

Fiscal Year 2016/17	Business Unit 3360	Department California Energy Commission	Priority No.
Budget Request Name 3360-003-BCF-DP-2016-GE		Program ADMINISTRATION	Subprogram ADMINISTRATION

Budget Request Description
 Convert Limited-Term International Relations Senior Advisor to Permanent.

Budget Request Summary

This proposal requests authority to convert the limited-term International Relations Senior Advisor position to permanent. This position coordinates work with other jurisdictions, including but not limited to, China and Mexico. Approximately 60 percent of California's greenhouse gas (GHG) emissions are related to the transportation and electricity sectors. Because of the significant GHG emissions from these sectors, California has strong policies, such as developing renewable energy and improving efficiency, which have proven effective at reducing GHG emissions while continuing to grow the economy. California only represents 1 percent of the world's GHG emissions, making it critical that the State engage with other nations and subnational jurisdictions and serve as a global leader for effective policies to implement the commitments made at the 21st Conference of the Parties in Paris, France in November and December of 2015. The International Relations Senior Advisor position is coordinating much of this work for the Energy Commission. The total funding request for this proposal is \$120,000 from the Energy Resources Programs Account (ERPA).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
<i>[Signature]</i>	11-18-15	<i>[Signature]</i>	11/17/15
Department Director	Date	Agency Secretary	Date
<i>[Signature]</i>	11-18-15	<i>[Signature]</i>	12/8/15

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Original signed By: Ellen Moratti	Date submitted to the Legislature 1/7/16
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BCP Fiscal Detail Sheet

CP Title: Convert Limited-Term International Relations Senior Advisor to Permanent

DP Name: 3360-003-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	70	70	70	70	70
Total Salaries and Wages	\$0	\$70	\$70	\$70	\$70	\$70
Total Staff Benefits	0	28	28	28	28	28
Total Personal Services	\$0	\$98	\$98	\$98	\$98	\$98
Operating Expenses and Equipment						
5301 - General Expense	0	6	6	6	6	6
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	1	1	1	1	1
5320 - Travel: In-State	0	2	2	2	2	2
5322 - Training	0	2	2	2	2	2
5324 - Facilities Operation	0	10	10	10	10	10
Total Operating Expenses and Equipment	\$0	\$22	\$22	\$22	\$22	\$22
Total Budget Request	\$0	\$120	\$120	\$120	\$120	\$120

Fund Summary

Fund Source - State Operations						
0465 - Energy Resources Programs Account	0	120	120	120	120	120
Total State Operations Expenditures	\$0	\$120	\$120	\$120	\$120	\$120
Total All Funds	\$0	\$120	\$120	\$120	\$120	\$120

Program Summary

Program Funding						
2380010 - Power Plant Site Certification and Transmission Line Corridor Designation Program	0	25	25	25	25	25
2380019 - Electricity Analysis	0	5	5	5	5	5
2380037 - Management and Support	0	3	3	3	3	3
2385010 - Building and Appliances	0	12	12	12	12	12
2385019 - Energy Projects Evaluation and	0	13	13	13	13	13

	Assistance					
2385028	- Demand Analysis	0	9	9	9	9
2385037	- Management and Support	0	2	2	2	2
2390010	- Transportation Technology and Fuels	0	16	16	16	16
2390019	- Research and Development	0	27	27	27	27
2390028	- Renewable Energy	0	7	7	7	7
2390037	- Management and Support	0	1	1	1	1
9900100	- Administration	0	120	120	120	120
9900200	- Administration - Distributed	0	-120	-120	-120	-120
Total All Programs		\$0	\$120	\$120	\$120	\$120

Analysis of Problem

A. Budget Request Summary

This proposal requests authority to convert a limited-term position to a permanent and \$120,000 from the Energy Resources Programs Account (ERPA). The International Relations Senior Advisor position was approved by the Legislature for Fiscal Year (FY) 2015/16 as a limited-term position. This position has been integral in implementing the international agreements and coordinating cross-jurisdictional work to address climate change in the energy sector. Approximately 60 percent of California's greenhouse gas (GHG) emissions are related to the transportation and electricity sectors. Because of the significant GHG emissions from these sectors, California has strong policies, such as developing renewable energy and improving efficiency, which have proven effective at reducing GHG emissions while continuing to grow the economy. California only represents 1 percent of the world's GHG emissions, making it critical that the state engage with other nations and subnational jurisdictions and serve as a global leader for effective policies to implement the commitments made at the 21st Conference of the Parties in Paris, France in November and December of 2015.

Previously, this workload was subsumed by staff in the Energy Commission Chair's office. The workload increased as Governor Brown entered into new cooperative efforts and agreements with other jurisdictions. These memoranda of understanding (MOUs) focus on clean energy development, climate change issues, and trade and investment. Governor Brown expects tangible results from each agreement. In FY 2015/16, the Energy Commission received approval for a one-year limited-term position. The Energy Commission now requests the conversion to permanent so that the important work this position has begun will continue beyond FY 2015/16. This position has been invaluable in coordinating the Energy Commission's cross-jurisdictional work, and with the number of additional MOUs signed in 2015 and beyond, and the global climate change effort anticipated to be agreed upon in Paris, this position is needed more now than ever before and will continue to become more important over time.

B. Background/History

International Activities

The Energy Commission is the State's primary energy policy and planning agency. The Energy Commission is committed to reducing energy consumption and environmental impacts associated with energy use while ensuring a safe, resilient, and reliable supply of energy, and it has been a key agency in supporting and achieving California's GHG reduction goals. In his 2014 State of the State address, Governor Brown highlighted California's leadership to address climate change through policies such as Assembly Bill 32 (Nuñez, Chapter 488, Statutes of 2006), building and appliance energy efficiency standards, the Renewables Portfolio Standard, and support of zero-emission vehicles. In his 2015 State of the State address, Governor Brown focused on climate and proposed that California commit to its most aggressive carbon reduction goals yet. However, while California has made significant progress in meeting its GHG reduction goals through the development of clean, renewable energy resources and demand-side reduction efforts, California only represents 1 percent of global GHG emissions. As a result, Governor Brown emphasized the need to build partnerships with high GHG emitting countries. He concluded this point with "We've started building those partnerships with other states and countries like China. We will go to Mexico next. California can't do this alone."

Since that speech, Governor Brown has embarked on an aggressive mission to drive national commitment at the Conference of Parties in Paris in late 2015 by bringing together states and regions willing to commit to reducing their greenhouse gas emissions through the Subnational Global Climate Leadership MOU, or "Under 2 MOU." The signatories have committed to the goal of limiting warming below two degrees Celsius, which the Intergovernmental Panel on Climate Change (IPCC) scientists say is needed to avoid dangerous climate change. The Under 2 MOU originated from a partnership between California and Baden-Wurtemberg, Germany out of the desire to bring together ambitious states and regions willing to make a number of key commitments towards emissions reduction and help galvanize international action in Paris. Central to the agreement is that all signatories agree to reduce their GHG emissions 80 to 95 percent below 1990 levels, or limit to 2 metric tons of carbon dioxide equivalent per capita, by 2050.

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In addition to the Under 2 MOU, Governor Brown's international engagement over the last two years, with the support of the Energy Commission and other energy and climate agencies, has resulted in several other MOUs. The Energy Commission is tasked with implementing the clean energy goals of those MOUs to bring tangible results in California's fight against climate change.

The administration's international work to address climate change is a priority for Governor Brown, and the State. California's leadership on climate change can be attributed to strong GHG emission reduction goals under AB 32 and Executive Orders, and the policies to achieve those goals, including cap and trade, the Renewables Portfolio Standard, the Emission Performance Standard, energy efficiency programs, the Alternative and Renewable Fuel and Vehicle Technology Program, many of which are administered by the Energy Commission. The Energy Commission has played a critical role in assisting other states and countries to develop policies and programs to achieve their climate goals by sharing expertise in effective renewable energy and clean technology policies that have reduced GHG emissions from the electricity and transportation sectors.

Recognizing their significance as trade partners to California as well as their crucial role in reducing the global risks of climate change, Governor Brown has also led trade missions to China in 2013 and Mexico in 2014 to expand trade and investments and to facilitate opportunities to collaborate on combating climate change. Chair Robert B. Weisenmiller was invited to travel with Governor Brown on these trade missions to lead the Governor's clean energy efforts and focus on identifying opportunities, both for California to collaborate on reducing GHG emissions from the energy sector and for California's clean energy companies to grow and expand into promising international markets. In 2015, the Energy Commission has organized trade missions to Mexico and China. These events are a crucial piece of implementing the international MOUs with these countries, securing these relationships beyond the term of the original MOUs, and have the potential to result in real change in the way these countries handle climate mitigation and their energy systems.

Under 2 MOU

The Under 2 MOU is extremely important to addressing global climate change. To date, 18 states and provinces in nine countries and four continents have signed the Under 2 MOU. Collectively, the signatories represent a population of 130 million and more than \$5.3 trillion in gross domestic product (GDP), constituting what would be the third largest economy in the world.

The Energy Commission devotes many hours educating subnational governments about California policies, the agreement and the specific commitment involved. The agreement brings together subnational governments willing to make a number of key commitments, including either reducing GHG emissions equivalent to 80-95 percent below 1990 levels, or to 2 metric tons or less per capita by 2050. Signatories also commit to establishing midterm targets needed to support long-term reduction goals; sharing technology, scientific research, and best practices to promote energy efficiency and renewable energy; coordinating on a number of issues from transportation to short-lived climate pollutants; working towards consistent monitoring, reporting, and verification of their emissions; and assessing the projected impacts of climate change on communities. All signatories submit an appendix to the MOU that outlines their unique set of actions and plans to reach their reduction goals.

California-Mexico Energy MOU

In December 2013, Mexico ended a 75-year energy nationalization with the ratification of amendments to Articles 25, 27, and 28 of the Mexican Constitution and opened its energy sector to outside investment, including California businesses. The reforms are expected to rejuvenate Mexico's energy sector, stimulate economic growth and job creation, and, in time, attract substantial new resources to the energy market. In August 2014, the Mexican Congress approved 21 transitional articles (secondary legislation) proposed by the Ministry of Energy (SENER) with assistance from other government agencies. This legislation is intended to clarify stakeholders' roles in shaping policy and stimulate investment in renewable energy to promote the country's sustainable development and honor its commitment to mitigating global warming.

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Under the Energy Reform there is a legal mandate to establish clean energy obligations. Specifically, the secondary legislation that implements this Constitutional Energy Reform, in the Electric Industry Law, is established.

These reforms provide an excellent opportunity for California businesses:

- The Mexican government predicted in 2013 that electricity demand will grow by more than 75 percent between 2013 and 2026. Also, the country's utility, CFE, only plans to expand its already overworked transmission capacity by 16.7 percent. This means California businesses will enjoy enormous economic opportunities in Mexico's energy market. The MOU assists Mexico to set-up a successful and adequate regulatory framework for those businesses interested in a clean energy economy.
- Mexico has opened its grid for competition. California businesses will now be able to export their technology, knowledge and services to our neighboring country and increase their business. As a result, job creation and tax revenues are likely to increase in California. The MOU promotes assisting businesses with joint project development and investment in this new market.
- California businesses are constantly looking for innovation opportunities and investments. The MOU assists businesses by bridging the gap between them and the Mexican government because it promotes working groups, workshops and trade missions to familiarize businesses with new business opportunities and regulatory challenges in Mexico. The MOU enables California to help Mexico to improve its regulatory system to promote innovation and clean economic growth.

In addition, the reforms provide an excellent opportunity for California to expand meaningful international policy efforts to address climate change at a larger level. Helping Mexico to modernize its electric system, adopt clean technologies, boost energy efficiency, and grow the clean technology sector can lead to a reduction of GHG emissions. To accomplish this work, Mexico needs support in various areas such as technology transfer, staff training, sharing best practices, and sharing of research and development results. For these reasons, Governor Brown signed the California-Mexico Energy MOU and assigned the Energy Commission to implement the agreement. Among various topics, the agreement requires the Energy Commission to work with Mexico in the following areas:

- Scientific and technical staff exchange and training on energy sector regulation, grid operation and management, energy efficiency, demand response, expanding renewable energy generation, energy storage, biofuels, and measuring and valuing externalities from the energy sector;
- Facilitate cross-border collaboration to promote renewable energy and biofuels development through the hosting of workshops, seminars, and working groups;
- Promote equipment transfer, know-how and technology on a non-commercial basis;
- Foster joint research and development projects of technological innovation for clean energies amongst universities, the academic sector, and research institutions; and
- Implement activities such as regional innovation hubs (iHubs) that encourage collaboration and innovation on clean energy and clean technology research, as well as their development and deployment.

Since receiving authorization in July 2015 for an International Relations Senior Advisor, the Energy Commission has made progress on the implementation of the California-Mexico Energy MOU by working with various Mexican federal agencies, collaborating on technical workshops, and conducting a trade mission to Mexico.

San Diego Technical Workshop

In August 2015, the Energy Commission, in collaboration with SENER; the University of California, San Diego (UCSD); the UC-Mexico initiative; and the Institute of the Americas, organized a technical workshop. Energy Commission and Mexican counterparts presented research and development in the following areas: advanced renewable energy and grid technologies (geothermal, solar and wind

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development); integration of renewables onto the grid, smart grids, and micro grids; energy storage; forecasting variable resources; and water-energy issues. In addition, policy discussions were held and future collaborations were planned. Part of this event included tours of the groundbreaking micro grids at Borrego Springs and UCSD.

This event achieved specific MOU goals by developing and expanding cooperation between California and Mexico in the areas of renewable energy, grid technologies, energy storage, and forecasting variable resources. The Energy Commission is establishing itself as a bridge to both countries by bringing together key scientists, engineers, finance experts, members of the private sector, utilities, and relevant government agencies at the federal, state and local levels.

Clean Tech Trade Mission

The Energy Commission, in partnership with the Governor's Office of Business and Economic Development (GO-Biz) and Stanford University's Bill Lane Center for the American West and the Precourt Institute for Energy, conducted a trade mission to Mexico City and Monterrey, Mexico in September 2015.

The Clean Tech Trade Mission built on relationships developed by Governor Brown during his 2014 trade mission to Mexico and further implemented the MOU between Governor Brown and Mexican Secretary of Energy, Pedro Joaquín Coldwell, to accelerate clean energy investment and development in Mexico and California and to strengthen cooperation in addressing global climate change. This trade mission included a total of 28 delegates, including clean technology companies and businesses such as Siemens, NRG, SunEdison, SunPower, and Morgan Lewis.

This trade mission presented a unique opportunity to exchange information on clean energy technologies, strategies, and policies that are being explored and implemented in California and Mexico. In addition, companies explored investment opportunities in Mexico's emerging energy markets and met key regulators, policy makers, non-governmental organizations, academics, and businesses shaping these markets.

Imperial Valley Technical Workshop

In December 2015, the Energy Commission, in collaboration with SENER, plans to host a technical workshop in Imperial Valley, California, to bring together renewable energy businesses and trade organizations to discuss investment opportunities in renewable energy at the border, particularly geothermal, solar, and wind energy. This will also include a tour of nearby geothermal and renewable energy facilities and a visit to the Imperial Valley Campus of San Diego State University, which has established a test bed and training center for renewable technologies.

Workforce Development

Given the new energy reforms, Mexico will experience high demand for labor in the energy sectors. More power plant operators, technicians, etc., will be needed to implement the reforms. The Energy Commission is working with the United States Agency for International Development (USAID) and the California Community Colleges to advise in the development of an energy curriculum to train young people in Mexico to fill these new jobs. Currently the curriculum is in draft form, and when done, will be available in both English and Spanish.

Collaboration with Individual States

The Energy Commission has created a work plan with the state of Jalisco and Baja California Norte to promote clean technologies, energy efficiency, grid operation, and to address climate change, among others.

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In July 2015, the Energy Commission hosted representatives from the Office of the Governor in the State of Jalisco to discuss Jalisco's plan to create a new energy agency with the mission to shift the state towards clean transportation, energy efficiency and 100 percent renewables. The Energy Commission spent many hours preparing presentations and hosting the officials. In addition, the Energy Commission arranged meetings at the Office of Governor Brown.

The Energy Commission has scheduled follow-up conversations to plan staff exchanges and to host energy officials from Jalisco and Baja who would like to work with Energy Commission subject matter experts within our Renewable Energy Division for a month. The Energy Commission also plans to coordinate these engagements with opportunities to visit other state energy agencies and research institutions such as Stanford University and the campuses of the University of California.

China

California's efforts to address climate change through innovative policies, advanced technologies and effective programs, are demonstrating to the world that having a strong economy, a clean energy system and a healthy environment are not mutually exclusive. However, California cannot address climate change alone and recognizing China's crucial role in the global economy and in reducing the global risks of climate change, Governor Brown led a Trade Mission to China in April 2013 to expand trade and investment as well as facilitate opportunities to collaborate on combating climate change and improving air quality. During the Trade Mission, Governor Brown signed MOUs with the Chinese Ministry of Commerce, Chinese National Ministry of Environmental Protection and the provinces of Jiangsu and Guangdong. The California Environmental Protection Agency (CalEPA) also signed MOUs with the Beijing Ministry of Environmental Protection and the Guangdong Provincial Development and Reform Commission. Following the Trade Mission, Governor Brown signed an MOU on September 13, 2013 with China's National Development and Reform Commission (NDRC) to cooperate on low carbon strategies and encourage trade and investment in clean energy technologies. These MOUs created a solid working foundation for California and Chinese government agencies, businesses, civil society, and academia to collaborate on trade and investment initiatives while simultaneously addressing air pollution and climate change.

Since the California Gubernatorial Trade Mission to China in April 2013, California has engaged its Chinese partners to facilitate a multitude of networking and business development opportunities for California and Chinese businesses, hosted informational forums to exchange clean energy policy development and implementation best practices, and provided technical expertise used in the development of China's pilot carbon emission trading systems. To continue and expand California's collaboration with China, a state delegation comprised of officials from the Energy Commission, California Air Resources Board (CARB), CalEPA, and GO-Biz, along with a representative from the California Independent System Operator visited Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong, China in August 2015. During this trip, the Chair of the Energy Commission renewed and added the Energy Commission to the MOU signed in 2013 between the California Environmental Protection Agency and the Guangdong Provincial Development and Reform Commission.

The purpose of renewing this MOU is to continue supporting low carbon development actions in and between California and the Province of Guangdong, specifically:

- Formulating low carbon economic development plans;
- Utilizing electric system planning and renewable energy integration best practices and strategies;
- Increasing energy conservation and energy efficiency in new and existing buildings and industrial facilities;
- Expanding clean and renewable energy research, development, demonstration, and deployment activities;
- Enabling low carbon, sustainable transportation, including supporting the global adoption of New Energy Vehicles, sometimes called Zero Emission Vehicles (ZEVs) or electric-drive vehicles;
- Promoting low carbon, sustainable agriculture, forestry, and waste handling;
- Financing strategies for low carbon development efforts;

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- Trade and investment in low carbon technologies;
- Continuing cooperation and engagement on emissions trading systems, including sharing information and lessons learned on how to vertically integrate state and provincial programs into national programs;
- Promoting the exchange and cooperation around low carbon cities and urban areas in the matters of planning and new emerging technology, and sharing experiences on sustainable urbanization; and
- Promoting subnational climate change leadership on low carbon development as set forth in the Under 2 MOU.

Of these actions, the Energy Commission is responsible for cooperating with the Province of Guangdong on electric system planning and renewable energy integration; energy conservation and energy efficiency in new and existing buildings and industrial facilities; and clean and renewable energy research, development, demonstration, and deployment. These areas of cooperation were selected based on shared interests, opportunities, and challenges between California and Guangdong. California and Guangdong are the most populous regions of their respective countries and both have the largest economies compared to the rest of the country. Both regions are seeking to grow their economies while transforming energy systems to reduce their climate and air quality impacts. Finally, both have some degree of autonomy to experiment with and develop local climate solutions. These shared themes provide a common starting point for cooperation.

With the renewal of this MOU, the Energy Commission has engaged with its various Chinese partners to exchange clean energy policy and technical information, such as sharing information about China's low-carbon development activities and California's zero-net energy (ZNE) building goals, and actions to achieve those goals. These technical exchanges provide Energy Commission subject matter experts with additional knowledge and expertise, enhancing the development and implementation of the Energy Commission's policy actions used to achieve California's pioneering energy and environmental goals.

The Energy Commission is also responsible for supporting the MOUs signed between California, the Governor and the appropriate counterparts in China given that many areas of cooperation stated within the MOUs focus on various aspects of the energy sector and its impact on the environment. Since receiving authorization in July 2015 for an International Relations Senior Advisor, the Energy Commission has hosted representatives from the China National Institute for Standardization (CNIS) to discuss each entity's authority and methodologies and processes for developing and implementing appliance energy efficiency standards. CNIS provided the Energy Commission with one of the only publically available computer energy-use data sets. This data set has proven to be foundational for the Energy Commission's effort to develop impactful and cost-effective computer energy efficiency standards.

Delegations

The international work the Energy Commission is involved in also includes hosting many international delegations. In 2014, the Energy Commission hosted 49 delegations, and has hosted an average of 2.5 per month so far in 2015. Since the start of 2014, delegations have visited from several countries, including Japan (15), China (9), South Korea (6), Germany (4), and Mexico (5). The interest of the international delegations has spanned the Energy Commission's subject areas, including energy efficiency programs, research and development, and renewable energy. For example, several recent delegations have been interested in learning more about renewable energy, California's Renewables Portfolio Standard, and how California has managed to integrate increasing amounts of renewable energy into the grid while maintaining safe and reliable service. The Energy Commission has collaborated with the California Public Utilities Commission and the California Independent System Operator to share knowledge with other jurisdictions interested in following California's lead in renewable integration and greenhouse gas emission reduction. This type of international knowledge

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sharing and guidance is invaluable in expanding the value and effect of California's climate change and clean energy policies.

Staff Resources

To facilitate this trans-jurisdictional effort, dozens of Energy Commission staff have dedicated countless hours to hosting delegations, developing plans to implement MOUs, sharing information with other jurisdictions, and more. The Energy Commission anticipates that this work will continue to increase over time as additional jurisdictions participate, and implementation continues into the future.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY - 1	PY
Authorized Expenditures	N/A	N/A	N/A	N/A	\$133
Actual Expenditures	N/A	N/A	N/A	N/A	\$133
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	N/A	N/A	N/A	N/A	1.0
Filled Positions	N/A	N/A	N/A	N/A	1.0
Vacancies	N/A	N/A	N/A	N/A	0.0

C. **State Level Considerations**

California's leadership on addressing climate change through innovative policies, advanced technologies, and effective programs demonstrates to the world that a strong economy and a more sustainable energy system are compatible.

Continuing California's leadership, driving international commitment on climate change leading up to the Conference of Parties in Paris, and effectively implementing the resulting MOUs and other trans-jurisdictional agreements are priorities for the Governor and his administration, and are consistent with the goals stated in the Energy Commission's strategic plan: promoting renewable energy, fostering innovation to create new energy solutions, and enhancing health, economic well-being, and environmental quality.

International coordination and MOU implementation requires collaboration among several state entities. For example, the Energy Commission currently participates as a member of the Intergovernmental Working Group of the Climate Action Team, led by the CalEPA, which includes participants from three state agencies (CalEPA, CARB and the Energy Commission), and GO-Biz. In addition, entities like the California Public Utilities Commission and the California Independent System Operator may be involved in implementing MOUs that implicate energy research and development, energy utilities, renewable integration, or energy market regulation. The Energy Commission also works with the Governor's Office, CalEPA, CARB, and other agencies to coordinate international delegation hosting, international travel, and recruitment for signatories to the Under 2 MOU.

The Energy Commission anticipates support from businesses in the renewable and clean energy sector, as well as nongovernmental organizations with an interest in reducing GHG emissions and addressing climate change.

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D. Justification

This proposal requests the conversion from limited-term to permanent for the International Relations Senior Advisor position. This position is integral in implementing the important agreements the State has entered into with China, Mexico, and others, as well as any other future national or sub-national governments. The position has also been instrumental in coordinating interagency efforts in engaging on and implementing MOUs through the Intergovernmental Climate Action Team. The Governor-led coordination with other jurisdictions requires significant and increasing amounts of staff time to implement, which the Energy Commission cannot absorb with existing staff beyond FY 2015/16. Continuing the International Relations Senior Advisor position beyond FY 2015/16 is necessary in order for the Energy Commission to continue its work coordinating with other jurisdictions and implementing the agreements the State has already entered into.

Specific ongoing responsibilities of the International relations Senior Advisor include:

- Lead the coordination for the MOUs.
- Develop annual work plans to implement the MOUs.
- Maintain and update a list of coordination members.
- Establish general principles, short- and long-term goals, focus areas, and priorities.
- Identify work groups and potential memberships, and perform outreach to generate member participation.
- Plan and hold coordination meetings one or two times annually.
- Co-chair work groups.
- Develop annual work plans for each work group to implement various subject areas of the MOUs.
- Develop collaborative action plans that identify commonalities between partnering jurisdiction and California energy systems.
- Develop and host webinars, delegation visits, and symposiums to share information and ideas.
- Conduct matchmaking activities between businesses interested in developing clean energy technologies.
- Respond to information requests.
- Plan and hold interim work group meetings on a regular basis and present at coordination meetings.
- Participate in staff exchange and training programs to share information and technology, including hosting delegations.
- Engage, coordinate, and support existing and new third-party projects, programs, and initiatives that align with the goals and objectives of the MOUs.
- Coordinate research, development, and deployment projects on clean, energy efficient, and low carbon technology amongst universities, the academic sector, and research institutions.
- Track progress towards goals for all work groups, Intergovernmental Climate Action Team, and other MOU implementation activities.
- Participate in forums that discuss energy issues between California and partnering jurisdictions and use them as opportunities to showcase new efforts on implementing the MOUs.
- Work continuously with all parties to successfully implement the policies and programs resulting from the MOUs.
- Coordinate and prioritize international engagement with other California agencies through the Intergovernmental Climate Action Team.

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Planned activities for the International Relations Senior Advisor beyond FY 2015/16 include:

- Planning future trade missions and international trips.
- Continuing the work described above for future MOUs the Energy Commission or Governor enter into and other international coordination in the future.
- Continue implementing the MOUs beyond FY 2015/16.
- Renew MOUs after their expiration to continue relationship building and coordination regarding energy and the environment.
- Continue to serve as the Energy Commission's point person for international partners and for other state agencies, including participation and coordination through the International Working group of the Climate Action Team.

If this request is not approved, the Energy Commission's international efforts on behalf of the State of California will have limited success because existing staff have full workloads and are unable to continue the efforts of the International Relations Senior Advisor. The MOUs and progress made through coordination, trade missions, and MOU implementation during FY 2015/16 will have little value for either California businesses or the environment if they are not implemented effectively. The entire effort agreed to in the MOUs could be jeopardized if the implementation work is weak or neglected. Thus, a permanent, full-time position is required to successfully implement the MOUs.

California is a leader in clean energy and is motivated to work with other jurisdictions to address climate change. Issues like air quality, GHG emissions, and climate change transcend borders, and so must their solutions. A permanent International Relations Senior Advisor position is essential for the Energy Commission's international coordination to reach its full potential and for California to have the largest impact on clean energy and climate change policy worldwide.

E. Outcomes and Accountability

Through the International Relations Senior Advisor position, the Energy Commission has continued coordination with other jurisdictions and state agencies on international work, and efforts to implement the MOUs and coordinate with other jurisdictions have already begun. If this position were not continued beyond FY 2015/16, existing staff would not have the capacity to devote enough time and attention to the project to ensure its full continuation. The improvements that would result from this request would be evident in the continued successful implementation of the MOUs, coordination of future trade missions, and coordination of international work. If this position is not converted to permanent, implementation will be slow and the Energy Commission may take only insignificant steps towards the goals established in the MOUs. A permanent International Relations Senior Advisor position would ensure that the State capitalizes on opportunities to partner with other jurisdictions and provide policy leadership.

For example, prior to hiring the International Relations Senior Advisor position, only ad hoc efforts, without a coordinated plan, occurred in 2014 following the Governor signing the MOUs with Mexico in July 2014 because staff capacity was limited. Existing staff was able to identify activities that the Energy Commission should engage in, but little of the work identified in that draft Action Plan was completed because the workload was not absorbable by existing staff. The International Relations Senior Advisor position is able to devote the time and effort needed to implement the Action Plan, and implementation of this MOU and others must continue beyond FY 2015/16. With a five year duration for the energy MOU with Mexico, it is imperative that the process move quickly and implementation work continue uninterrupted. Success in the first years of the MOUs will also increase the likelihood that the participants will find the agreement beneficial and renew them after the sunset dates. Thus,

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years of potential collaborative work with Mexico depend heavily on the success of the first years of implementing the MOUs.

F. Analysis of All Feasible Alternatives

1. No action, allow limited-term International Relations Senior Advisor position to expire on June 30, 2016. This would be a cost-effective option in the short-term because no additional staff resources would be required. However, existing staff does not have the capacity to take on the amount of work that would make implementation of the MOUs successful. This has been demonstrated by the fact that since the Governor signed agreements with Mexico last year, the Energy Commission made little progress on implementing them until the International Relations Senior Advisor position was hired. A significant amount of work is necessary to move forward and fully implement the agreements. On balance, the short-term cost savings will come at the expense of successfully implementing the MOUs, coordinating with other jurisdictions, and driving clean energy and climate change policy beyond California's borders. As a result, the Energy Commission recommends against this approach.

2. Provide funding for a contract with an outside entity. The Energy Commission could contract with an outside organization to coordinate the Energy Commission's efforts to implement the MOUs. This approach would provide resources to address the MOU workload but contracting for these types of services is generally more expensive than utilizing civil service positions. The independent contractor would not have the expertise or authority to enter into work assignments or to take on projects on behalf of the Energy Commission. Additionally, this approach would still require staff at the Energy Commission to oversee the contractor and act as a go-between among Energy Commission leadership, the contractor, and Energy Commission staff. This may cause Energy Commission leadership to be less involved in the international partnership and MOU implementation, which would be detrimental to relationship building and the overall success of the agreements. Additionally, many of the international efforts are highly sensitive, and may be inappropriate to entrust to an outside contractor. Finally, the Energy Commission would like to continue the current International Relations Senior Advisor's work for continuity and to avoid having to start from the beginning with training and development. Because this approach would not eliminate the workload on existing Energy Commission staff, could distance the Energy Commission leadership from this project, and could jeopardize international relations, the Energy Commission recommends against this approach.

3. Recommendation – Authorize the conversion of the limited-term International Relations Senior Advisor position to permanent to lead MOU implementation and coordinate activities with other jurisdictions. There is a significant amount of work ahead of the Energy Commission to implement the MOUs and continue building relationships and expanding coordination with other jurisdictions. The work involves high-level planning that requires vision and direction from Energy Commission leadership. The work also requires focus and attention. The MOUs will be more successful if they are implemented in a thoughtful, thorough, and consistent manner. The likelihood of effective implementation increases greatly if the International Relations Senior Advisor position is dedicated to this work. The success of the first years of MOU implementation will increase the likelihood that the MOUs will be renewed and successful long-term. During this time, the Energy Commission will set the precedent for the State's level of involvement with the participants from other jurisdictions. This will define how the process moves forward and what will be accomplished. It is imperative that these first years of implementation are led by the International Relations Senior Advisor position with continuity beyond FY 2015/16. Due to the high-stakes of getting these first years of implementation right, and the increased likelihood of successful implementation, the Energy Commission recommends authorizing the conversion of the limited-term International Relations Senior Advisor position to permanent.

G. Implementation Plan

Upon approval of this proposal, the Energy Commission will convert the limited-term International Relations Senior Advisor position to permanent. This position will continue coordinating international

Analysis of Problem

work, MOU implementation, and coordination with CalEPA, the Governor's Office, and CARB to coordinate with their international climate change efforts and MOUs. The position will also coordinate any new collaboration with other jurisdictions in the future.

H. Supplemental Information

None.

I. Recommendation

The recommended alternative is #3: Authorize the International Relations Senior Advisor position to become permanent to lead MOU implementation and coordinate activities with other jurisdictions.

Workload Documentation

FY 2016/17: 1 permanent position to implement International agreements and cooperation	
Lead coordination for the MOUs.	175
Develop annual work plans to implement the MOUs.	175
Develop and host webinars, delegation visits, and symposiums to share information and ideas.	150
Develop annual work plans for each work group to implement various subject areas of the MOUs.	150
Work continuously with all parties to successfully implement the policies and programs resulting from the MOUs.	150
Establish general principles, short- and long-term goals, focus areas, and priorities.	100
Participate in forums that discuss energy issues between California and partnering jurisdictions and use them as opportunities to showcase new efforts on implementing the MOUs.	100
Participate in staff exchange and training programs to share information and technology, including hosting delegations.	100
Develop collaborative action plans that identify commonalities between partnering jurisdiction and California energy systems.	75
Respond to information requests.	75
Coordinate research, development, and deployment projects on clean, energy efficient, and low-carbon technology amongst universities, the academic sector, and research institutions.	50
Plan and hold coordination meetings one or two times annually.	50
Co-chair work groups.	50
Engage, coordinate, and support existing and new third-party projects, programs, and initiatives that align with the goals and objectives of the MOUs.	50
Plan and coordinate future trade missions and international trips.	50
Plan and hold interim work group meetings on a regular basis and present at coordination meetings.	50
Renew MOUs after their expiration to continue relationship building and coordination regarding energy and the environment.	50
Coordinate and prioritize international engagement with other California agencies through the Intergovernmental Climate Action Team.	50
Conduct matchmaking activities between businesses interested in developing clean energy technologies.	40
Track progress towards goals for all work groups, International Climate Action Team, and other MOU implementation activities.	30
Identify work groups and potential membership, and perform outreach to generate member participation.	30
Maintain and update a list of coordination members.	26
TOTAL STAFF HOURS	1,776
STAFF PY @ 1,776 Hours/PY	1.0

Chair Weisenmiller's Office

