



Meeting Minutes of the **Special Joint Meeting of the Energy, Environment, and Natural Resources Committee and the Public Works Technical Advisory Committee**

Date: **Wednesday, May 15, 2019**

Time: **12:30 P.M.**

Location: **Glendora Public Library: Bidwell Forum
140 Glendora Avenue; Glendora, CA 91741**

PRELIMINARY BUSINESS

1. Call to Order. The meeting was called to order by EENR Chair Denis Bertone at 12:33 p.m.
2. Roll Call

EENR Committee Members Present

J. Stark; Claremont
L. Reilly; Duarte
M. Clark; Rosemead
D. Bertone; San Dimas
C. Liao; San Gabriel
J. Cappocia; Sierra Madre
T. Wu; West Covina
H. Nguyen; LA County District #1

EENR Committee Members Absent

Covina

Public Works TAC Members Present

R. Delgadillo; Azusa
D. Liu; Diamond Bar
S. Mendez; El Monte
A. Sweet; Glendora
D. Birla; Industry
D. Keeseey, A. Ciotti; La Verne
R. Guerrero; Pomona
K. Patel, S. Garwick; San Dimas
R. Salas; South El Monte

Public Works TAC Members Absent

Arcadia
Claremont
Irwindale
Monrovia
San Gabriel
San Marino
South Pasadena
Temple City
West Covina
LA County DPW

SGVCOG Staff

M. Creter
K. Ward
A. Fung
P. Duyshart

3. Public Comment.

There was no public comment on any items or matters which were not on the agenda.

4. Changes to Agenda Order: Identify emergency items rising after agenda posting and requiring action prior to next regular meeting

There were no changes to the agenda order.

PRESENTATIONS

5. California Public Utilities Commission (CPUC) Proceedings on Reducing Greenhouse Gas Emissions from Buildings

PUBLIC COMMENT

First, two (2) letters from cities were read aloud into the official record:

- 1) **City of Diamond Bar**

First, P. Duyshart of SGVCOG staff read a letter which was submitted by the City Manager of the City of Diamond Bar, Daniel Fox. The letter notifies both the EENR Committee and the Public Works TAC that, on April 26, 2019, the Diamond Bar City Council adopted Resolution No. 2019-10 to support efforts to maintain local control for energy solutions. The letter explains how the City of Diamond Bar “believes that a single source energy solution eliminates consumer choice, limits local control, creates vulnerabilities to the marketplace, and unnecessarily prohibits the use of other energy sources which also can be used to achieve climate goals.”

- 2) **City of Duarte**

Then, A. Fung of SGVCOG staff read a letter which was submitted by the City Manager of the City of Duarte, Darrell J. George. Among other things, the letter states that, “the Duarte City Council supports balanced energy solutions that provide the decision-making authority and resourced needed to achieve the State’s climate goals, and supports proposed State legislation and policy that retains local control by allowing technologies that can power buildings and fuel vehicles, and meet or exceed emissions reductions regulations.” The letter also mentioned that, on February 26, 2019, the Duarte City Council adopted Resolution No. 19-02 supporting efforts to maintain local control for energy solutions.

Additionally, Mayor Margaret Clark of the **City of Rosemead** also announced that the City of Rosemead’s City Council recently passed and adopted a resolution to also support balanced energy solutions and preserving local control and autonomy.

Members of the Public were then able to provide Public Comment on this agenda item for up to two (2) minutes each. The following individuals provided Public Comment:

- 1) **Sterling Scott, on behalf of ‘Boys Republic’:**

Sterling Scott spoke on behalf of ‘Boys Republic,’ which is a 24-hour non-profit residential treatment facility and school for at-risk and underprivileged youth that has been around since 1907. The goal of this school is to provide kids with treatment and training so that they can go on to live successful lives. Mr. Scott stated that changing building operations to all-electric only would really impact the school’s facilities, as natural gas is a key part to its operations and its programs. This change would impact the ability for the school to provide curriculum to its youth.

- 2) **Joe Benitas, on behalf of ‘Latino Food Industry Association’:**

Mr. Joe Benitas pointed out that SB 1477 and its resulting actions through implementation would be prohibitive cost-wise for restaurants which are members of

the Latino Food Industry Association. The association recognizes the need for cleaner air, but it and its restaurants have to be cognizant of costs as well. He also stated that there needs to be a plan to compensate these restaurants for compliance with SB 1477.

3) **Terry Kent, on behalf of ‘Crestwood Communities Home Building’ & ‘Building View Association**

Mr. Terry Kent spoke on behalf of Crestwood Communities Home Building, of which he is the owner, as well as the Building View Association. He encouraged the CPUC to walk cautiously when considering switching to one utility and one source of energy. This could impact the types of homes that he can build and what he can direct buyers to purchase. Mr. Kent also pointed out that the home construction industry has been proactive in solar and Title 24 issues, and that homes are also more efficient now than they were 50 years ago. He also said that, if costs are too high, then people will stay with the older, cheaper homes.

4) **Sheryl Lefmann, on behalf of the ‘Duarte Chamber of Commerce’**

Ms. Lefmann stressed a balanced and cost-affordable energy option, and that reliance on solely electricity is not necessarily the best option. The City of Duarte also does not have consistent electricity coverage, so relying on only electricity is not pragmatic. She also mentioned how there are restaurants and “mom and pop” businesses that rely on both natural gas and electricity. The move toward phasing out natural gas could even put these businesses out of business. She mentioned how the Duarte City Council realizes that there needs to be a balanced energy approach, and that decision-makers must consider how this could be cost-prohibitive.

5) **Alan Caldwell, on behalf of ‘SoCalGas’**

Mr. Caldwell is the Director of Energy Policy and Strategy for SoCalGas. On behalf of SoCalGas, he re-affirmed SoCalGas’s commitment to meeting the State’s clean air goals, and added that renewable gas and renewable electricity can work together to achieve the goals. SoCalGas has a commitment of 5% renewable natural gas by 2022, and SoCalGas has reaffirmed its commitment to advancing the State’s clean energy policies. In order to fully see through Governor Newsom’s “California for All,” SoCalGas needs to be at the table in these building decarbonization proceedings and a part of these conversations. He encouraged the CPUC to be involved with stakeholders.

6) **Walter Allen, Council Member, ‘City of Covina’**

Council Member Allen mentioned how, on May 7, the Covina City Council passed CC 1935, which asks for the consideration of balanced energy. He pointed out that cities in California are tired of unfunded mandates, and that cities also are looking for multiple sources of clean and efficient energy. The City of Covina supports the stances and comments of the cities of Duarte, Rosemead, and Diamond Bar.

7) **Ray Jan, on behalf of the ‘Rosemead Chamber of Commerce’**

Ray Jan, the Executive Director of the Rosemead Chamber of Commerce, said that the Chamber has done outreach with restaurants and businesses in the City, and based on this outreach, the Chamber wants to see a balanced energy approach.

8) Brad Jensen, on behalf of the ‘San Gabriel Valley Economic Partnership’

Brad Jensen, the Director of Public Policy for the SGV Economic Partnership (SGVEP), first explained that the SGVEP is a regional business organization that was created by three cities in 1991. He is also a member of the Board for Balanced Energy Solutions, which is composed of many private sector entities. He said that he appreciates the CPUC coming to the San Gabriel Valley. He went on to describe how the SGVEP is concerned with putting all eggs into one basket. There is concern that with the transition over to all electricity that the cost of doing business and construction will be even more onerous and expensive, and makes it more difficult to make the SGV subregion an affordable region. This could also impact housing and affordable housing construction. Mr. Jensen asked the CPUC, EENR Committee, and Public Works TAC members to consider the implications of this.

9) Bob Helbing, on behalf of the ‘Monrovia Chamber of Commerce’

Bob Helbing, the President of the Monrovia Chamber of Commerce, pointed out that the SoCalGas price per Therm is 23 cents, whereas Tier 3 pricing for SCE is 42 cents per kWh. He said how the transition to all electricity would be a huge burden to put on business owners throughout the State, and there would be higher costs to both businesses and residents. He added that the price per Therm has even been dropping, too.

Once the Public Comment period concluded, EENR Committee Chair Denis Bertone invited Mr. Michael J. Picker, the President of the California Public Utilities Commission (CPUC), to provide a presentation on the CPUC’s Proceedings on Reducing Greenhouse Gas Emissions from Buildings. During his presentation and conversation, President Picker discussed the following matters and made the following points:

- Mr. Picker stated how the most important energy advancement and savings in the State in the last couple of decades has been the State’s energy efficiency policies.
- Energy efficiency in the State of California has meant that, over the years, energy use per capita has stayed flat in the State, whereas it has doubles across most of the United States. California use is in the lowest quadrant, even though our population is very high. Mr. Picker pointed out how the State has achieved this through building standards and appliance standards from the California Energy Commission (CEC).
- The State of California has set a goal of 33% renewables by 2020, and those most electric utilities are at 40% today, and will most likely be at 50% by 2025.
- However, there is not enough carbon in the electric industry, even if electricity is entirely renewable, to do enough to meet our goal to lower carbon.
- 19% of the carbon that we emit in the State of California comes from electricity, 27%-28% comes from the use of natural gas, and about 40% comes from transportation. We need to use more clean, renewable energy in these other sectors in order to reach GHG goals.
- Natural gas though will still be around for a long time, especially in industrial sectors.
- There is a precarious supply of natural gas in Southern California. The Los Angeles area is dependent on only a few pipelines coming from the border. Pipelines into the LA Basin bring about 5.7 billion cubic feet at peak capacity. There needs to be ways to store natural gas in the LA Basin
- There could be problems if the capacity is not filled before winter, because you could then have gas outages.
- Mr. Picker mentioned that the Legislature has been very active in this field:

- SB 350: The legislature directed the CPUC to increase gas efficiency, reduce carbon emissions, improve storage, and set related goals.
- SB 1477: The CPUC was given very specific directions to do a couple of things:
 - Do a couple of pilot programs to do certain kinds of clean energy technologies that could compete with natural gas, specifically, related to heat pump space heaters and water heaters. These technologies have been used in Europe for 30 years, but the costs are starting to come down for these in the United States, so that heat pump space heating is directly competitive with natural gas.
 - The CPUC has also been asked to find ways to help implement the California Energy Commission's Net Carbon Zero Building Standards.
 - The CPUC is also looking at, if in fact in a wildfire area, people want to rebuild, what can the CPUC do to help underwrite some of the costs of new implementation technologies.
 - There are 15 other mandated legislative programs where the CPUC subsidizes various kinds of energy efficient and clean technologies.
 - The CPUC has also been tasked with how all of these programs and trends work together.

Questions and Discussion: After President Picker's presentation concluded, members of the EENR Committee and the Public Works TAC were able to ask President Picker questions about building decarbonization. Members of the committees asked the following questions and brought up the following points:

- C. Liao of the City of San Gabriel described how the EENR Committee had recently visited the CR&R facility, where they convert waste into energy, particularly renewable gas energy. He stated how there need to be a multi-faceted approach for renewables, and that these renewables need to be clean, affordable, and reliable. He also said how a single source of energy can be dangerous. There are more than 300 restaurants in the City that rely on gas cooking equipment.
- D. Bertone of the City of San Dimas asked if restaurants will still be able to use natural gas for the foreseeable future.
- D. Birla of the City of Industry asked a question regarding CPUC and CEC input for implementation of SB 1477.
- T. Wu of the City of West Covina brought up the BKK Landfill and how some waste there is converted to gas. He also stated that the problem he has with SB 1477 is it takes away choice for cities, businesses, and residents. There needs to be freedom of choice, but if not, there should be incentives and financial assistance for the transition.
- M. Clark of the City of Rosemead pointed out that everyone in the room wants clean energy and to reach clean air goals. Housing costs in the regional are already very high, and mandating going to more expensive energy sources will make the market even less affordable. She also expressed concern with filling landfills with old natural gas appliances and waste, too.
- C. Liao of the City of San Gabriel talked about how cost must be a huge and key consideration. Affordable appliances often use gas more than electricity. He then asked President Picker about applying for the State's \$50 million in funding under the energy efficiency pilot program. He encourages the CPUC and the State to help fund all renewable forms of energy and technology.
- J. Stark of the City of Claremont asked a question regarding allowing rate payers to opt into battery storage efforts. She also asked what the CPUC's stance is on "transactional energy."
- J. Stark of the City of Claremont asked about how Community Choice Aggregators will play a role in this whole process.

- M. Clark of the City of Rosemead asked Mr. Picker if the CPUC or the State have talked about if there is going to be enough electricity for everybody if the State does in fact to move to all electricity.

ADJOURN

The meeting was adjourned by EENR Committee Chair Denis Bertone at 1:40 p.m.