MEETING NOTICE
AND AGENDA

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

Thursday, May 22, 2014
11:30 a.m. to 1 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101

Staff Contact: Allison Wood
(619) 699-1973
allison.wood@sandag.org

AGENDA HIGHLIGHTS

• UPDATE ON CALIFORNIA ENERGY COMMISSION GRANT FOR ALTERNATIVE FUELS READINESS PLANNING

• ELECTRIC VEHICLE CHARGING AT SAN DIEGO INTERNATIONAL AIRPORT

• SAN DIEGO GAS & ELECTRIC ELECTRIC VEHICLE GRID INTEGRATION PILOT PROGRAM

SANDAG offices are accessible by public transit. Phone 511 or see www.511sd.com for route information. Secure bicycle parking is available in the building garage off Fourth Avenue.

In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact SANDAG at (619) 699-1900 at least 72 hours in advance of the meeting.

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.
1. WELCOME AND INTRODUCTIONS

2. APPROVAL OF MEETING MINUTES

The Regional Energy Working Group (EWG) is asked to review and approve the minutes from its April 24, 2014, meeting.

3. PUBLIC COMMENTS/MEMBER COMMENTS

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. Public speakers are limited to three minutes or less per person. EWG members also may provide information and announcements under this agenda item.

CONSENT

4. STATEWIDE ENERGY EFFICIENCY BEST PRACTICES FORUM

The Statewide Energy Efficiency Best Practices Forum will be in San Diego on June 19. The event is no cost to local governments and will cover topics such as energy-savings programs, state updates, and best practices for reducing energy use and greenhouse gases in your community. The attached flier contains additional information on registration and program details.

REPORTS (5 through 8)

5. UPDATE ON CALIFORNIA ENERGY COMMISSION GRANT FOR ALTERNATIVE FUELS READINESS PLANNING

At its April 22 Business Meeting, the California Energy Commission unanimously approved funding to SANDAG for regional alternative fuel readiness planning. Staff will provide an update and timeline for this award.

6. ELECTRIC VEHICLE CHARGING AT SAN DIEGO INTERNATIONAL AIRPORT

The San Diego International Airport currently has 20 Electric Vehicle (EV) charging stations with plans to install additional stations later this year. Paul Manasjan, San Diego County Regional Airport Authority, will present on the development of the airport’s EV charging projects.
7. SAN DIEGO GAS & ELECTRIC ELECTRIC VEHICLE GRID INTEGRATION PILOT PROGRAM


+8. ENERGY RELATED STATE LEGISLATION

A summary of relevant energy legislation is included. Staff will provide an overview of the bills and additional information on investment plans for cap and trade revenues. The EWG is asked to comment on the legislation and suggest other bills that may help implement the Regional Energy Strategy.

9. UPCOMING MEETINGS

The next meeting of the EWG is scheduled from 11:30 a.m. to 1 p.m. on Thursday, June 26, 2014.
APRIL 24, 2014, MEETING MINUTES

1. WELCOME AND INTRODUCTIONS

Hon. Chris Orlando, Chair, called the meeting to order at 11:34 a.m.

2. MARCH 27, 2014, MEETING MINUTES (APPROVE)

There was one edit to the March 27, 2014, minutes. Kristen Crane (City of Del Mar) was in attendance at the March 27, 2014, meeting, but was not recorded on the attendance list. She will be added to the list.

Action: Councilmember Don Mosier (City of Del Mar) motioned to approve the Energy Working Group (EWG) meeting summary from March 27, 2014, and Rich Grudman (County of San Diego) seconded the motion. The motion carried without opposition.

Yes: Jack Clark (California Center for Sustainable Energy), Laura Shingles (San Diego Regional Chamber of Commerce), Dave Weil (City of San Diego), Brett Caldwell (San Diego County Regional Airport Authority), Mr. Grudman, Dr. Mosier, Scott Anders (Energy Policy Initiatives Center [EPIC]), Cody Hooven (Unified Port District of San Diego), Pamela Bensoussan (City of Chula Vista), Eric Wolff (University of California, San Diego), and Warren Ruis (San Diego Gas and Electric [SDG&E]). No: None. Abstain: Kayla Race (Environmental Health Coalition). Absent: City of Santee, Metropolitan Transit System, Sierra Club, North County Economic Development Council, and CleanTECH.

3. PUBLIC COMMENTS/MEMBER COMMENTS

John Wotzka (member of the public) discussed energy-related news and provided written comments that are summarized here: the “Community Engagement Panel” will take public input on San Onofre Nuclear Generating Station decommissioning; Tokyo Electric Power Company’s six reactors need to be cleaned up and the spent fuel rods moved to cooling pools; Japan and Korea will move ahead with nuclear power and Japan will reactivate all of its fifty reactors; a San Diego State University biologist will be testing golden-brown kelp for traces of cesium-134 and cesium-137 from the Japanese Fukushima Daiichi nuclear station tsunami/earthquake disaster; an upgrade to the Mesa substation will improve inputs to the Los Angeles basin and reduce the need for a new power plant in the Los Angeles area; SDG&E will shift home electricity cost toward lower-use customers by gradually phasing in a fixed fee on bills and reducing rates for large consumers; the Ivanpah Solar Electric Generating Project was dedicated on February 13, 2014, in the Mojave Desert by United States Energy Secretary, Ernest Moniz; there are 143,000 solar jobs in the United States,
which is up 20 percent since 2012; SDG&E wants to replace hundreds of miles of transmission lines in the back country with 1,800 fire-resistant steel poles, a $418 million, five-year project to make them more reliable and resistant to wild fires; the Bureau of Land Management authorized a route for eight of ten high voltage transmission line segments that will make up the Gateway Transmission Project’s 1,000 miles of new 230-kV and 500-kV lines between Glenrock, Wyoming and Melba, Idaho; 136 petrochemical and fertilizer plants are planned spurred by the wide-spread use of natural gas liquids; Fluor Corp and Japan’s JGC Corp will proceed to build North America’s largest Liquid Natural Gas (LNG) plant in British Columbia for the Kitimat LNG project; the United States is losing coastal wetlands at an increasing rate as a result of shoreline development and growing storms says the United States Fish and Wildlife Service and the National Oceanic and Atmospheric Association; over 200,000 plug-in-electric vehicles are on the road in the United States; SEMpra Energy earnings were down in the fourth quarter of 2013 by four percent from 2012.

Anna Lowe (SANDAG) shared that SANDAG received a grant from the California Energy Commission (CEC) on April 23, 2014, for alternative fuels planning. The grant will help fund the expanded efforts of the Regional Electric Vehicle Infrastructure group working with the San Diego Regional Clean Cities Coalition. Ms. Race asked if the grant was for the fueling and charging infrastructure. Ms. Lowe clarified that the grant is for a readiness plan that will include an assessment of what already exists and of the needs and how to address those needs.

REPORTS (4 through 7)

4. 2012 SAN DIEGO REGIONAL GREENHOUSE GAS EMISSIONS INVENTORY (DISCUSSION)

Mr. Anders presented the 2012 San Diego Regional Greenhouse Gas (GHG) Inventory. The purpose of the inventory is to estimate the GHG emissions for the SANDAG San Diego Forward: The Regional Plan (Regional Plan). EPIC calculated the 2010 to 2012 GHG emissions using actual data and projected the emissions through 2050 using forecasted data. EPIC analyzed the effects of certain state, regional, and federal policies on GHG emissions in the San Diego region. Mr. Anders shared the list of the fourteen GHG emissions inventory categories that give the inventory a comprehensive look at all areas of activity. Water is a new category that is evaluated this year, and it includes the upstream water supply and conveyance. All of the emissions associated with water treatment, distribution, and heating in our county are included in the electricity and natural gas portion of the inventory.

Mr. Anders briefly went over the methods used for calculating the inventory. He informed that EPIC follows the ICLEI “United States Community Protocol for Accounting and Recording of Greenhouse Gas Emissions” to stay consistent with the cities for a handful of the categories. The California Air Resource Board (CARB) method was used to calculate emissions for the categories not included in the ICLEI protocol. Mr. Anders explained the differences between the methodologies used for this inventory versus previous inventories including the use of origin-destination vehicle miles traveled for the transportation sector calculations, waste calculations, and the GHG intensity for electricity generation.

EWG members had the following questions and comments:

- Ms. Hooven, asked when EPIC will produce the next update. She also suggested that cities share their data as they start to do climate action plans. Ms. Hooven shared that the Port is updating
its maritime emissions report, and it is currently in draft form. Mr. Anders explained that EPIC has developed a tool for city and regional inventories so future updates should be relatively easy as long as the data is available. He voiced that annual inventories might be too frequent and added that SANDAG is looking at a four to five year cycle.

- Mr. Grudman asked Mr. Anders if EPIC will report the inventory to any other agencies and if the inventory will be validated. Mr. Anders answered that he does not know of an entity that EPIC would report the inventory to since the inventory does not represent a single city. He informed that EPIC does not have plans to validate the inventory since they followed the published ICLEI and CARB protocol. He added that EPIC will release a document detailing their methodology.

- Dr. Mosier asked if the inventory uses the SANDAG projected population growth up to 2030. Mr. Anders answered that it does. Dr. Mosier commented that there is a problem with cities that have static or shrinking populations like Del Mar compared to growing cities like San Marcos and Vista. Mr. Anders explained that this inventory is a regional look, but the population growth estimates would be customized for each city when doing an inventory for individual jurisdictions.

- Ms. Race commented that there was a mention of marine vessels, but she wanted to confirm that the maritime inventory will include more than that. She asked if ship building, heavy machinery, and manufacturing were included in the inventory. Mr. Anders answered that the inventory would include all of that. Any electric or natural gas industrial activities are included in the inventory. Ms. Race asked if that included the stationary facilities around the county, such as the solar turbine facility in Kearny Mesa. Mr. Anders answered yes.

- Cesar Rios (Energy Consultant) commented that, in the past, there was some inconsistent reporting of electricity and natural gas emissions with SDG&E. He informed that power from the military’s Western Area Power Administration (WAPA) is excluded from SDG&E’s reporting. Mr. Rios added that the closure of San Onofre Nuclear Generating Station (SONGS) has made an impact on that as well. Mr. Anders explained that SONGS is accounted for in the inventory, but WAPA power is not. He added that SDG&E reports to the Federal Energy Regulatory Commission all of the electricity they sell and all of the electricity that crosses their system, which EPIC uses in its analysis.

- Mr. Clark informed that Governor Jerry Brown has a 1.5 million zero-emissions vehicle goal for 2025. Mr. Clark asked if that projection was included in the inventory. Mr. Anders commented that the newest CEC forecast includes electric vehicles for commercial and residential use, as well as natural gas vehicles.

5. REGIONAL ENERGY STRATEGY TECHNICAL UPDATE: EXISTING CONDITIONS AND FUTURE PROJECTIONS (DISCUSSION)

Allison Wood (SANDAG) presented the Regional Energy Strategy (RES) Technical Update: Existing Conditions and Future Projections. She explained that the existing conditions were updated with the 2012 baseline, and the future projections are for 2050. The data included in the existing conditions and future projections is for electricity, natural gas, transportation, and GHG emissions. Ms. Wood explained that the next steps for the RES Technical Update include finalizing the updates
to the RES document for the EWG to evaluate. SANDAG will use the updated RES to inform the Regional Plan.

Ms. Wood opened the EWG up for questions and comments:

- Bob Beamon (City of Chula Vista) commented that the emissions from electricity consumption chart did not include the effects of state actions, which would probably lower the emissions. He added that he expected that, with the state policies in place, the emissions would go down. He asked if the graph showed business as usual and asked why the effects from policies were not included. Ms. Bensoussan added that without the positive impacts of the already adopted policies, the graph is a little misleading. She suggested that an explanation be added to distinguish that difference. Ms. Race also added that there are not enough policies in place to reduce emissions on a regional and state level past 2020.

- Mr. Anders shared that while the chart shows a ‘business as usual’ scenario without existing policies, he suggested that it might be worth showing the potential effects of the policy changes with a chart as well. Ms. Wood commented that staff would follow up with EPIC on editing the chart.

- Dr. Mosier commented that Chart 4-7, which shows the effects of various energy-saving measures, looks as though energy consumption is increasing. Mr. Anders responded that the chart shows a theoretic level of demand if things had not happened, then shows the impacts of the various saving measures.

- Ms. Race asked why there is an “unspecified category” in Chart 4-3 for 2012. Ms. Wood explained that the resources included in that category are short-term purchases from third parties that sell power out of a pool of resources, so it is unclear what the source is.

- Mr. Weil asked if the goals for zero net energy by 2020 and 2030 were included. Mr. Anders commented that because those are goals and not adopted standards, they are not included. Mr. Clark explained that many goals and standards are expiring, so showing that goal would show how much work is still needed going forward to reach our targets.

6. SAN DIEGO REGIONAL CLIMATE COLLABORATIVE (INFORMATION)

Ms. Hooven and Laura Engeman (San Diego Regional Climate Collaborative) discussed the San Diego Regional Climate Collaborative. Ms. Hooven shared the purpose of the Climate Collaborative and the eleven member partners. She explained that there are similar regional collaboratives in Los Angeles, the Bay Area, and Sacramento. Ms. Engeman is the manager of the San Diego Regional Climate Collaborative and explained that there are two different types of membership; public agency member and supporting member. Ms. Engeman discussed the goals of the climate collaborative which included creating a forum for evaluating the region holistically.

She explained that the more collaboration that occurs in the region, the more effective the Climate Collaborative will be at showing that the region can work together, and the more effective they will be at bringing funding to the region for those activities. Communicating about the Climate Collaborative to local, state and national leaders, peers, and funding opportunities is extremely important. Part of Ms. Engeman’s job is to promote San Diego outside of the region to make the
region more competitive for funding. She works to build capacity through public agencies. The Climate Collaborative participates in networking, training, and partnerships, and currently has eleven members.

Ms. Engeman shared the current Climate Collaborative efforts. Those efforts include oversight for the Multi-jurisdiction Hazard Mitigation Plan Update, local agency climate action plans, the sea-level rise working group, San Diego Regional Energy partnerships, and training workshops.

7. ENERGY RELATED STATE LEGISLATION (INFORMATION)

Ms. Wood highlighted a couple of state bills related to energy that she thought would be important to the EWG. The first bill she highlighted was Senate Bill 1122 (Rubio, 2012), which would use money from cap and trade investment funds through the strategic growth council to provide more funding for local agencies.

Ms. Wood also described Assembly Bill 1970 (Gordon, 2014), which also would use funding from cap and trade programs for the Strategic Growth Council to distribute money to cities and counties. She added that the bill is targeted towards bringing funding to local agencies to community wide GHG reduction projects.

Ms. Wood added that Senator Darrel Steinberg released his investment plan that outlines how cap and trades funds should be spent. He is steering away from the carbon tax legislation that he introduced and focusing on the existing cap and trade structure for those investments.

Mr. Weil commented that there are two bills that the City of San Diego is following that were not included in the list. Those are Assembly Bill 2145 (Bradford, 2014) and Assembly Bill 2159 (Ammiano, 2014). The bills are about Community Choice Aggregation (CCA). Right now it is structured under a CCA that all members/residents are included in the CCA and have to opt out. However, if it is passed, the reverse is true and residents would have to opt in. The City of San Diego is worried about that.

Ms. Bensoussan emphasized that Assembly Bill 1970 (Gordon, 2014) is an important bill. She suggested that the EWG find out if there is a way for the policy committee to advocate for the bill. City of Chula Vista is concerned about Assembly Bill 2188 (Muratsuchi, 2014) regarding solar energy permits. The bill requires the city or county to process and approve any applicant for a rooftop solar system up to ten kilowatts on the same day that it is submitted. The City of Chula Vista believes that it is an obvious public safety issue and that it is too prescriptive.

Members of the EWG should send Ms. Wood any bills that they believe the EWG should follow.

8. UPCOMING MEETINGS

The next meeting of the EWG is scheduled from 11:30 a.m. to 1 p.m. on Thursday, May 22, 2014.

Chair Orlando adjourned the meeting at 12:50 p.m.
<table>
<thead>
<tr>
<th>REPRESENTATION</th>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Inland Subregion</td>
<td>City of San Marcos</td>
<td>Hon. Chris Orlando, Chair</td>
<td>Member</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>City of Vista</td>
<td>Hon. Amanda Rigby</td>
<td>Alternate</td>
<td>NO</td>
</tr>
<tr>
<td>North County Coastal Subregion</td>
<td>City of Del Mar</td>
<td>Hon. Don Mosier</td>
<td>Member</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>City of Solana Beach</td>
<td>Hon. Lesa Heebner</td>
<td>Alternate</td>
<td>NO</td>
</tr>
<tr>
<td>South County Subregion</td>
<td>City of Chula Vista</td>
<td>Hon. Pamela Bensoussan</td>
<td>Member</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
<td>Vacant</td>
<td>Alternate</td>
<td>N/A</td>
</tr>
<tr>
<td>East County Subregion</td>
<td>City of Santee</td>
<td>Hon. Rob McNelis</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
<td>Vacant</td>
<td>Alternate</td>
<td>N/A</td>
</tr>
<tr>
<td>City of San Diego Subregion</td>
<td>City of San Diego</td>
<td>Hon. Sherri Lightner</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hon. David Alvarez</td>
<td>Alternate</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dave Weil</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td>County of San Diego Subregion</td>
<td>County of San Diego</td>
<td>Hon. Dave Roberts</td>
<td>Member</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rich Grudman</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Susan Freed</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td>Public Transit Operators</td>
<td>Metropolitan Transit System</td>
<td>Sharon Cooney</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>North County Transit District</td>
<td>Vacant</td>
<td>Alternate</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Public Agencies</td>
<td>San Diego County Regional Airport Authority</td>
<td>Paul Manasjan</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brett Caldwell</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Unified Port District of San Diego</td>
<td>Michelle White</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cody Hooven</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td>Universities</td>
<td>University of California, San Diego</td>
<td>John Dilliot</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eric Wolff</td>
<td>Alternate</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>San Diego State University</td>
<td>Dr. Heather Honea</td>
<td>Alternate</td>
<td>NO</td>
</tr>
<tr>
<td>Energy Utility</td>
<td>San Diego Gas &amp; Electric</td>
<td>Thomas Brill</td>
<td>Member</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Warren Ruis</td>
<td>Alternate</td>
<td>YES</td>
</tr>
</tbody>
</table>
**OTHER ATTENDEES:**

Bob Beamon, City of Chula Vista  
Kristen Crane, City of Del Mar  
Lauren Engeman, San Diego Regional Climate Collaborative  
Elizabeth Johnston, EPIC  
Sachiko Kohatsu, County of San Diego BOS District 3  
Michael Mixer, member of public  
Cesar Rios, Energy Consultant  
Thomas Sepulvado, Representative Juan Vargas  
Jeff Wyner, City of Escondido  
John Wotzka, member of public  
Susan Freedman, SANDAG  
Anna Lowe, SANDAG  
Sarah McCutcheon, SANDAG  
Rob Rundle, SANDAG  
Allison Wood, SANDAG
5th Annual
Statewide Energy Efficiency
Best Practices Forum

Thursday, June 19
8:30 a.m. - 5:00 p.m. • Four Points by Sheraton Hotel • San Diego, CA

A Full Day of In-Depth Discussion, Exciting Ideas and the Latest News. The day-long forum will feature several topics, including energy-savings programs, state updates and best practices for reducing energy use and greenhouse gases in your community.

Representatives from the California Public Utilities Commission, California Energy Commission, California Air Resources Board and the Governor’s Office of Planning and Research will discuss the role of local governments in meeting the state’s climate and energy goals; the importance of coordination and collaboration; and how California can remain a leader and innovator in its efforts to reduce energy use and GHG emissions.

Keynote speakers include:
> CEC Commissioner Andrew McAllister
> CPUC Commissioner Mike Florio
> CARB Executive Officer Richard Corey (tentatively confirmed)
> San Diego County Supervisor Ron Roberts
> Ken Alex, Director of the Governor’s Office of Planning and Research

The forum also features several dynamic breakout sessions for participants to choose from – see next page for details.

Space is limited – Sign up today!

The forum is NO COST to all California local governments, publicly owned utilities, CEC, CARB and the CPUC. Space is limited, so sign up early. The registration deadline is Friday, June 13.

If you represent a nonprofit or the private sector and would like to attend, contact Khrystyna Platte at kplatte@lgc.org or (916) 448-1198 x306 to be added to the wait list. A $115 registration fee will apply. You will be contacted by May 20 to confirm if space is available to attend.

Hotel Accommodations:
Four Points Sheraton, 8110 Aero Dr.
The hotel room rate for this event is $119 single/double occupancy. The deadline for the group rate is May 27. This rate is subject to availability after that. For reservations, please contact John Cruz at (858) 810-5616, and indicate you are attending the SEEC Forum. You can also register online at starwoodmeeting.com/Book/seec2014.

The room rate includes free shuttle to/from the airport and within five miles for local attractions, free parking and Wi-Fi.

Register online by June 13:
lgc.org/caseec/forums

Join us for the Energy Champions Networking Reception on Wednesday evening!
Statewide Energy Efficiency Best Practices Forum

WEDNESDAY, JUNE 18

■ Energy Champions Networking Reception
5:00 p.m.-6:30 p.m. This social event is a chance for all forum participants to network informally with other local governments throughout California before the official forum starts on Thursday morning. The reception includes hors d’oeuvres and hosted beer and wine for the first hour.

THURSDAY, JUNE 19

The day-long event will run from 8:30 a.m. to 5:00 p.m. Registration and continental breakfast start at 7:30 a.m.

■ Plenary and breakout session topics include:
  > Working Together to Innovate and Implement: A Conversation with Our State Partners
  > “Hot Topics” at the CPUC, CEC, CARB and OPR
  > Sparking Their Interest: Developing Successful Business Outreach and Engagement
  > It’s All about the Money: Everything You Need to Know about Residential Energy-Efficiency Financing
  > Networking Luncheon and Resource Tables
  > Don’t Waste Your Energy: Adapting Our Energy System for a More Resilient Tomorrow
  > Just Do It: Implementing Your Climate Action Plans
  > Every Drop Counts: Local Action to Save Energy, Water and Money
  > Getting to Zero in the Municipal Sector

For more program details and to register: lgc.org/caseec/forums

“The forum has gotten more thoughtful and relevant over the years...So densely packed with good information and breakout groups.”

The Statewide Energy Efficiency Collaborative (SEEC) is an alliance to help cities and counties reduce greenhouse gas emissions and save energy. SEEC is a collaboration between three statewide non-profit organizations and California’s four Investor Owned Utilities.

SEEC provides education and tools for climate action planning, venues for peer-to-peer networking, technical assistance and recognition for local agencies that reduce greenhouse gas emissions and energy use. The collaborative effort is designed to build upon the unique resources, expertise and local agency relationships of each non-profit organization, as well as those of the four investor owned utilities.

The program is funded by California utility customers and administered by Pacific Gas and Electric Company, San Diego Gas & Electric, Southern California Edison, and Southern California Gas Company under the auspices of the California Public Utilities Commission. ©2014 LGC. All trademarks belong to their respective owners. All rights reserved.
Introduction

Last month, SANDAG provided the Regional Energy Working Group (EWG) with a brief update on the Alternative Fuels (AF) Readiness Planning grant. The California Energy Commission (CEC) unanimously approved the award at the April 22nd Business Meeting and the SANDAG Board of Directors adopted Resolution 2014-16 (Attachment 1) to enter into an Agreement with the CEC at its April 25th meeting.

Background

The 2050 Regional Transportation Plan and its Sustainable Communities Strategy actions for implementation recommend that SANDAG support the increased use of clean, AF in SANDAG and local jurisdiction-owned vehicle fleets, planning and infrastructure development, and develop or facilitate regional long-term planning for AF infrastructure. As such, SANDAG secured grant funding to address regional Plug-in Electric Vehicle (PEV) planning in 2012, and received an award this year to undertake regional planning for all AF.

Discussion

SANDAG received a grant from the CEC to lead the San Diego Regional Electric Vehicle Infrastructure Working Group (REV) in addressing barriers to regional PEV deployment and in the development of the San Diego Regional PEV Readiness Plan (PEV Readiness Plan). On January 24, 2014, the SANDAG Board of Directors accepted the PEV Readiness Plan as a regional guide for use by local governments, public agencies, and others to support PEV adoption and electric vehicle charging station deployment.

The CEC issued a solicitation for regions to prepare AF readiness plans and form AF coordinating councils composed of local governments, regional agencies, and other stakeholders. The AF grant is meant to build upon existing regional PEV planning efforts. SANDAG applied for the CEC grant in partnership with the San Diego Regional Clean Cities Coalition (SDRCCC) and the San Diego County Air Pollution Control District (SDAPCD). The application included letters of support from the following member agencies: Cities of Carlsbad, Chula Vista, Encinitas, Oceanside, and San Diego; and from regional stakeholders including the San Diego County Regional Airport Authority, SDAPCD, Unified Port District of San Diego, SDRCCC, and Caltrans District 11.
The CEC approved the two-year San Diego regional AF readiness award for $300,000, with in-kind matches from SANDAG and SDRCCC of $30,000 each, for a total project budget of $360,000. The CEC is accepting as in-kind match similar AF planning tasks already undertaken by SANDAG and SDRCCC.

**Refuel: San Diego Regional Alternative Fuel Coordinating Council**

As part of the CEC Agreement, a multi-stakeholder group must be formed to advise on the development of a regional AF strategic readiness plan. Refuel: San Diego Regional Alternative Fuel Coordinating Council (Refuel San Diego) will serve as this group and hold bimonthly meetings. All member agencies will be invited to participate as advisory members. The Refuel San Diego meetings will be open to the public and agenda materials will be made available on both the SANDAG and SDRCCC websites. Refuel San Diego will provide periodic updates to the EWG over the course of the project.

**Next Steps**

SANDAG, SDRCCC, and SDAPCD will begin contacting regional stakeholders in preparation for the Refuel San Diego kickoff meeting, tentatively scheduled for this summer. The following is a timeline of major milestones:

<table>
<thead>
<tr>
<th>Milestones</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOPA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Award</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resolution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement Signed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refuel San Diego Bimonthly Meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toolkit Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft Readiness Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Workshop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Readiness Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SANDAG BOD Adopts Readiness Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agreement Ends</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Attachment(s): 1. SANDAG Resolution No. 2014-16

Key Staff Contact: Anna Lowe, (619) 595-5603, anna.lowe@sandag.org
RESOLUTION OF THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
APPROVING THE ACCEPTANCE OF GRANT AWARD ARV-13-013 FROM THE
CALIFORNIA ENERGY COMMISSION TO PRODUCE A
REGIONAL READINESS PLAN FOR ALTERNATIVE FUEL VEHICLES

WHEREAS, the San Diego region’s public agencies, local businesses, and educational institutions are integrating alternative fuels (AF) into their vehicle fleets and barriers to AF adoption have been identified; and

WHEREAS, the 2050 Regional Transportation Plan and its Sustainable Communities Strategy actions for implementation recommend that SANDAG support the increased use of clean, alternative fuels in SANDAG and local jurisdiction-owned vehicle fleets (Action 20), support planning and infrastructure development for all alternative fueling stations and plug-in electric vehicle (PEV) chargers (Action 21), and develop or facilitate a regional approach to long-term planning for AF infrastructure that includes the continued development of public-private strategic alliances (Action 22); and

WHEREAS, SANDAG established the San Diego Regional Electric Vehicle Infrastructure Working Group to facilitate strategic and coordinated efforts to address barriers to widespread PEV adoption and to develop a regional readiness plan; and

WHEREAS, the SANDAG Board of Directors accepted the San Diego Regional Plug-in Electric Vehicle Readiness Plan as a regional guide for use by local governments, public agencies, and others to support PEV adoption and electric vehicle charging station deployment throughout the region during its meeting on January 24, 2014; and

WHEREAS, the SANDAG Board of Directors was informed of a potential grant opportunity from the California Energy Commission (CEC) that would expand regional PEV readiness planning to address all alternative fuels under the San Diego Regional AF Readiness Project during its meeting on January 24, 2014; and

WHEREAS, SANDAG applied for this grant in partnership with the U.S. Department of Energy designated San Diego Regional Clean Cities Coalition (SDRCCC) and the San Diego Air Pollution Control District (SDAPCD); and

WHEREAS, SANDAG submitted with its CEC application letters of support from member agencies: cities of Carlsbad, Chula Vista, Encinitas, Oceanside, and San Diego; and from regional stakeholders including the San Diego County Regional Airport Authority, SDAPCD, Unified Port District of San Diego, SDRCCC, and California Department of Transportation - District 11; and

WHEREAS, the CEC approved this project, led by SANDAG, with its partner SDRCCC, at its Business Meeting on April 22, 2014; and
WHEREAS, the CEC requires that public agencies provide an authorizing resolution approved by their governing authority to enter into an Agreement with the CEC, and that the AF Readiness Plan be supported by the creation of a multi-stakeholder AF Coordinating Council; and

WHEREAS, SANDAG will assist in the establishment of, in partnership with the SDRCCC, a San Diego Regional AF Coordinating Council and the council will be referred to as Refuel: San Diego Regional Alternative Fuels Coordinating Council or "Refuel San Diego;" and

WHEREAS, SANDAG is to be awarded $300,000 by the CEC and has provided an in-kind match of $30,000 from its FY 2014 Budget and Overall Work Program (OWP) for Energy and Climate Change Planning, and SDRCCC has provided an additional in-kind match of $30,000.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors:

1. Approves the acceptance of Grant Award ARV-13-013 from the California Energy Commission to produce a regional readiness plan for alternative fuel vehicles; and

2. Authorizes the Executive Director, or designee, to enter into an Agreement with the CEC, to accept and administer the CEC funds of up to $300,000 in the SANDAG FY 2015 Budget and OWP and subsequent budgets and OWPs to complete the proposed project.

3. Supports the formation of Refuel San Diego and the development of a regional AF readiness plan.

PASSED AND ADOPTED this 25th day of April, 2014.

[Signature]
CHAIRPERSON

ATTEST: [Signature]
SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.
ENERGY RELATED STATE LEGISLATION

Introduction

The following report provides background on the Governor’s proposal as well as Senate President Pro Tem Darrell Steinberg’s plan for the appropriation of cap-and-trade auction revenues. This report also summarizes a number of bills that have been identified as relevant or of interest for the Regional Energy Working Group (EWG). A short description and status of each bill is included. The EWG is asked to comment on the legislation and inform staff of additional bills to monitor. The last day for bills to be passed out of their house of origin is May 30.

Discussion

Cap-and-Trade Revenue

Assembly Bill 32 (AB 32) (Nunez, 2006), the Global Warming Solutions Act, requires California to reduce Greenhouse Gas (GHG) emissions to 1990 levels by the year 2020, and calls for the California Air Resources Board (CARB) to create a market system for helping achieve those reductions. In order to help achieve this goal, CARB adopted a regulation to establish a cap-and-trade program that places a “cap” on the aggregate GHG emissions from entities responsible for roughly 85 percent of the state’s GHG emissions. As part of the cap-and-trade program, CARB conducts quarterly auctions where it sells emission allowances. These auctions are expected to generate billions of dollars in state revenue over the coming years. Governor Brown’s FY 2014 to 2015 budget proposes to appropriate $850 million in auction revenue to various state programs, including programs related to sustainable communities, clean transportation, energy efficiency, natural resources, and waste diversion. Of the $850 million, $600 million would be dedicated to sustainable communities and clean transportation.

Below is a breakdown of the transportation-related funding included in the Governor’s proposal:

- California High-Speed Rail initial operating segment ($250 million)
- Other rail projects ($50 million)
- Low-carbon transportation, including freight ($200 million)
- Local assistance funding to support regions in the implementation of Sustainable Communities Strategies ($100 million)
Likewise, on April 14, 2014, Senate President Pro Tem Darrell Steinberg (Democrat-Sacramento) unveiled his plan entitled *A Long-Term Investment Strategy for Cap-and-Trade Revenue*, which dedicates billions of dollars generated by AB 32 to affordable housing, public transit and high-speed rail. Under Senator Steinberg’s proposal, which has not been formally introduced in the Senate, the plan appropriates off-the-top funding annually from the budget to the following programs:

- **Natural Resource, Water, and Waste** ($200 million)
- **Climate Dividend for Transportation Fuel Consumers** ($200 million)
- “**Charge Ahead**” Electric Vehicle Deployment Program ($200 million)
- **Green Bank Funding** ($10 million)

The proposal then prescribes that the remaining revenue be distributed in the following manner:

- Affordable housing and sustainable communities (40%) funding would support regional sustainable communities strategies, including investments in affordable housing, transit-oriented development, land use planning, active transportation, high density mixed-use development, transportation efficiency, and demand management projects. Half of these funds (20%) are required be used for affordable housing, centered in transit-oriented development, and the Strategic Growth Council would distribute funding to the regions. The proposed funding could leverage SANDAG programs such as the *TransNet Smart Growth Incentive Program* and contribute to efforts to implement projects in the Regional Transportation Plan and its Sustainable Communities Strategy.

- Transit construction and operations (30%), of which 5 percent would be used for transit connectivity projects and direct transit assistance to consumers

- **Competitive program for state highway and road rehabilitation for complete streets** (10%)

- **High-Speed Rail Program** (20%)

**Greenhouse Gas Reduction/Climate Change**

*Assembly Bill 1970 (Gordon) Global Warming Solutions Act: Community Investment*

Creates the Community Investment and Innovation Program and requires moneys to be available from the GHG Reduction Fund for purposes of awarding grants and other financial assistance to eligible applicants who submit plans to develop and implement integrated community level GHG emissions reductions in their region. Requires the Strategic Growth Council to administer the program.

*Status: Suspense File; Assembly Appropriations Committee*
**Assembly Bill 2348 (Stone) Natural Resources Climate Improvement Program**
Establishes the Natural Resources Climate Improvement Program to assist in the development and implementation of highly leveraged, regionally integrated natural resources projects that maximize GHG emissions reductions or sequestration. Authorizes moneys from the GHG Reduction Fund to be available to implement the Natural Resources Climate Improvement Program.
*Status: Suspense File; Assembly Appropriations Committee*

**Senate Bill 1122 (Pavley) Sustainable Communities: Strategy Growth Council**
Authorizes the Strategic Growth Council to provide financial assistance, funded from moneys from the GHG Reduction Fund, for development, adoption, or implementation of regional plans that achieve GHG reductions in support of AB 32 implementation. Requires the regional plan or other planning instrument to meet the requirements of an applicable sustainable communities strategy, alternative transportation plans, or other regional greenhouse gas emission reduction plans within a developed area. Authorizes grants for agricultural, natural resource, and open space land protection plans.
*Status: 5/19/14; Senate Appropriations Committee*

**Senate Bill 1125 (Pavley) Global Warming Solutions Act: Emissions Reduction**
Requires the State Air Resources Board to develop reduction targets for GHG emissions and short-lived climate pollutants for 2030. Requires the Board to report to the Legislature on those targets.
*Status: 5/19/14; Senate Appropriations Committee*

**Senate Bill 1268 (Beall) Natural Resources Climate Improvement Program**
Establishes the Natural Resources Climate Improvement Program, to assist in the development and implementation of highly-leveraged, regionally integrated natural resources projects that maximize GHG emissions reductions or sequestration. Authorizes moneys from the GHG Reduction Fund to be available to implement the program.
*Status: 5/19/14; Senate Appropriations Committee*

**Transportation**

**Assembly Bill 1813 (Quirk) Global Solutions Act of 2006: Low Carbon Fuel Standard**
Establishes the Fuel Producer Capital Assistance program to distribute moneys to liquid-transportation-fuel producers, who wish to locate within the state a large-scale production facility that produces more than 3,000,000 gallons per year. Establishes the Fuel Producer Capital Assistance Fund to implementation the program.
*Status: Pending; Assembly Natural Resources Committee*

**Assembly Bill 2390 (Muratsuchi) Low Carbon Fuel Standard: Green Credit Reserve**
Requires the Governor to designate a state agency to establish and administer a Low Carbon and Renewable Fuels Credit Reserve, the Green Credit Reserve or Reserve, to facilitate and encourage the development of renewable and low carbon transportation fuel projects in the state by providing stability and predictability for the value of credits generated by the production of those fuels. Relates to contracts by the Reserve for projects to produce renewable transportation fuels that qualify for credits.
*Status: Pending; Assembly Appropriations Committee*
Senate Bill 913 (DeSaulnier) Vehicular Air Pollution: Vehicle Retirement
Requires the guidelines for the retirement of high polluting vehicles adopted by the State Air Resources Board to additionally include specific goals for retirement and replacement of passenger vehicles and light and medium-duty trucks that are high polluters. Requires the Board, in the issuance of a specified number of replacement vouchers through the Enhanced Fleet Modernization Program for specified fiscal years and a specified number of retirement vouchers through the Consumer Assistance Program.
Status: Suspense File; Senate Appropriations Committee

Senate Bill 1077 (DeSaulnier) Vehicles: Mileage-Based Fee Pilot Program
Requires the Transportation Agency to develop, by January 1, 2016, a pilot program designed to assess specified issues related to implementing a mileage-based fee in California to replace the state’s existing fuel excise tax. Requires the department to prepare and submit a specified report of its findings to the Legislature no later than June 30, 2017.
Status: Suspense File; Senate Appropriations Committee

Senate Bill 1204 (Lara) Clean Truck, Bus and Off-Road Vehicle: Equipment
Creates the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program to be funded from cap and trade revenues, to fund near-zero emission truck, bus, and off-road vehicle and equipment technology and related projects, with preference to be given to projects in disadvantaged communities.
Status: 5/19/14; Senate Appropriations Committee

Senate Bill 1275 (De León) Vehicle Retirement: Charge Ahead California Initiative
Amends existing law that creates an enhanced fleet modernization program. Requires the updated guidelines ensure there is a mobility option and the compensation for a mobility option be no less than the combination of what the motor vehicle owner would have received as compensation toward a replacement vehicle and the amount of a specified incentive. Establishes the Charge Ahead California Initiative to fund programs and projects; provides programs for electric transportation for certain communities.
Status: 5/19/14; Senate Appropriations Committee

Electricity

Assembly Bill 1935 (Campos) Electricity: Clean Distributed Energy Resources
Requires the Public Utilities Commission, on a biennial basis, to study and submit a report to the Legislature and the Governor on the impacts of clean distributed energy resources on the state’s distribution and transmission grid. Relates to a GHG emission factor, credits for waste heat recovery, and a demand-side reduction resource.
Status: Pending; Assembly Appropriations Committee

Assembly Bill 2145 (Bradford) Electricity: Community Choice Aggregation
This bill would require that a community choice aggregator provide each customer the opportunity to opt in to his or her community’s aggregation program and would require a positive declaration for a customer for participation in the community choice aggregation program.
Status: Pending; Assembly Appropriations Committee
Assembly Bill 2159 (Ammiano) Electrical Corporations: Community Choice Aggregation
This bill would require an electrical corporation to provide electrical consumption data to community choice pursuant to their described duty to cooperate, subject to any reasonable security procedures and practices to protect the personal information from unauthorized access, destruction, use, modification, or disclosure ordered by the commission or agreed upon between the electrical corporation and the community choice aggregator.
Status: Pending; Assembly Appropriations Committee

Assembly Bill 2188 (Muratsuchi) Solar Energy Permits
This bill would require a city or county to adopt an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems and to inspect an eligible system within five business days of any request.
Status: Pending; Assembly Appropriations Committee

Senate Bill 1078 (Jackson) Electricity: Emissions of Greenhouse Gases
This bill would require, if the CARB establishes a post-2020 GHG emissions limit beyond 1990 GHG emissions level, as authorized or required by the Legislature, the Public Utilities Commission and the Energy Commission to convene a joint public proceeding to develop and make recommendations to the state board for compliance actions for the electricity and natural gas sectors to help achieve that limit.
Status: Pending; Senate Rules Committee

Senate Bill 456 (Padilla) Disclosure of Sources of Electrical Generation
Amends existing law that requires retail suppliers of electricity to disclose accurate, reliable, and simple to understanding information on the sources of energy that are used to provide electrical services. Requires that the information disclosed include the total electricity purchases derived from generation sources within the state and total electricity purchases derived from generation sources that are located outside the state as well as annual sales of electricity from an energy storage system.
Status: Passed - Senate; Pending – Assembly Utilities and Commerce Committee

Senate Bill 1090 (Fuller) Electricity Rates: Default Time-of-Use Pricing
Requires the Public Utilities Commission to make specified findings before it could require or authorize an electrical corporation to employ default time-of-use pricing to residential customers and to submit its findings to the Legislature not less than 12 months prior.
Status: Suspense File; Senate Appropriations Committee

Financing

Assembly Bill 1499 (Skinner) Electricity: Self-Generation Incentive Program
Relates to existing law that requires the Public Utilities Commission to administer a self-generation incentive program for distributed generation resources and to separately administer solar technologies pursuant to the State Solar Initiative. Extends the authority of the Public Utilities Commission to authorize electrical corporations to continue making the annual collections.
Status: 5/14/14; Assembly Appropriations Committee
Assembly Bill 1624 (Gordon) Self-Generation Incentive Program
Authorizes the Public Utilities Commission to authorize the annual collection of not more than the amount authorized for the self-generation incentive program in the 2008 calendar year. Requires the Commission to require electrical corporations to administer the program for distributed energy resources originally established pursuant to the former law to provide repayment of all unallocated funds collected for the self-generation incentive program to reduce taxpayer costs.
Status: 5/14/14; Assembly Appropriations Committee

Assembly Bill 1953 (Skinner) Higher Education Energy Efficiency Act: Grants
Enacts the Higher Education Energy Efficiency Act. Creates the Higher Education Energy Efficiency Fund to make grants to University of California and State University campuses for building retrofits to reduce the demand for energy.
Status: Suspense File; Assembly Appropriations Committee

Assembly Bill 2045 (Rendon) Energy Improvements and Financing
Enacts the Non-Residential Real Property Energy Retrofit Financing Act of 2014. Provides financial assistance through the issuance of revenue bonds, to owners of eligible real properties. Requires that the bonds be secured by the recording of an energy remittance repayment agreement lien. Requires the Energy Resources Conservation and Development Commission to collect installment payments from owners of eligible real properties whose applications it has approved.
Status: Suspense File; Assembly Appropriations Committee

Assembly Bill 2137 (Quirk) Small Business Energy Efficiency Incentive Program
Requires the Small Business Energy Efficiency Incentive Program to provide rebates to small business for eligible equipment that meets the appliance efficiency standards established by the commission and reduces the electricity usage of the small business. Requires the commission to identify excess moneys available for energy efficiency programs that it administers and would require those excess moneys be transferred to the fund. Relates to an electric or gas product.
Status: Pending; Assembly Appropriations Committee

Assembly Bill 2597 (Ting) Energy: Property Assessed Clean Energy Program
This bill would revise the underwriting standard of the California Alternative Energy and Advanced Transportation Financing Authority’s Property Assessed Clean Energy program by increasing the maximum amount of an assessment from 10 percent to 15 percent of the property value.
Status: Pending; Assembly Appropriations Committee

Senate Bill 1121 (De Leon) the California Green Bank Board
This bill would establish the California Green Back Board, composed of seven members, including various heads of executive branch entities. The bill would specify the duties and responsibilities of the board, including the duty to evaluate current state financial support for commercially viable clean energy projects and innovative energy technology projects. The bill would also require the board to make specific recommendations relating to its duties in a report to the legislature on or before January 1, 2016.
Status: 5/19/14; Senate Appropriations Committee

Key Staff Contact: Allison Wood, (619) 699-1973, allison.wood@sandag.org