSE. A total of $9.1 million has been appropriated for FY 2009-2011 from CARB’s Air Quality Improvement Program for the Project in order to promote the production and use of zero-emission vehicles including electric, plug-in hybrid electric, and fuel cell vehicles. The program was created from Assembly Bill 118 (2007), which funds air quality improvement projects through 2015. Funding is expected through 2015, with specific funding amounts determined annually by CARB.

The Clean Vehicle Rebate Project benefits the citizens of California by providing immediate air pollution emission reductions and stimulating development and deployment of the next generation of zero-emission light-duty vehicles. Rebates of up to $5,000 per light-duty vehicle are available for individuals and business owners who purchase or lease new, eligible zero-emission or plug-in hybrid electric vehicles. Funding is provided on a first-come, first-served basis.

The CVRP is a follow-up to the successful Fueling Alternatives program, also funded by CARB and administered by CCSE. For further information on clean and fuel efficient cars, visit www.DriveClean.ca.gov.

Additional information and Project details are available in the Clean Vehicle Rebate Project Implementation Manual, which is available online at: https://energycenter.org/index.php/incentive-programs/self-generation-incentive-program/sgip-documents/doc_download/533-clean-vehicle-rebate-project-implementation-manual.
Vehicle Eligibility

- New vehicles only,
- Battery electric, plug-in hybrid electric, and fuel cell vehicles,
- Vehicles must be purchased or leased on or after March 15, 2010,
- Vehicles up to 8,500 lbs. in GVWR (cars, zero-emission motorcycles, and neighborhood electric vehicle), and
- Only ARB-certified or approved zero-emission or plug-in hybrid electric vehicles.

Applicant Requirements

- Individuals, businesses, non-profits, or government entities based in California or that have a California-based affiliate,
- Purchasers or Lessees of New Zero-Emission Vehicles (ZEV) or Plug-In Hybrid Electric Vehicles (PHEV),
- Applicants must own or lease the vehicle for a minimum of 36 consecutive months (with certain exceptions), and
- Vehicles must be registered with the California DMV for a minimum of 36 consecutive months.

Federal Tax Incentives

Tax credits for full-function electric-drive vehicles range from $2,500 to $7,500. In order to qualify for a federal tax credit, an electric-drive vehicle must have a battery with a capacity of at least 4 kilowatt-hours, making the vehicle eligible for the minimum $2,500 credit. Vehicles with a battery capacity of 5 kWh or greater are eligible for an additional $417 of credit for every kWh in excess of 4 kWh. For example, the Nissan Leaf (24 kWh battery capacity) and the Chevrolet Volt (16 kWh battery capacity) are eligible for the maximum $7,500 credit. More information about this credit can be found at: http://www.fueleconomy.gov/feg/tax_ev.shtml.

In addition, there is a federal tax credit for 30 percent of the cost of residential and commercial electric vehicle charging equipment and installations. More information is available at: http://www.afdc.energy.gov/afdc/laws/law/US/351. For additional information on federal tax incentives for alternative fuel vehicles, hybrid vehicles, diesel vehicles, and electric-drive vehicles, visit www.fueleconomy.gov and click on “Tax Incentive Center.”

Key Staff Contact: Andrew Martin, (619) 699-7319, ama@sandag.org
PROPOSED TULE WIND PROJECT

Introduction

Iberdrola Renewables proposes to construct, operate, and maintain a wind energy project with up to 200 megawatts (MW) of generating capacity in southeastern San Diego County. The Energy Working Group will receive an overview presentation of the proposed Tule Wind Project and hear about the efforts involved in developing a wind energy project in the San Diego region.

Discussion

Project Description and Location

According to the Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS), the proposed Tule Wind Project would be located in southeastern San Diego County, approximately 70 miles east of downtown San Diego and north of Interstate 8, in the McCain Valley near the unincorporated communities of Jacumba and Boulevard. The project would include the following major components:

- Up to 134 wind turbines, ranging in size between 1.5-megawatt (MW) (328 feet in height) and 3.0 MW (492 feet in height),
- A 34.5-kV overhead and underground collector cable system linking the wind turbines to the collector substation,
- A five-acre collector substation site and a five-acre operations and maintenance (O&M) building site,
- Two permanent meteorological towers and one sonic detecting and ranging (SODAR) unit,
- A 138-kV overhead transmission line running south from the collector substation to be interconnected with the rebuilt SDG&E Boulevard Substation.

The project would generate 200 MW of electricity and would connect to the proposed Boulevard Substation rebuild component of SDG&E’s ECO Substation Project where the electricity generated would feed into the existing Southwest Powerlink 500-kV transmission line. The major components of the proposed project are displayed on a map in Attachment 1.

The project would be constructed on lands administered by the Bureau of Land Management (BLM) as well as private lands under jurisdiction of the County of San Diego, the California State Lands Commission, and lands within the Ewiaapaayp Indian Reservation. The project falls under the jurisdiction of these four agencies as follows:
- Ewiaapaayp Band of Kumeyaay Indians: 17 wind turbines on 20.2 acres,
- County of San Diego: 13 wind turbines on 49 acres and a 138-kV transmission line for 1.96 miles,
- Bureau of Land Management: 97 wind turbines on 280 acres, collector substation on five acres, operations and maintenance facility on five acres, meteorological towers on 0.062 acres, and a 138-kV transmission line for 7.42 miles, and
- California State Lands Commission: seven wind turbines on 37.5 acres.

Project Schedule

The public comment period for the Draft EIR/EIS was completed in February 2011. Next steps for the project include preparation of the Final EIR/EIS in mid-2011, a Record of Decision from the Bureau of Land Management in mid-2011, and action by the County of San Diego Board of Supervisors in late 2011. Construction would begin following project approval by all agencies. The project is expected to be online in 2012.

Attachment: 1. Tule Wind Project Overview

Key Staff Contact: Andrew Martin, (619) 699-7319, ama@sandag.org
Tule Wind Project Overview

Tule Wind Project Components
- Proposed Wind Turbine
- Proposed Met Tower
- Alternative Met Tower
- Proposed SODAR
- Proposed 138 kV Line Milepost
- Proposed 138 kV Gen-Tie Line
- Overhead Cable Collection System
- Underground Cable Collection System
- Existing Roads to be Improved
- Proposed New Roads
- Operation and Maintenance Facility
- Collector Substation
- 2-acre Laydown Areas
- 3-acre Concrete Batch Plant
- 50-acre Parking Area
- Rough Acres Ranch
- ECO Substation Project
- Proposed 138 kV Line
- Boulevard Substation Rebuild
- Campo Wind Energy Project
- Manzanita Wind Energy Project
- Jordan Wind Energy Project (Padoma)

See Figure B-20

See Figure B-21

See Figure B-22

SOURCE: HDR 2010

East County Substation/Tule Wind/Energía Sierra Juárez Gen-Tie Projects - EIR/ES