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STATE OF CALIFORNIA  
ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

BUSINESS MEETING

1516 NINTH STREET  
1st FLOOR HEARING ROOM  
SACRAMENTO, CALIFORNIA

WEDNESDAY, FEBRUARY 8, 1984  
10:38 A.M.

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P R O C E E D I N G S

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3 CHAIRMAN IMBRECHT: I'll call the meeting to  
4 order. Our public address system is not functioning today,  
5 and so we'll all endeavor to speak as succinctly and  
6 loudly as possible. Our transcript is being prepared and  
7 is functioning properly.

8 From a housekeeping standpoint, let me announce  
9 that Items 1, 4, and 6 have been removed from the calendar.  
10 Item 1 will be heard on the 22nd of February. Item 4 will  
11 be heard on the 7th of March, and Item 6 will be heard  
12 on the 22nd of February as well.

13 The first item before us is Commission considera-  
14 tion and possible adoption of the final Quarterly Fuel  
15 and Energy Report Forms and Instructions by the Commission  
16 as required, et cetera. Mr. Ward?

17 EXECUTIVE DIRECTOR WARD: Yes, thank you, Mr.  
18 Chairman. Steve Cohn from our legal office will be giving  
19 the introduction to this.

20 MR. COHN: Thank you, Randy. As you may recall,  
21 in December of last year, the Commission adopted substantial  
22 revisions to the data collection regulations, both the  
23 Quarterly Fuel and Energy Report as well as the biennial  
24 forecasting requirements.

25 The Office of Administrative Law approved these

1 regulations in toto on January 23rd of this year. They  
2 will therefore become effective on February 22nd of this  
3 year.

4 Section 1304, Subdivision (A) of the revised  
5 regulations provides that the Commission shall adopt forms  
6 and instructions consistent with the regulations that  
7 explain in greater detail how the reporting industry is  
8 to complete the information required.

9 The purpose, therefore, of these quarterly fuel  
10 and energy report forms and instructions before you today  
11 is to fulfill that requirement of Section 1304(A). So the  
12 issue today is a very narrow one, and that is whether the  
13 proposed forms and instructions accurately reflect the  
14 revised regulations adopted in December 1983.

15 With that introduction, I'll turn over to Dennis  
16 Smith of the Assessments Division to give you a brief  
17 overview of the requirements, and the explanation of the  
18 forms and instructions.

19 MR. SMITH: Good morning. My name is Dennis  
20 Smith. I work in the Assessments Division. What you have  
21 before you is the result of approximately three years of  
22 work involving the Commission and the utilities and other  
23 reporting companies who report under the quarterly fuel  
24 and energy system.

25 It represents a reduction of approximately 75

1 percent in the reporting requirements. For instance, these  
2 forms, 10 forms replace an amount equal to approximately  
3 this number of forms, which would be under the old system.  
4 Currently, the companies have been reporting for one year  
5 on a trial basis. All of the companies have chosen the  
6 new system over continuing to report on the old system.

7 We are ready to reduce further any paperwork  
8 required to complete the information required on these forms,  
9 and we believe that this represents a significant reduction  
10 in the amount of paperwork that's required to meet the  
11 requirements in the regulations. Those are my comments.  
12 If you have any questions, I'll be happy to answer them.

13 CHAIRMAN IMBRECHT: Commissioner Gandara?

14 COMMISSIONER GANDARA: I have a question for  
15 Mr. Cohn. This is the final fruits of the CFM QFES  
16 exercise?

17 MR. COHN: That's correct. We've already adopted  
18 CFM forms and instructions for this current CFM/BR cycle  
19 that are consistent with the regulations that were adopted  
20 in December. So this now completes the forms and instructions  
21 that are required under the revised regulations. Of course,  
22 as we've talked about in the past, we won't necessarily  
23 stop here, we can always be receptive to future changes in  
24 the reporting requirements.

25 COMMISSIONER GANDARA: Just to make sure that I

1 understand where we are, I thought we had adopted these  
2 already. Didn't we have a meeting, or --

3 MR. COHN: No, not for the QFER forms. We've  
4 adopted CFM Forms and instructions. It's possible that --  
5 I don't recall back in '82 when we originally adopted the  
6 regulations that were ultimately rejected by OAL, there  
7 may have been a Commission adoption at that time, but as  
8 you're aware, we then went through another round of hearings  
9 to adopt revised regulations that were then approved by  
10 OAL, so this would be the first --

11 COMMISSIONER GANDARA: These are not the ones  
12 that came back from OAL, the subject of which we had a  
13 long discussion several business meetings ago?

14 MR. COHN: These are the forms that are consistent  
15 with the regulations that went to OAL.

16 COMMISSIONER GANDARA: Okay, fine. I understand  
17 where we are.

18 CHAIRMAN IMBRECHT: Okay. Any further questions?

19 COMMISSIONER SCHWEICKART: Yes, I have one.

20 CHAIRMAN IMBRECHT: Commissioner Schweickart?

21 COMMISSIONER SCHWEICKART: I'm interested in, and  
22 it's obviously commendable to have something go to 10 forms  
23 instead of the pile sitting in front of you. On the other  
24 hand, I'm interested in the consequences of that in terms  
25 of the ability of the Commission to either analyze the

1 energy situation, if you will, or to make valid projections,  
2 or for that matter, any of the other services, or analyses  
3 that the Commission was doing with the old forms.

4 Has there been, in essence, in moving from a stack  
5 an inch and a half thick, to 10 forms, a price that was paid  
6 in terms of a lower level of insight, or penetration of  
7 what's going on in the California energy scene?

8 MR. SMITH: What we've found is that the reduction  
9 was, in fact, a reduction in the quality of the -- not a  
10 reduction in the quality, but it reduced the amount of  
11 information that was difficult for the company to provide,  
12 or that the company was providing in a very speculative  
13 way. In other words, perhaps a projection of a year from  
14 now, in say, it's currently December of '83, and they're  
15 predicting that in December of '84, they will have sold  
16 so much electricity, let's say.

17 The projection was a very speculative one, and  
18 in some cases, the information was never used by us, and  
19 with a result that as we -- as the staff performed these  
20 analyses that were required in CFM and so on, they deter-  
21 mined that this information that originally was believed  
22 to have been necessary was not necessary, and so I would  
23 say that the reduction reflects the amount of unnecessary  
24 information that was being collected.

25 I don't believe that in any area we've reduced the

1 amount of information that we need to have in order to do  
2 the analyses.

3 COMMISSIONER SCHWEICKART: Well, I suppose the  
4 question would go -- and it's clearly a judgment call, but  
5 the question would clearly go to not what is needed, if you  
6 will, now, but under circumstances within which this  
7 more speculative data might, in fact, be the most important  
8 data, some kind of constraint on oil imports, or a major  
9 earthquake wiping out a facility, or whatever.

10 What I'm trying to get a feel for here, is while  
11 commending reducing unnecessary paperwork, are we, in fact,  
12 reducing our visibility, and in some sense, our capability  
13 in terms of analyzing the situation, and if so, to what  
14 degree. It is clearly a judgment call, but I'd ask you to  
15 project beyond the current pleasant situation with lots of  
16 fuel to a case where we may have some problems.

17 Commissioner Gandara is --

18 COMMISSIONER GANDARA: Yes. I might try to  
19 answer your question. Since I presided over the regulations  
20 that these forms are the result of, now, the -- there was a  
21 CFM QFES Committee at the time that we formed the BR  
22 Committee, and because it wasn't quite clear where all this  
23 fell -- this fell under the jurisdiction of the Electricity  
24 Report Committee, and at that point in time, the counsel to  
25 the Committee was a Mr. Dan Meek, and Mr. Meek, as you know,

1 very carefully reviewed for the Committee, and is a --  
2 was a voracious consumer of information, and the Committee  
3 was persuaded that, in fact, that the recommendations that  
4 he made, which were basically his for the reduction in the  
5 requirements in the regulations were such that indeed the  
6 Commission was obtaining as much information as it needed  
7 for what it was doing then.

8 One of the things that we discovered during that  
9 process that there was a substantial amount of information  
10 out there that was already being reported by utilities in  
11 perhaps other formats, or was available to the staff, and  
12 at the Committee's direction, the staff, the Assessments  
13 Division met with utilities, and the gas companies, the  
14 electric utilities, made several trips to become better  
15 acquainted with the information they were reporting to the  
16 PUC, FERC, or any other agencies, and one of the reasons  
17 we were able to reduce the requirements substantially was  
18 that indeed that data was available.

19 So even that which is not being collected  
20 directly by these forms does not mean that the data that  
21 we had before is not available to us, and we will be  
22 getting that.

23 So that if these are just the forms that result  
24 from those regulations, I'm reasonably confident that in  
25 fact the Commission is not receiving any less data in total

1 for its purposes. You may be receiving less data as a  
2 result of these forms, but in fact, I believe we're getting  
3 just about everything that we had before, and certainly  
4 everything that we need.

5 CHAIRMAN IMBRECHT: Any further questions?  
6 Does anyone wish to be heard on this matter? Do I hear a  
7 motion? Moved by Commissioner Gandara, seconded by myself  
8 that we adopt the revised forms per the noticed agenda  
9 item. Is there objection to a unanimous roll call? Okay.  
10 Hearing none, that will be the order, ayes 4, noes none,  
11 the forms are adopted.

12 The next item before the Commission is Item 3  
13 which is consideration of a possible contract with the  
14 Lawrence Berkeley Lab in the amount of \$150,000 to evaluate  
15 proposals for the Petroleum Violation Escrow Account.  
16 Mr. Ward?

17 EXECUTIVE DIRECTOR WARD: Yes, Mr. Chairman. This  
18 is the item that had been put over at the previous meeting.  
19 Paul Gertner can -- from the Conservation Division can  
20 give a brief overview of it. It's been discussed substan-  
21 tially with members of the Commission and external parties  
22 that are concerned with this contract, and I would recommend  
23 that we go forward with it today.

24 CHAIRMAN IMBRECHT: Thank you. Mr. Gertner?

25 MR. GERTNER: Thank you, Randy. I think each of

1 the Commissioners is familiar with this contract. I could  
2 give an overview, or perhaps it would be easier if I just  
3 answer any questions.

4           Parenthetically, I'd like to add that Art  
5 Rosenfeld, the principal investigator from LBL for this  
6 project is present, and he can answer questions as well.

7           CHAIRMAN IMBRECHT: Let me make a brief statement,  
8 I think that might set the context for some further things.  
9 I'd like to offer a direction to the Executive Director and  
10 the staff that you prepare for the next business meeting  
11 a proposed order adopting a formal advisory committee  
12 pursuant to the conditions that we established some weeks  
13 ago, the proposal by Commissioner Gandara, with one  
14 exception, and that is that the provision made for a  
15 representative of our staff to serve on the working group  
16 that is contemplated by the contract, which would in turn  
17 evaluate proposals submitted by ourselves and other state  
18 agencies with respect to potential expenditures of these  
19 funds, and further, that as enumerated within our own  
20 regulations relative to advisory group adoption, that the  
21 advisory working group to the Commission on this issue be  
22 required to hold public workshops with appropriate notice  
23 to interested parties to ensure that all relevant viewpoints  
24 are considered prior to the working group making its  
25 recommendations to the Commission.

1 EXECUTIVE DIRECTOR WARD: Yes, my understanding,  
2 Mr. Chairman, is we would actively solicit from previous  
3 and potential PVEA applicants through the various agencies  
4 that have been affected for a consolidated mailing list.

5 CHAIRMAN IMBRECHT: Secondly, I would like to  
6 add that it is my view that the ultimate work product from  
7 this contract will only be useful if all the parties,  
8 meaning all state agencies, and all affected interest  
9 groups, all potential recipient groups and so forth, have  
10 no doubt that they have been given a fair and adequate  
11 hearing with respect to the proposals which they wish to  
12 bring forward for evaluation by LBL.

13 That the credibility of the study ultimately is  
14 largely dependent upon the credibility of the process  
15 associated with it, and that that represents a personal  
16 commitment on my part, and I believe the other Commissioners  
17 that will be directly involved in this, that we will bend  
18 over backwards to ensure that there is such a fair and  
19 open process that treats equally the interests of other  
20 agencies as well as those of our own.

21 Moreover, considering the time constraints, that  
22 it is important that we get on about this business,  
23 recognizing the financial implications for the state in  
24 the coming fiscal year.

25 Does anyone else have anything that they would

1 like to add, and I'll just inquire if I adequately covered  
2 your concerns, Commissioner Gandara.

3 COMMISSIONER SCHWEICKART: Yes.

4 CHAIRMAN IMBRECHT: Commissioner Schweickart?

5 COMMISSIONER SCHWEICKART: I'd like to understand  
6 the interaction between the -- and I'm not sure now whether  
7 to refer to it as the working group or the advisory  
8 committee.

9 CHAIRMAN IMBRECHT: I think they're synonymous.

10 COMMISSIONER SCHWEICKART: Let me say advisory  
11 committee, and the contractor. What I'm concerned about,  
12 I'm concerned with two things: what the relationship is,  
13 and number two, where the responsibilities and authority of  
14 the advisory committee is defined.

15 Finally, I would point out to the Commission that  
16 at least according to my information here, in the business  
17 meeting book, the work statement refers specifically to  
18 a particular Commission committee.

19 COMMISSIONER COMMONS: What page are you on?

20 COMMISSIONER SCHWEICKART: Exhibit A, and I'm  
21 on --

22 EXECUTIVE DIRECTOR WARD: Commissioner, I suspect  
23 that you have a previous copy.

24 COMMISSIONER SCHWEICKART: I'm sorry?

25 EXECUTIVE DIRECTOR WARD: I suspect that you have

1 a less than up to date copy. What page --

2 COMMISSIONER SCHWEICKART: Well, if that's true,  
3 then we need to take some action to -- it's dated 8th of  
4 February.

5 EXECUTIVE DIRECTOR WARD: Which page?

6 MR. GERTNER: It should say the presiding  
7 committee at this time.

8 COMMISSIONER SCHWEICKART: I'm sorry?

9 MR. GERTNER: It should read the presiding  
10 committee, I'm not sure what page you're on, but --

11 COMMISSIONER SCHWEICKART: All right. Well, I'm  
12 on what's listed in the standard agreement --

13 CHAIRMAN IMBRECHT: It should read the Budget  
14 Committee, where are --

15 COMMISSIONER SCHWEICKART: Exhibit A, page A-2  
16 number two.

17 CHAIRMAN IMBRECHT: It should be -- it's Budget  
18 Committee, that would be the -- I see what you're referring  
19 to, the --

20 COMMISSIONER SCHWEICKART: Loans and grants would  
21 be replaced by the budget?

22 CHAIRMAN IMBRECHT: That's correct. In fact, in  
23 all references to the committee with oversight jurisdiction  
24 on the conduct of this contract, it should make reference to  
25 the Budget Committee of the Commission in all instances.

1           COMMISSIONER SCHWEICKART: I would, nevertheless,  
2 like to understand the relationship between the contract and  
3 what's expected of the contractor and the roles,  
4 responsibilities, authority of the advisory committee.

5           MR. GERTNER: Well, the work statement identifies  
6 two interim stages at which time the contractor would  
7 provide some information to the working group and to the  
8 Budget Committee. The working group would have an oppor-  
9 tunity to provide its advice to the Committee, and then  
10 the Committee would provide the contractor with direction  
11 at those points.

12           On page A -- it's specified on page A-2 how that  
13 process would work.

14           CHAIRMAN IMBRECHT: Let me just mention, I think  
15 it would be contemplated that in the event that there was  
16 any serious disagreement here, the work product of the  
17 work of the group, that would be referred to the full  
18 Commission for review and disposal as well, and obviously,  
19 it's the prerogative of any Commissioner in the event that  
20 there is dissatisfaction of the oversight provided by the  
21 Budget Committee on this issue, to refer those matters for  
22 resolution to the full Commission.

23           COMMISSIONER SCHWEICKART: Will the tasks of the --  
24 and the responsibilities of the advisory committee be  
25 outlined, or are they outlined here?

1 MR. GERTNER: Yes, they are.

2 COMMISSIONER SCHWEICKART: Where is that?

3 MR. GERTNER: It's in several places in the work  
4 statement. On page A-11, task 7, at that point, the  
5 contractor would have done two things, they would have  
6 done a technical study, and they would also have evaluated  
7 our initial evaluation criteria.

8 Also at that time, the various agencies within  
9 the working group would be submitting their concept papers  
10 of which proposals should be evaluated. At that time, the  
11 working group would be looking at both the evaluation  
12 criteria and these concept papers, and giving their advice  
13 to the Committee on which criteria should be used, and  
14 which proposals the contractor should go ahead and evaluate.

15 Then the Committee would give the direction to the  
16 contractor on how to proceed approximately a week later.  
17 Then the second place, would be under task 11 on page A-12  
18 which would be, subsequent to the workshops, when the  
19 contractor would go before again the working group in the  
20 Committee with a recommended list of proposals to add to  
21 the agency proposals. These would be additional proposals  
22 gleaned from the workshops, and again, this would go through  
23 a process with the working group, would review the additional  
24 proposals which the contractor recommends should be  
25 evaluated, and make a recommendation in turn to the

1 Committee on which ones the contractor should indeed go  
2 ahead and evaluate, and then the Committee would again  
3 give direction to the contractor on which ones to include.

4 There's a couple of other smaller, more minor  
5 places where they'd have input, but that's the principal  
6 area, there.

7 COMMISSIONER SCHWEICKART: All right. Well, let  
8 me state that it would be my strong desire to strike from  
9 the proposal, or from the contract, let me say, and the  
10 work statement for the contractor anything which defines  
11 or establishes the charter of the advisory committee, or  
12 working group, and that those shall we say, points and  
13 authorities, or whatever, be addressed in the establishment  
14 of the advisory committee which will be coming before us  
15 the next time.

16 That is, I believe that the task of the  
17 contractor is somewhat separate from the responsibilities  
18 of the advisory committee. I concur with the intention of  
19 moving on, and we have delayed this already too long, but  
20 I am somewhat concerned with the structural design that  
21 we're building in here, and basically, I will propose an  
22 amendment to that effect. If anyone wants to address that,  
23 I'd be happy to hear that before, but I think that separates  
24 the two --

25 COMMISSIONER COMMONS: I don't understand. Can

1 you further clarify or explain, because I don't quite  
2 understand what you're --

3           COMMISSIONER SCHWEICKART: All right. My concern  
4 here is that in directing the contractor, proposed  
5 contractor being LBL to move on with their responsibilities,  
6 I believe that they can initiate their work, we need not  
7 in any way delay the contractor's operations and responsi-  
8 bilities while at the same time, I am concerned with the  
9 way in which the working group/advisory committee, whatever,  
10 is defined in terms of its obligations, its authority,  
11 its responsibility, the way it will function.

12           Since we are going to be establishing an advisory  
13 committee, and we have already had direction to the  
14 Executive Director to prepare that document for the next  
15 business meeting, it seems to me to be more appropriate  
16 that the responsibility and authority of the advisory  
17 committee be established within that action at the next  
18 business meeting.

19           I don't believe that fundamentally that affects  
20 the contractor's work. The contractor can move ahead, and  
21 whether or not the advisory committee has this particular  
22 design, or that particular design, I think is fundamentally  
23 of no consequence to the contractor per se.

24           So while I have concerns, and could not, frankly,  
25 support the contract as it stands now, I could support it if

1 we were to separate the definition of responsibilities and  
2 authority of the advisory committee from this contract.  
3 Now, unfortunately, because it is somewhat scattered  
4 through the document, it's going to be a bit difficult to  
5 pick and choose every word, frankly, and I would propose  
6 the amendment in terms of a direction to staff to go ahead  
7 with the contract, but for those elements and to excise  
8 those.

9 CHAIRMAN IMBRECHT: Let me ask, or first make  
10 a statement, and secondly add a question before you make  
11 your motion. The design of the working group has been  
12 discussed extensively, I think is the best way to describe  
13 it, with the other agencies involved, and so forth, and  
14 there has been closure reached, even though initially there  
15 was concern expressed.

16 Yesterday, Huston Carlyle, the Director of the  
17 Office of Planning and Research contacted me and indicated  
18 that I can represent that they have no problem with it, are  
19 in support of the contract and the design of it in its  
20 present form.

21 Similarly, I believe that the Deputy Director of  
22 OEO had such a conversation with Mr. Ward, and that we are  
23 authorized to make a similar representation on behalf of  
24 them. And finally, the other state agencies in question  
25 have not been expressing concerns earlier.

1 I think that the whole process has been balanced,  
2 at least from my perspective, fairly well, and I guess I  
3 would ask you to enumerate, if you could, specific concerns  
4 that we might attempt to address. I'm a little concerned  
5 that there might be a feeling in the outside community  
6 that the action that you're suggesting in any way would  
7 suggest that the agreements or understandings that have  
8 been reached were subject to later change or challenge,  
9 something of that nature. I'm concerned about a good  
10 faith working relationship, as I kind of enunciated in my  
11 opening statement.

12 In this entire matter, everybody has got to believe  
13 that they're being fairly treated. The process, as it's  
14 designed, is designed to give everyone multiple bites of  
15 the apple, if you will, if there is any concern about  
16 inadequate or unfair treatment of their proposals.

17 Literally, if a party isn't agreed, they have a  
18 minimum of three separate opportunities to reraise the  
19 same concern in a variety of different forums, both before  
20 the advisory group, before the Commission, and before the  
21 contractor itself to seek redress of their concerns.

22 COMMISSIONER GANDARA: Mr. Chairman, if I might --

23 CHAIRMAN IMBRECHT: Yes, Commissioner Gandara?

24 COMMISSIONER GANDARA: This is precisely why I  
25 proposed a resolution on advisory committees so that we

1 would be clear on what advisory committees do, the scope,  
2 and so forth and so on. Let me propose something that I  
3 think might take both your concerns into account.

4           It seems to me that Commissioner Schweickart has  
5 pointed out rather correctly that there is some ambiguity  
6 or perhaps a need for further definition of the role of  
7 the advisory committee to the Energy Commission Committee.  
8 On the other hand, it also does seem that because there  
9 is that ambiguity in there, that proceeding with the  
10 contract as is might not pose a difficulty, that we could  
11 still further define the roles of the advisory committee  
12 in the --

13           CHAIRMAN IMBRECHT: Refine the role.

14           COMMISSIONER GANDARA: -- at the next business  
15 meeting where the staff has been directed to come back.  
16 That is one of the elements, in fact, one of the very  
17 first elements of the Commission policy on this matter.

18           So that to the extent that there is that ambiguity,  
19 I think it does need to be cleared up, and I don't think  
20 that anything that is in the contract here would necessarily  
21 prevent a clarification along whatever the Commission might  
22 desire. I think that both extend -- accommodate the  
23 concern that it wouldn't appear that we're withholding a  
24 certain portion of what we're about to do, at the same time,  
25 it also goes back to the need for further clarification

1 about what we'll be doing with respect to the advisory  
2 committee.

3 CHAIRMAN IMBRECHT: That would be acceptable to  
4 me. That would also provide us an opportunity to ensure  
5 that we can consult with the other interested parties with  
6 respect to any proposed refinements that would be contem-  
7 plated to be taken two weeks hence. I just --

8 COMMISSIONER SCHWEICKART: Well, I have to state  
9 that what -- I now am obligated to look through this  
10 specifically for each reference to see whether in fact  
11 there is a stated direct conflict with the concern that I  
12 have, which I would hope would be addressed in the advisory  
13 committee resolution, or document.

14 CHAIRMAN IMBRECHT: Could you enunciate that  
15 concern a little more specifically?

16 COMMISSIONER SCHWEICKART: Well, to be very frank  
17 about it, Mr. Chairman, I'm a bit concerned about process  
18 here. That is, I find it somewhat out of order, frankly,  
19 to be pressured by agreements with OPR and other agencies  
20 on what is acceptable prior to the time that the Commission  
21 had addressed the issue.

22 CHAIRMAN IMBRECHT: I don't mean to pressure  
23 anybody.

24 COMMISSIONER SCHWEICKART: I am, frankly, voting  
25 on this matter today, and presumably will be voting on

1 something else at the next business meeting which will form  
2 the Commission's position so that I -- while respecting the  
3 desires, and any discussion of other agencies, those  
4 discussions you had, I frankly cannot give that great weight  
5 in terms of dealing with my concerns.

6 My concerns, and I would prefer to be general  
7 about it, rather than specific, is that I'm concerned about  
8 the structure that I understand, being established,  
9 reaching convergence at the end as opposed to disintegration.  
10 Now, the best of players can help any poorly designed or  
11 structured system in working well, but generally, the best  
12 intentions cannot overcome design limitations.

13 What I'm concerned with here is a more careful  
14 review than I feel has been given, but it may just be a  
15 difference of opinion, frankly, and not -- or difference  
16 in judgment, and not that it hasn't been looked at. But in  
17 my opinion, what I'm seeing is a structure established  
18 which I feel will diverge at the end point, which is the  
19 most critical point, rather than converge.

20 It is for that reason that I am concerned with  
21 this issue. Now, unfortunately, although I've expressed  
22 this on a number of occasions, I frankly have been outside  
23 of the conversations that you've referred to, and my  
24 concerns have not been addressed.

25 Now, I'm perfectly happy to lose this one 3 to 1 if

1 you want to press on today. That's the way life is. I  
2 can only express my concerns.

3 CHAIRMAN IMBRECHT: We've all lost them 3 to 1,  
4 4 to 1 to.

5 COMMISSIONER COMMONS: I've lost them 2 to 2.  
6 (Laughter)

7 CHAIRMAN IMBRECHT: Let me just say that I believe  
8 I understand what your concerns are. I think that your  
9 characterization of just simply a difference in judgment is  
10 largely accurate, and I frankly think that the system is  
11 designed in such a way to produce maximum convergence by  
12 virtue of maximum participation, and a real sincere effort  
13 to ensure that no one is excluded from the deliberations,  
14 and that, I think, is largely the issue that I'd want to  
15 see additionally addressed in terms of resolution on the  
16 advisory committee, and that sets up some fairly clear  
17 direction as to ensuring that maximum participation.

18 COMMISSIONER SCHWEICKART: All right. Well, just  
19 so that on the -- since you've asked for specifics, let me  
20 just give one to partly illuminate Commissioner Commons  
21 who is the one person I haven't had a chance to express some  
22 of my concerns to.

23 I frankly see the way in which it's set up now  
24 to almost guarantee an override by the Budget Committee of  
25 the recommendations of the advisory group, the advisory

1 committee. I think the structure is set up in such a way  
2 that that is -- in my view, almost inevitable, and although  
3 that may not happen, I think it's biased in that direction,  
4 and I think that that will frankly begin to erode without  
5 anything which will bring convergence, the working  
6 relationships between the involved agencies.

7           It's that -- it's fundamentally the -- after that  
8 initiating event which I see a propagation of similar  
9 actions by the Committee and the Commission and the working  
10 group in terms of their relationship.

11           CHAIRMAN IMBRECHT: If you have a viable  
12 alternative -- the only alternative that we've discussed,  
13 and that has been discussed by others would be a strict  
14 allocation of slots, if you will, of proposals by agency.  
15 I have been absolutely unable to define any rational  
16 criteria for such an allocation, and the most obvious  
17 one would be using a proportional distribution based upon  
18 the existing distribution of PVEA funds.

19           I think were that to occur, that I would start  
20 from the position you're at right now, and say that that  
21 would guarantee absolute disintegration, because I don't  
22 think that the other agencies would accept a situation  
23 based upon existing distribution, whereby the Energy  
24 Commission currently is receiving something in excess of  
25 55 or 60 percent of the total funds, and would therefore

1 have something in excess of one-half of the proposals. I  
2 do not think that other agencies would likely find that  
3 acceptable, and as a consequence, my general viewpoint is  
4 that all proposals should be submitted to the working  
5 group, and they ought to be evaluated strictly on the basis  
6 of merit.

7           If the Energy Commission is able to propose 25  
8 extremely meritorious means of expending PVEA funds, and  
9 the working group is convinced of that, then that would  
10 be the submittal. By contrast, if we can only convince  
11 them of 8 or 10, that likewise would be the submittal.

12           I only contemplate the Budget Committee overruling  
13 or returning to the working group its recommendations in an  
14 instance where there are clear aberrations, or clear lack  
15 of adequate response to some of the criteria established  
16 by the federal government, and expressed viewpoints and  
17 interests of a variety of political perspectives within  
18 our statement government.

19           For example, and I would just note that the  
20 original allocation that had been discussed by staff at  
21 one point as to those 40 proposals, in my view would have  
22 produced a circumstance where the Office of Economic  
23 Opportunity, and those members of the Legislature that are  
24 particularly concerned about response to energy needs of  
25 low income groups would simply have not found it to be

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1 credible by allocating only three proposals out of 40 to  
2 OEO, I am quite convinced that members of the majority  
3 party in the Legislature would have found that an  
4 inadequate allocation for low income issue addressing.

5 What I would contemplate, responsibility of the  
6 Budget Committee, is if the proposals that come back from  
7 the working group, for example, likewise, dramatically  
8 shortchanged a given area without any persuasive argument  
9 as to why that should be the case, then I could contemplate  
10 the Budget Committee returning the proposal to the working  
11 group for further review, or perhaps modifying it, or  
12 offering direction to the contractor.

13 I really see the Budget Committee as one of those  
14 check and balance fail-safe steps within the process where  
15 if an individual entity feels it has been given short shrift  
16 by the working group, they can then make a separate appeal  
17 to the Budget Committee, and ultimately to the Commission  
18 as a whole, if indeed, there is a feeling that the Budget  
19 Committee has been deaf to their concerns.

20 As I say, if you can suggest any rational  
21 criteria upon which we could divide the 40 proposals, you  
22 know, I would be open to that suggestion. I have not been  
23 able to come up with one, and I haven't heard one from  
24 anyone else in the Commission.

25 COMMISSIONER SCHWEICKART: Let me suggest that I

1 frankly feel there are clearly good arguments on many  
2 different sides, let me say, in terms of design of such an  
3 animal, and I -- although I don't enjoy having you set up  
4 a straw man of low income, and then -- as if I were  
5 supporting an under-valuing of low income projects and  
6 then shooting it down --

7 CHAIRMAN IMBRECHT: Commissioner Schweickart, let  
8 me assure you that that was purely an example, because it  
9 was a real one.

10 COMMISSIONER SCHWEICKART: It's an excellent  
11 technique.

12 (Laughter)

13 COMMISSIONER SCHWEICKART: But my point is that  
14 I really don't believe that this --

15 CHAIRMAN IMBRECHT: Well, I've been at a few of  
16 these meetings before.

17 (Laughter)

18 COMMISSIONER SCHWEICKART: I don't believe that  
19 this is the appropriate place to design the details of  
20 the concern I'm talking about. I frankly feel that to  
21 be perfectly straightforward, I don't believe that this  
22 has been coordinated in a manner in which it should have  
23 been. I think we do have another option before the  
24 next business meeting without delaying this contract.

25 CHAIRMAN IMBRECHT: Okay.

1           COMMISSIONER SCHWEICKART: I will, after the main  
2 motion, I will propose a motion to strike those design  
3 elements of the working group from this contract, and issue  
4 the contract as soon as possible. Absent that, I will  
5 frankly vote against it.

6           CHAIRMAN IMBRECHT: I understand.

7           COMMISSIONER SCHWEICKART: Straightforward as I  
8 can be, and I would feel that if we do move ahead, and  
9 even whether I win or lose on this one, that I would hope  
10 that we can have better coordination of the design in the  
11 next two weeks in terms of the specifics of the advisory  
12 committee.

13           CHAIRMAN IMBRECHT: You can rest assured on that.  
14 There's been an attempt, I have to say, to try to be  
15 communicative to a lot of people, and there's a lot of  
16 players to -- I feel a little bit like Noah and the Ark.

17           Commissioner Commons?

18           COMMISSIONER COMMONS: Mr. Chairman, one of your  
19 concerns has been, I've tried I think twice on the agenda to  
20 bring forth committees, and your viewpoint has been that  
21 we do not have a full Commission now, and we should wait  
22 until we have a full Commission in terms of coming up with  
23 Committee structure, and particularly not knowing who our  
24 full Commission is going to be, or knowing who is going to  
25 be sitting on any particular committee, it would seem

1 inappropriate at this time to designate any specific  
2 committee, in fact, the way it reads here today, and I  
3 think appropriately, that it will go to, and it will be  
4 designated to a committee at the time that we reorganize  
5 the Commission and establish committees.

6 I can't understand why we would be at this time  
7 selecting a specific committee when we don't even know  
8 what the committee structure is going to be, or who's  
9 going to be assigned to particular committees. For example,  
10 it could be Commissioner Schweickart and myself on the  
11 Budget Committee.

12 CHAIRMAN IMBRECHT: That's right, that's a  
13 possibility.

14 COMMISSIONER COMMONS: And it would seem to make  
15 more sense that the Budget Committee is very, very  
16 important, and also, this contract is very, very important,  
17 and that I'm sure that you've been very concerned, and I  
18 think Commissioner Gandara has been very concerned in  
19 terms of how this is put together, but I don't think we  
20 want to do our Committee structure piecemeal at this point  
21 in time, and this would be in my viewpoint, a piecemeal  
22 approach, even though it may end up that way.

23 CHAIRMAN IMBRECHT: Well --

24 COMMISSIONER GANDARA: I have no objection to  
25 presiding committee -- I'm indifferent.

1           CHAIRMAN IMBRECHT: Yeah, just resolve that  
2 issue later? That's fine. Frankly, Commissioner Commons,  
3 the context of that discussion was to have a generic  
4 committee with oversight on this as opposed to an individual  
5 subject matter committee. Since PVEA funds can and  
6 ultimately, perhaps, will be in a position to be used for  
7 other than the traditional categories that have been the  
8 case currently, and to not front load the guns so to speak,  
9 and create a bias in favor of conservation, or development,  
10 or loans, or grants, or direct funded programs, and so  
11 forth, to try to rest jurisdiction in a generic committee  
12 that has, I think, as direct as any -- probably the most  
13 responsibility in terms of reporting to the full Commission.

14           I would contemplate as well that any deliberations  
15 of that Committee would include, of course, the advisors  
16 of all the other Commissioners, and be designed in a fashion  
17 to ensure that all five Commissioners have ample and  
18 adequate input into the decisions relative to the conduct  
19 of this contract.

20           We all recognize the implications of this issue,  
21 and we'll treat it with sufficient intention to justify  
22 that importance.

23           COMMISSIONER GANDARA: I have another suggestion.

24           CHAIRMAN IMBRECHT: Commissioner Gandara?

25           COMMISSIONER GANDARA: It does appear that we could

1 proceed with this particular assignment as well, and if the  
2 Commission so desires, I mean, when it reassigns committees,  
3 it reassigns as well, but I think we need to proceed as well.  
4 That's another option. We're assigned to an existing  
5 committee, not to a future committee.

6 CHAIRMAN IMBRECHT: That's open to further  
7 discussion, it can always be modified.

8 COMMISSIONER COMMONS: Okay. Let me ask, I  
9 want to go back to Commissioner Schweickart's, but I first  
10 have some questions, I'd like to get some clarification.  
11 How do we choose the 40 projects?

12 CHAIRMAN IMBRECHT: Mr. Gertner may want to  
13 respond, but there are some general criteria that are  
14 provided to the working group, and to the committee, and  
15 to LBL as well that are generally a reflection of federal  
16 guidelines as to the expenditures of these funds.

17 COMMISSIONER COMMONS: I see this list on A-10 of  
18 some -- I don't know, it looks like 15 different criteria,  
19 but it doesn't say how they're going to be evaluated, how  
20 they're going to be used, and I don't understand how we  
21 arrive at the 40 projects.

22 MR. GERTNER: I think I could answer that. On  
23 page A-11 under task 7, (a), Subsection (a) under task 7,  
24 it explains that first LBL will do their preliminary draft  
25 analysis which is their low income impacts, the restitution

1 analysis, the evaluation of conservation potential, and  
2 provide a preliminary draft to the agencies and the working  
3 group, and then these agencies will be invited to develop  
4 what we call concept papers, and it says the format for  
5 these concept papers will be developed by the contract  
6 manager with the advice of the working group.

7           Concept papers will be reviewed by the working  
8 group for its advice on which proposals should be fully  
9 developed and included for evaluation under Phase I. No  
10 more than 40 proposals will be recommended for inclusion.  
11 The final decision on which proposals are to be evaluated  
12 will be made by the Committee.

13           COMMISSIONER COMMONS: That doesn't tell me how  
14 the Committee comes to that decision. Are there nine  
15 members on the committee, one from each organization, and  
16 each person gets one vote? What is that mechanism?

17           MR. GERTNER: Well, the committee would be  
18 whichever committee is the presiding committee of the CEC,  
19 and at some point, I don't think we could have a full  
20 evaluation on which --

21           COMMISSIONER COMMONS: Oh, so the committee  
22 you're referring to is not the working group then.

23           MR. GERTNER: No.

24           COMMISSIONER COMMONS: You're saying that the  
25 Committee of the CEC is the one which makes the final

1 decision on that 40.

2 MR. GERTNER: Every place where it says committee,  
3 it means the committee of the CEC.

4 COMMISSIONER COMMONS: All right. Are there any  
5 criteria that that committee will follow?

6 MR. GERTNER: They're not specified in the  
7 contract.

8 COMMISSIONER COMMONS: What if the committee is  
9 divided 1 to 1?

10 CHAIRMAN IMBRECHT: It goes to the full Commission.  
11 And moreover, even if a committee is unanimous, and the full  
12 Commission is dissatisfied with the Committee's recommenda-  
13 tion, that in turn, can obviously be pulled to the full  
14 Commission.

15 COMMISSIONER COMMONS: All right, now, let's say --  
16 thank you. Let's say we now have these 40 projects, and  
17 how do we go from the 40 to our proposal?

18 MR. GERTNER: Well, what we're talking about is  
19 -- how do we get to the 40 proposals, okay, we've already  
20 done that.

21 COMMISSIONER COMMONS: Right. Now we're down to  
22 40. We have a committee of two that has come up with a  
23 recommendation, and presumably there's had to have been  
24 some bartering, and some working together, and trying to  
25 develop a concensus because we're dealing with a lot of

1 people, and this is the problem that the Chairman was  
2 discussing, that it's going to be a very difficult job,  
3 and if we don't have a mechanism to accomplish it, it's  
4 going to be one that's going to be political, rather than  
5 trying to go back to the methodologies and techniques,  
6 and have some evaluation criteria.

7 All right. How do we go, though, from 40 down  
8 to the recommended package?

9 MR. GERTNER: Okay. Well, understood that once  
10 you come up with the 40, then LBL would evaluate it, and  
11 that would be the completion of what's Phase I.

12 COMMISSIONER COMMONS: But it doesn't say on  
13 what basis. What is the basis they evaluate? Whenever --  
14 if you will remember, when we had the various loans and  
15 grants, we had a lot of what I call fuzzy evaluation  
16 criteria, and it didn't say how we'd weigh different  
17 things, where we'd put the emphasis. It usually advocated  
18 a two-step process where you have to move certain  
19 guidelines to even get in the ball game.

20 For example, here, we don't want to fund something  
21 if it's not -- at least from a cost/benefit point of view,  
22 as good as giving the money back to the people. We  
23 certainly have to do better than that. I don't see entry  
24 level criteria.

25 I don't know when I vote on this contract how

1 different things are going to be weighed, what is the  
2 methodology that's going to be employed. I don't see any  
3 of the information which is the critical element in terms  
4 of this contractor, which is a sole source contract, what  
5 they're process or procedure is, or the evaluation methodology  
6 in coming up with a sum of money in terms of project  
7 proposals, which is larger than this Commission's budget  
8 during the time I've been on the Commission.

9 MR. GERTNER: I think it's very clearly stated in  
10 the contract memo that the contractor will not be providing  
11 any form of ranking or recommendation on which proposals  
12 should actually be funded.

13 COMMISSIONER COMMONS: Well, that's why I'm  
14 asking my question of how do we go from 40 to a recommended  
15 plan?

16 CHAIRMAN IMBRECHT: No, that's not -- I think --  
17 let me try to answer that. I think perhaps there's a  
18 slight misunderstanding of exactly what is contemplated  
19 here. Basically, the contractor is charged with responsi-  
20 bility of evaluating up to a maximum of 60 proposals, with  
21 the same yardstick applied to each of them.

22 The end result of this will not be a specific  
23 ranking of projects, it is designed to provide analytical  
24 information to the Legislature and to the Executive Branch  
25 which will ultimately make the decisions as to allocations

1 of these funds. It is an effort to provide those  
2 decision-makers with the ability to compare as between  
3 program A and program B, cost-effectiveness, or market  
4 penetration, or impact on low income, et cetera, the various  
5 criteria you see listed here, plus others that the  
6 contractor would be free to suggest as well.

7 I can assure you that anything that this working  
8 group -- or this contract produces, you know, is not going  
9 to be accepted by rote by the Legislature or by the  
10 Executive Branch. Rather, it's going to provide a tool  
11 or mechanism by which they can evaluate individual proposals  
12 or BCP's, if you will, that come in from a variety of  
13 state agencies, and hopefully provide them an ability to  
14 evaluate those BCP's on an equal basis.

15 You are correct that ultimately, the decisions  
16 as to how these funds are going to be expended, some of  
17 those decisions will, I am quite confident, entail political  
18 considerations. I would not be surprised, for example,  
19 that even if on the basis of cost-effectiveness, and so  
20 forth, there might be some programs that would rank higher  
21 than others, but as a result of political considerations  
22 in the Legislature, an effort to try to fairly distribute  
23 this by, some other programs might be funded by them.

24 But we are not going to come up with a listing  
25 of 1 through 60 at the end. The point is that LBL has an

1 ability to evaluate a finite number of proposed means of  
2 expenditure for PVEA funds, and so the question was, which  
3 proposals do we ask them to evaluate, and if this were  
4 just the Energy Commission's issue entirely, then we'd  
5 probably just have them evaluate proposals that have been  
6 generated internally here as to how we would expend funds.

7 This is an effort to try to --

8 COMMISSIONER COMMONS: Do we expect to come up  
9 in the Energy Commission, like we did last year, with a  
10 set of recommendations for projects to be funded under PVEA  
11 through the Energy Commission?

12 CHAIRMAN IMBRECHT: Certainly, but that's a  
13 separate --

14 COMMISSIONER COMMONS: That would be separate --

15 CHAIRMAN IMBRECHT: A separate process, and what  
16 I would contemplate, Commissioner Commons, is that if our  
17 divisions, for example, come to us through our budget  
18 process with 25 proposals, and we ultimately decide as a  
19 Commission to submit to Finance 15 of those, we're  
20 probably going to choose the ones that come out looking the  
21 best in this study in terms of cost-effectiveness and the  
22 other issues, and so forth, and that will then provide us  
23 a tool to argue to Finance that well, these were proposals  
24 that ranked well, or scored well in this evaluation process.

25 Just from the same perspective, I would guess that

1 other state agencies would likewise use us as a tool to  
2 advocate BCP's that reflect proposals that they have  
3 evaluated by the contract.

4 COMMISSIONER COMMONS: I'd like to ask the  
5 contractor some questions, if I may.

6 CHAIRMAN IMBRECHT: Certainly. Mr. Rosenfeld.

7 COMMISSIONER COMMONS: Normally I would not ask  
8 questions of a contractor where we had gone through a  
9 typical RFP process, but in this instance, it's a sole  
10 source contract, and I generally do not approve of sole  
11 source contracts. I understand that essentially we either  
12 have a sole source contract on this project due to why  
13 we're in this business, and I can't answer it, I don't  
14 think that's relevant. But we either go ahead with you,  
15 or we essentially don't proceed.

16 I've been very concerned since I've been on the  
17 Commission, and I tend to like the approach that has been  
18 detailed in terms of how we evaluate, because it does set  
19 out some procedures. However, we've gone through in many  
20 instances what our procedures are in terms of evaluating  
21 some of these areas.

22 For example, we've had actually major workshops  
23 on how you do a societal or ratepayer test in terms of  
24 doing a cost-effectiveness analysis. What is going to be  
25 the consistency of the procedures that you have used, and

1 what is the awareness of your company with the procedures  
2 that this Commission has been using in evaluating other  
3 types of projects that we are constantly evaluating?

4 MR. ROSENFELD: Well, let's see. First, with  
5 respect to our awareness of your procedures, we've been --  
6 let me stop for a minute and say who we is, because it's  
7 not as homogeneous as you might like to think, Mr. Commons.

8 CHAIRMAN IMBRECHT: For the record, would you  
9 please identify yourself?

10 MR. ROSENFELD: Oh, I'm sorry, yes. I'm Arthur  
11 H. Rosenfeld, and I'm a professor of physics on the U.C.  
12 Berkeley campus, and I'm also the program leader for a  
13 research program which is called energy efficient buildings  
14 research up at LBL.

15 However, the personnel who will work on this are  
16 rather diverse. That is, there are maybe two-thirds of  
17 the salaries indicated in the contract by LBL personnel,  
18 however, LBL has almost no competence, or no experience in  
19 transportation, or in methanol fuels, or some other things.  
20 Most of the rest of those people will come from the UC  
21 system. So I'm speaking for a fairly wide variety of people.

22 However, everybody who's involved in this work  
23 has been involved in the evaluation and planning of programs  
24 like this. So that I think that we have been in the  
25 business of asking what is a consumer cost/benefit, or the

1 societal cost/benefit, or the cost of conserved energy,  
2 or whatever, certainly as long as the Energy Commission.

3 COMMISSIONER COMMONS: Yeah, but I mean, are  
4 you going to follow your guidelines, or DOE guidelines,  
5 or guidelines that have been generally used here within  
6 the Commission? What is the difference between a cost-  
7 effectiveness analysis for the society in your viewpoint,  
8 and the consumer?

9 MR. ROSENFELD: Okay.

10 COMMISSIONER COMMONS: I don't see any methodology  
11 in the proposal as to how you're going to do something, and  
12 your discount rate on large capital projects essentially  
13 affects the ranking and how you view a program, as much as  
14 any other decision that you make.

15 MR. ROSENFELD: Absolutely. Okay, look, I think  
16 we will -- we know perfectly well that we're working for  
17 the CEC, and to repeat Imbrecht's words of 20 minutes ago,  
18 that unless there's confidence that this work was done  
19 impartially and thoroughly, that it's just a waste of time.  
20 So we will obviously try to use CEC criteria and work very  
21 closely with the working group to make sure there are no  
22 ambiguities.

23 Now, one small question, and that is supposing we  
24 do get into a hassle about what's the right implied discount  
25 rate in which to calculate a consumer cost-effectiveness or

1 a societal cost-effectiveness. We are not going to try  
2 to rank anything, so our way out of that I think will be  
3 something which we invented some time ago, we will pick  
4 three implied discount rates, and on all the work we  
5 deliver, we will say, if you want the discount rate to be  
6 as low as three percent real for things like real estate  
7 investments, here is the cost of conserved energy. If you  
8 prefer it to be 15 percent real, because that's what  
9 consumers see when they try to get a home improvement loan,  
10 we'll give you that number too.

11 So you see already here, Mr. Commons, quite a  
12 list of criteria, I guess it runs A through P right now.  
13 We'll try to write them down succinctly, and if there are  
14 uncomfortablenesses about any of those, we will try to  
15 put the spotlight on those, and you may have criteria A,  
16 A-1, A-2, and A-3.

17 I repeat, we're not going to try to do any overall  
18 ranking, but we will try to come up with a document which  
19 makes it possible for you to browse through it very fast,  
20 find the numbers that you need, and the warnings that you  
21 need, and then after that, as Imbrecht says, it's up to  
22 essentially CEC committees and the political process to try  
23 to do rankings. We're going to avoid rankings like the  
24 plague.

25 COMMISSIONER COMMONS: Let me --

1           MR. GERTNER: Excuse me, Commissioner, I think I  
2 could also just add this. The staff agrees with your  
3 concerns, and I think this is already covered in the  
4 contract. It states that in developing informational  
5 requirements, the contractor, wherever possible methodologies  
6 and assumptions accepted for use in Energy Commission  
7 proceedings will be used, and also, the informational  
8 requirements that the contractor develops must be approved  
9 by the CEC.

10           COMMISSIONER COMMONS: Let me tell you where my  
11 biggest concern is, other than the concerns that Commissioner  
12 Schweickart has mentioned. To a great extent, we're talking  
13 about introducing programs, some of which are new. A  
14 research organization, professors from the University of  
15 California who are very good theoretically, often will  
16 blow it in terms of understanding how the real world  
17 handles these types of programs.

18           I look at some of the OEO programs, some of which  
19 were very successful in Washington, and some of which  
20 the administrative and burden costs in terms of putting  
21 these programs together ate up much more than some of the  
22 programs accomplished. It's the translation of information  
23 and understanding how the real world functions.

24           You can have the most brilliant idea, the  
25 system won't accept it, and you've got to get into how is

1 the real world going to treat that which we're doing, and  
2 you know, I used to do theoretical economic work. This was  
3 great stuff, you know, I -- really was true. But then when  
4 I went out and talked to an airport manager and said --  
5 he says, I've got these guys coming in on some planes,  
6 and this is the way they're going to do it, this is the  
7 way they've lived. You're right, but this is the way it  
8 operates.

9           It's the translation of this very large sum of  
10 money into a real world situation that's built on existing  
11 organizations, and structures, and relationships, and  
12 how you fit into that which is going to be -- you know,  
13 suddenly we're going to move out of this process, with  
14 40 abstract projects, 15 different criteria, 3 different  
15 discount rates -- my goodness, I'll need a computer  
16 programmer to do that, and I won't even know how to  
17 evaluate or rank one of these criteria versus another, and  
18 we never have gotten down to, you know, the real nuts  
19 and bolts issues. Which of these programs are going to  
20 probably work, and which of them are risky.

21           Where is the administrative cost going to run  
22 over so we're not going to get the -- this is very  
23 important dollars to the state, and it doesn't come out in  
24 terms of, you know, that which we're going to do.

25           MR. ROSENFELD: Okay. I think I can reassure you

1 on the question of do we keep up with how programs actually  
2 work, or whether they fall flat on their face. In the sense  
3 that that is an area in which I personally pride myself,  
4 and in which we have a pretty substantial grouping really,  
5 which is called building energy data, and we have pioneered  
6 along with Erik Hurst at Oakridge, who is also part of  
7 this consulting, in doing actual evaluations of what  
8 worked and what didn't.

9 That is, in -- what we've been doing for the  
10 last few years, and we publish this regularly in the  
11 literature, is to look at -- after a certain program got  
12 done, weatherization, let's say, how many Btu were saved,  
13 not how many were predicted to be saved, but how many  
14 were saved. How much did it cost the purchaser of the  
15 weatherization program. How much did it cost in  
16 administrative costs. We keep track of all of that.

17 In fact, if anything, we've gotten ourselves  
18 somewhat unpopular in some communities by showing that  
19 some weatherization techniques don't work, are worth a darn,  
20 even though they do on paper, and in general, we have, I  
21 think pioneered doing honest a posteriori accounting  
22 to see whether things work.

23 COMMISSIONER COMMONS: Can you describe to me  
24 how you were selected as sole source contractor?

25 MR. ROSENFELD: I did absolutely nothing except

1 pick up the phone one day when Karen Griffin called and  
2 say she would like to know if we were interested.

3 COMMISSIONER COMMONS: And there were no private  
4 or other agreements?

5 MR. ROSENFELD: Zero.

6 COMMISSIONER COMMONS: Okay. I'd like to go back  
7 to your concerns, Rusty. If you were to make the motion,  
8 I would second it and support it. If the motion were  
9 defeated, it is my feeling that first of all, there's been  
10 an awful lot of good will and good work that's been  
11 expended in trying to proceed, and I think it's important  
12 for this Commission to have trust to the different people  
13 who have done things, although I agree with a lot of what  
14 you're saying and would support it, I also feel that the  
15 spirit of what has been attempted to have been done here  
16 has been essentially done with a lot of what you've said  
17 has been taken into consideration.

18 We as a Commission are to function, then it's  
19 my feeling that I sometimes need to grant trust to people  
20 who put things together, and in this instance, it's more  
21 important that we proceed, I'm glad that you raise it.  
22 I'll support you on it, but I will support the main motion.

23 CHAIRMAN IMBRECHT: Okay, thank you. I believe  
24 that gets us close to resolution of this. Mr. Ward, you  
25 have something that you want to raise, and we have one

1 person that wants to testify as well.

2 EXECUTIVE DIRECTOR WARD: Yeah, I have just a  
3 couple of quick issues. I think that I would like to have  
4 some flexibility on the salaries and wages, Exhibit C, which  
5 dictates the times to be -- that are specified there for  
6 the various personnel, some of which are by name, so to  
7 work that out in the Executive Office after your adoption  
8 today. It would be within the same dollar -- no dollar  
9 changes, just various times and concerns.

10 COMMISSIONER COMMONS: Well, why don't we make a  
11 motion to strike the -- everything other than the \$49,065.

12 EXECUTIVE DIRECTOR WARD: That would be fine.  
13 I think simply a motion that would allow me the flexibility  
14 to make changes with -- after discussions with LBL would  
15 be sufficient, but whatever you wish.

16 CHAIRMAN IMBRECHT: And the Oversight Committee.

17 EXECUTIVE DIRECTOR WARD: And the Oversight  
18 Committee.

19 CHAIRMAN IMBRECHT: Fine. Does that require a  
20 motion, counsel?

21 MR. CHAMBERLAIN: Well, we could simply add a  
22 sentence at some point in the contract that indicates that  
23 the Executive Director in consultation with the Oversight  
24 Committee may modify the percentages --

25 CHAIRMAN IMBRECHT: The personnel allocations.

1 MR. CHAMBERLAIN: The personnel allocations  
2 within the budgeted dollars.

3 CHAIRMAN IMBRECHT: Okay, fine. When we make the  
4 main motion, we'll include that as part of the motion, let  
5 the record reflect.

6 COMMISSIONER COMMONS: I also have no objection  
7 of this contract being assigned to the existing Budget  
8 Committee.

9 CHAIRMAN IMBRECHT: All right.

10 COMMISSIONER SCHWEICKART: Let me just ask a  
11 question, though. Is there an intention at this point to  
12 change the allocation and time of the various people listed  
13 that the Commission can be informed of?

14 EXECUTIVE DIRECTOR WARD: Based on some discussions  
15 that I have had with members of the working group and  
16 Commissioners, it was my sense that if there was any  
17 concerns about the contract, it had to do with certain  
18 areas of expertise, and so I wanted to retain some  
19 flexibility in consultation with everyone involved to be  
20 able to make some of those adjustments after discussions  
21 with the groups mentioned in LBL.

22 Further, I might indicate that the Department of  
23 Finance who is chairing a task force that was convened by  
24 the Governor on the future disbursement of Petroleum  
25 Violation Escrow Account monies has requested that they

1 review this contract in total, once it's adopted by the  
2 Commission. So I think there is a very significant interest  
3 on the part of the Department of Finance in this contract,  
4 and I want to make sure that we have the opportunity to  
5 make sure it's as credible a document as possible, and  
6 that's primarily my concern.

7 CHAIRMAN IMBRECHT: Let me just mention as well  
8 that I think it is very important that we, and I think  
9 probably you on behalf of us communicate to the leadership  
10 of LBL and perhaps with the good offices of the Department  
11 of Finance as well, that while this contract sum is not  
12 great in some context of \$150,000, the implications of  
13 this work are dramatic for the state, and express our  
14 hope that LBL recognizes that very clearly in terms of  
15 assignment of personnel attention and focus on this matter.

16 EXECUTIVE DIRECTOR WARD: Precisely. It's my  
17 sense that the Department of Finance is very concerned,  
18 given the magnitude of the dollars involved and recognizing  
19 the total amount of the contract as being less significant  
20 than the effect on the outcome as being a very, very  
21 important issue, and thus has asked for that review of this  
22 contract.

23 CHAIRMAN IMBRECHT: Okay. I think we're getting  
24 close. Ms. Dina Hunter wants to testify on this matter.

25 COMMISSIONER GANDARA: Mr. Chairman, if I may

1 before that.

2 CHAIRMAN IMBRECHT: Pardon me, I'm sorry.  
3 Commissioner Gandara.

4 COMMISSIONER GANDARA: I do believe that there is  
5 perhaps a minor matter that needs to be clarified from our  
6 contracts attorney regarding some language, and guidelines  
7 and so forth. Ms. Chesbrough.

8 MS. CHESBROUGH: Could you repeat your question?  
9 I have one concern here in light of the Executive Director's  
10 speaking to the issue of Finance scrutinizing this contract,  
11 not an objection to that, it's just allowing some  
12 flexibility on the part of the Commission to change the  
13 work statement, perhaps, based on input from other agencies  
14 in its review. We don't have that flexibility right now.

15 You may want to include some kind of contractual  
16 language that says that you do reserve the right to change  
17 the work statement. Right now it would just stand as it is.

18 CHAIRMAN IMBRECHT: I think that's good, because  
19 I think that also tends to respond to Commissioner  
20 Schweickart's concern that --

21 MS. CHESBROUGH: It could, because then it could  
22 be modified later to reflect what actually happens.

23 CHAIRMAN IMBRECHT: As to the other issues of  
24 working with -- does that help a little bit? All right,  
25 fine. Why don't we include boilerplate as to that as well.

1 Okay, now, Mr. Dina Hunter -- Ms. excuse me.

2 MS. CHESBROUGH: Do you still -- I still --

3 COMMISSIONER GANDARA: Yes.

4 MS. CHESBROUGH: Could you repeat your question?

5 COMMISSIONER GANDARA: The issue of the legal  
6 interpretations of guidelines.

7 MS. CHESBROUGH: To the guidelines of the DOE  
8 guidelines listed in here? I think that that would be  
9 including not only the regulatory guidelines, but whatever  
10 practical guidelines they have, they have received on a  
11 case-by-case basis, but it definitely includes the  
12 legalities.

13 COMMISSIONER GANDARA: What that is is that --  
14 as I'm informed, that there might at some point be a need  
15 to interpret guidelines that might be changing, or so  
16 forth, at DOE, and that it would be our legal counsel, I  
17 guess, that we would rely upon for those particular  
18 interpretations.

19 COMMISSIONER SCHWEICKART: You're suggesting  
20 that this same clause would apply to any change in the federal  
21 guidelines that would control --

22 COMMISSIONER GANDARA: Yes.

23 CHAIRMAN IMBRECHT: I understand, and I think  
24 that's appropriate, because in a number of conversations  
25 I've had with representatives of DOE, in the last several

1 months, I know that they are contemplating some changes  
2 which would provide greater flexibility to the states in  
3 utilization of these funds.

4 Now, Ms. Hunter.

5 MS. CHESBROUGH: I think that Commissioner  
6 Gandara's concern deals with the evaluation criteria on  
7 task 6 on A10, where it talks about conformance with DOE  
8 rules. I think that there it would be important to have  
9 some input from the legal office, along with the working  
10 group, and the advisory group, and the different committees,  
11 and that could be done through the internal workings of the  
12 Commission, just in their input.

13 CHAIRMAN IMBRECHT: That's right. That would  
14 be anticipated to begin with. Now, Ms. Hunter.

15 MS. HUNTER: Very good, thank you. Thank you  
16 for this opportunity to comment on the Petroleum Violation  
17 Escrow Account evaluation contract. Edison has been  
18 following with great interest the progress of PVEA funds  
19 in California, because of its potential impact on, and  
20 opportunities for our customers.

21 Edison also recognizes the complexity and  
22 planning dilemmas faced in developing alternatives for  
23 effective spending of PVEA funds, particularly in view of  
24 the short time frame within which proposals are to be  
25 developed. Therefore, in developing the criteria for

1 evaluation of PVEA proposals, Edison offers the following  
2 comments for your consideration.

3           Because the major portion of PVEA funds are  
4 subject to Warner amendment restrictions, and must be  
5 used for energy conservation programs, Edison would  
6 encourage maximum coordination with affected public and  
7 private sector agencies, including utility companies.  
8 Some of these concerns and comments have already been  
9 covered by your introductory comments, but I'll proceed  
10 anyway.

11           Every effort should be made to simplify the  
12 proposal process in order to maximize innovation and  
13 promote cost-effective operation. Additionally, every  
14 possible effort should be made to extend opportunities  
15 to all segments of the public and private sector, including  
16 participation in the planning stages and process, and  
17 consideration as to the potential PVEA contract recipient.

18           In planning the scheduled workshops in August,  
19 consider too the need to host these workshops throughout  
20 the state in order to accommodate maximum and broad-based  
21 input from a geographic as well as climatic standpoint.

22           Because the interim report is due to be completed  
23 I believe sometime in July, please too consider and under-  
24 stand the immediate problems when requesting information  
25 such as end-use or other consumer based information from

1 utility companies.

2 One area of concern with the CEC's initial  
3 criteria, page A10, Item C is that in designing conservation  
4 programs to meet low income needs, many times cost-  
5 effectiveness calculations tend to significantly limit the  
6 types of programs which are most in need or demand by that  
7 particular customer group.

8 It is hoped that when evaluating the low income  
9 programs, cost-effectiveness requirements will be  
10 tempered and subordinated by the actual low income needs.

11 In closing, we are excited about the possibility  
12 that PVEA funds offer our customers, and look forward to  
13 assisting the Commission, other state agencies, Lawrence  
14 Berkeley Laboratory, and potential contractors or applicants  
15 in any way possible. If there are any questions I'd be  
16 glad to address them.

17 CHAIRMAN IMBRECHT: Thank you very much. I think  
18 you are correct that they do contemplate the process that  
19 you've recommended.

20 MS. HUNTER: Very good, thank you.

21 CHAIRMAN IMBRECHT: Any questions? Does anyone  
22 else wish to be heard on this matter? Okay. We need a  
23 main motion to pursue this. I will move adoption of the  
24 contract with the two amendments specified. Do I hear a  
25 second?

1 COMMISSIONER SCHWEICKART: Could I ask before  
2 the second, could you be a little more specific about the  
3 two -- the initial statement, I take it, that was made at  
4 your introduction, and the recommendation of Ms. Chesbrough?

5 CHAIRMAN IMBRECHT: Yeah, the two elements I  
6 would contemplate is one relative to the flexibility as  
7 to allocation of personnel, and secondly, the -- I believe  
8 Mr. Chamberlain stated on the record what that amendment  
9 would be, and secondly, the boilerplate that was likewise  
10 suggested that would allow us to modify the work statement  
11 subsequently, which would be all issues within the work  
12 statement, including the conduct or methodology if you will,  
13 of the working group, et cetera.

14 COMMISSIONER SCHWEICKART: For your consideration,  
15 while you're still making the main motion, it's not clear  
16 to me that that covers some of the remarks that you made  
17 at the outset, introducing the item, referring to some of  
18 the concerns that Commissioner Gandara had, and whether  
19 they are -- also need amendment.

20 CHAIRMAN IMBRECHT: Well, I think that I did --  
21 correct me if I'm wrong, but I think I did respond to his  
22 concerns by virtue of the direction I provided to staff as  
23 to preparing the order for the next business meeting. In  
24 our discussions I believe that that is what he had  
25 requested of me, so --

1 COMMISSIONER SCHWEICKART: All right.

2 CHAIRMAN IMBRECHT: Okay, I think -

3 COMMISSIONER COMMONS: Okay, one second --

4 COMMISSIONER GANDARA: I'll second it.

5 CHAIRMAN IMBRECHT: Okay, seconded by Commissioner  
6 Gandara. Commissioner Schweickart, do you wish to proceed,  
7 or --

8 COMMISSIONER SCHWEICKART: No, with the  
9 amendment proposed, that's acceptable, and I think that's  
10 fine.

11 CHAIRMAN IMBRECHT: All right fine. Commissioner  
12 Commons?

13 COMMISSIONER COMMONS: What would happen if at the  
14 next business meeting, the request that you had made  
15 wasn't supported by the Commission?

16 CHAIRMAN IMBRECHT: Well, the contract would  
17 go forward in its current form, and we would be short of  
18 having formally adopted an advisory committee pursuant to  
19 Commissioner Gandara's concerns.

20 COMMISSIONER GANDARA: Always reconsider the  
21 contract.

22 CHAIRMAN IMBRECHT: I suppose that's an option  
23 as well. I frankly don't see that as a problem, to be  
24 honest with you.

25 COMMISSIONER COMMONS: Okay. I just didn't want

1 to get us in a box where we couldn't get out.

2 CHAIRMAN IMBRECHT: Okay. Well, I'm looking on  
3 at the prospect that we will have a fifth vote on the  
4 Commission as well, which will help us resolve some of  
5 these matters by that time. Okay.

6 MR. PEREZ: Chairman Imbrecht?

7 CHAIRMAN IMBRECHT: Yes, Ernesto?

8 MR. PEREZ: I'll allow you to vote first, and  
9 then I'll ask my question of information. Excuse me.

10 CHAIRMAN IMBRECHT: Not prior to the vote, we  
11 can go ahead now. All right, fine. Then I take it there  
12 is no objection to a unanimous roll. Hearing none, that  
13 will be the order, ayes 4, noes none, the contract is  
14 adopted along with the amendments previously enumerated.

15 MR. PEREZ: Could I get an explanation as to the  
16 overlay between the regulations which have been filed at  
17 OAL for purposes of administering the schools and hospitals  
18 program, and the criteria to be prepared by LBL under this  
19 contract proposal, in light of the fact that the OAL filing  
20 specifies that its purpose is to specify the eligibility  
21 criteria and allocation procedures to be followed by the  
22 Energy Commission in implementing the Energy Conservation  
23 Assistance Act, Sections in Title 42, 6371, which is our  
24 schools and hospitals program.

25 CHAIRMAN IMBRECHT: Well, that is an existing,

1 ongoing program, and I'm not sure I fully understand the  
2 question, and we obviously --

3 MR. PEREZ: Does somebody have to go through the  
4 program that may be created by LBL and the working group  
5 in addition to, or as an alternative to the procedures  
6 that are specified in the regulations and on file at OAL?

7 CHAIRMAN IMBRECHT: What? I would certainly --  
8 let me try this as a -- you know, I would certainly  
9 contemplate that one of the proposals that this Commission  
10 will be submitting to the working group is obviously  
11 continued funding at some level for the schools and  
12 hospitals grant program. I would be very surprised if  
13 that were something that we did not uniformly support.

14 MR. PEREZ: I guess the question I'm raising is  
15 one of procedure.

16 COMMISSIONER GANDARA: I think what Mr. Perez  
17 is asking is whether --

18 CHAIRMAN IMBRECHT: Help me understand that.

19 COMMISSIONER GANDARA: I think what Mr. Perez is  
20 asking is whether the criteria to be developed will have to  
21 be noticed as a -- as potential regulations, or a rulemaking  
22 activity and whether they would modify the existing rules  
23 and regulations that have been filed. I think that's what  
24 you're asking, the implication of what you're raising,  
25 anyway.

1           MR. PEREZ: Yes. The impression I've gotten all  
2 along in the last year and a half, two years in which the  
3 Commission has struggled with OAL requirements, is that  
4 anything that you designate as criteria for the administra-  
5 tion of programs is a primary target area for their rule-  
6 making process.

7           CHAIRMAN IMBRECHT: I would just suggest that  
8 perhaps the distinction of this is not criteria for the  
9 administration of a program, this is criteria for the  
10 evaluation of perspective proposals, nothing more than that,  
11 and in one instance, you're talking about administration  
12 of actual disbursement of funds to recipient hospitals and  
13 schools, et cetera, that clearly requires a regulatory  
14 framework that ensures equal treatment of all similarly  
15 affected parties.

16           In this instance, we're not actually talking about  
17 disbursement of funds, or anything of that nature. We're  
18 talking about evaluation of proposals with a similar  
19 yardstick applied to each of them, and the ultimate  
20 disbursement issues will come much later.

21           COMMISSIONER COMMONS: I'd like legal counsel  
22 to respond.

23           CHAIRMAN IMBRECHT: Legal wants to try that?

24           MR. CHAMBERLAIN: Yeah. Well, I agree with the  
25 Chairman. I think there's a distinction here between the

1 preparation of recommendations, or evaluations for use by  
2 the Legislature, and the actual implementation of the  
3 program. Whatever funds would be recommended under the  
4 schools and hospitals program for funding, and would be  
5 funded by the Legislature, of course, would continue to be  
6 administered in accordance with the criteria of our  
7 regulations.

8           There were other areas in which there were  
9 recommended funding, we might very well have to adopt a  
10 similar set of regulations for those kinds of programs,  
11 but --

12           CHAIRMAN IMBRECHT: My understanding, if we came  
13 up with a new proposal, a program that we currently did not  
14 administer, if that ultimately were ranked, or evaluated  
15 favorably by the contractor, that in turn was persuasive  
16 to the administration and the Legislature, and they  
17 ultimately appropriated such funds in the coming budget  
18 cycle, and that program then was repositied here at the  
19 Energy Commission, we would have to then adopt appropriate  
20 regulations as to the administration of that program, just  
21 as we have already done with respect to the schools and  
22 hospitals program.

23           COMMISSIONER GANDARA: Mr. Chairman, I think we  
24 might dispose of this by simply noting that if we're just  
25 to get a written opinion from counsel, that I think that

1 in striving toward that concensus of the work, it might  
2 be raised again in any case, so we might as well address it  
3 up front.

4 CHAIRMAN IMBRECHT: We'll offer that direction  
5 too. Okay. Looking at the hour, let me see quickly --  
6 I think we may be able to -- we're close to concluding.  
7 Let's take up Item 5, contract with CIC Research, Inc.  
8 for \$5,430 to retain the services of Katherine Wilson,  
9 a Ph.D. who will participate on behalf of the CEC in the  
10 technical peer review of ARCO/SOHIO/Dupont sponsored air  
11 quality study of potential benefits of methanol as an  
12 alternative transportation fuel.

13 COMMISSIONER SCHWEICKART: If you get it on the  
14 floor, I'll move it.

15 CHAIRMAN IMBRECHT: Moved by Commissioner  
16 Schweickart, seconded by Commissioner Commons. Mr. Smith,  
17 if there is no controversy associated with this, I would  
18 suggest we probably do not need a presentation, unless  
19 there --

20 MR. SMITH: There is none to my knowledge.

21 CHAIRMAN IMBRECHT: -- are Commissioner questions.  
22 Are there any?

23 COMMISSIONER GANDARA: No, I'm abstaining, but  
24 not --

25 CHAIRMAN IMBRECHT: Abstaining, okay. Is there

1 anyone that wishes to be heard on Item 5? Okay. With the  
2 exception of Commissioner Gandara's abstention, is there  
3 objection to a unanimous roll call? Hearing none, that  
4 will be the order, ayes 3, noes none, one abstention.

5 Let's see. Under Item 7, I believe Commissioner  
6 Commons has a proposal for interim committee assignments.  
7 Basically, the issue is that under our regulations, during  
8 the period while we have a vacancy on the Commission,  
9 those Committees which only have one member currently, in  
10 the event that there was any business which must be  
11 transacted by the Committee's they would be incapable of  
12 doing so.

13 Commissioner Commons has suggested an interim  
14 assignment pending the fifth appointment to the Commission.  
15 These will be temporary assignments only, no change in  
16 the other remaining member of the Commission that is  
17 currently on those Committees. Simply, this is really  
18 more procedural than anything else.

19 So, Commissioner Commons moves, and I will second  
20 that the following interim assignments be made pending the  
21 appointment of our fifth Commissioner. Loans and Grants  
22 Committee, Commissioner Gandara presiding, myself second.  
23 Tax Credits, Commissioner Schweickart presiding, Commissioner  
24 Commons second. Building Standards, Commissioner Schweickart  
25 presiding, Commissioner Gandara, second. Utility Programs,

1 Commissioner Commons presiding, Commissioner Schweickart  
2 second. Siting Procedures, Commissioner Commons presiding,  
3 myself as the second member. Is --

4 COMMISSIONER COMMONS: A slight wording change,  
5 not until he is appointed, but until the Commission adopts  
6 a new Committee order.

7 CHAIRMAN IMBRECHT: That's fine, that's fine,  
8 until -- and I would not prejudice it by suggesting the  
9 gender of who the appointee is going to be.

10 COMMISSIONER COMMONS: Until the new Commissioner,  
11 until we select -- until the Commission --

12 CHAIRMAN IMBRECHT: We understand. Okay, is  
13 there objection to that motion? Hearing none, ayes 4,  
14 noes none, and those assignments have been made.

15 COMMISSIONER COMMONS: Mr. Chairman, we will  
16 hold over --

17 CHAIRMAN IMBRECHT: And we will hold over until  
18 the next business meeting the remainder of that item's  
19 consideration, namely realignment of Commission Committees  
20 and assignment of Commissioners to those Committees.

21 COMMISSIONER GANDARA: We haven't had minutes to  
22 approve for some time --

23 CHAIRMAN IMBRECHT: For some time, and I'm a  
24 little curious about that myself, but we're going to have  
25 to approve a lot of minutes, for several meetings.

1 EXECUTIVE DIRECTOR WARD: I'm curious about it  
2 myself. We'll follow-up.

3 CHAIRMAN IMBRECHT: We'll follow that up at the  
4 next business meeting. Thank you.

5 Are there any Commission Policy Committee  
6 reports to be offered at this time? Commissioner Commons?

7 COMMISSIONER COMMONS: Yes. There will be a  
8 briefing given to this Commission, I believe the first  
9 meeting in March on both the methodology that is being used  
10 in evaluating load management programs, and then we've  
11 invited Edison to make a presentation as to how they view  
12 load management as an organization, which would give us a  
13 prelude, I think, and help us in terms of coming and  
14 looking at the program recommendation that would come at  
15 the subsequent business meeting.

16 There will also be a joint hearing of the PUC and  
17 the CEC, a workshop, actually, not a hearing, on the 24th,  
18 at Southern California Edison, and as the new Committee  
19 member, Commissioner Schweickart, you're invited.

20 CHAIRMAN IMBRECHT: Okay, thank you very much.  
21 General Counsel, do you have a report?

22 MR. CHAMBERLAIN: I just have two items of  
23 litigation that I need to discuss in closed session.

24 CHAIRMAN IMBRECHT: Excuse me?

25 MR. CHAMBERLAIN: Just two items of litigation

1 that I need a closed session for.

2 CHAIRMAN IMBRECHT: Yes, fine. We will do that.  
3 We are not going to adjourn, because there's an item that  
4 Commissioner Commons needs to address there as well, and  
5 there's potentially a need to return to public session.

6 Executive Director's Report?

7 EXECUTIVE DIRECTOR WARD: A couple of quick items.  
8 First of all, we are not going to be going through the  
9 second quarterly review as most of you, I think, already  
10 know, we'll be doing that at the next business meeting.

11 COMMISSIONER COMMONS: I was not aware of that.  
12 In fact, I'd been told by your office earlier this week  
13 that we were proceeding to go --

14 CHAIRMAN IMBRECHT: It is not the Executive  
15 Office's fault, if you will. It was the fact that we had  
16 inadequate time, the Budget Committee, to consider it and  
17 make a recommendation to the full Commission. We will  
18 certainly handle that responsibility before the next  
19 business meeting. It entirely rests -- I should take  
20 responsibility for it as Presiding Member of that Committee.  
21 It had to do with the exigencies of preparing for Little  
22 Hoover and other things.

23 EXECUTIVE DIRECTOR WARD: Second, we are going to  
24 be mailing out on our consolidated list in February, a new  
25 publications catalogue, which is, I understand, much --

1 we've consolidated a number of the listings, and so a lot  
2 of the kinds of things that were evidenced to me, at least  
3 at the onset of my appointment, seem to be coming together,  
4 and I think the respondents will be very happy with that.

5 Thirdly, we have issued a Commission affirmative  
6 action policy statement, and we're currently in the process  
7 of developing goals and time lines towards a very, I think,  
8 significant affirmative action policy in terms of potential  
9 recruitment that we'll be going through in the next 90 to  
10 120 days.

11 CHAIRMAN IMBRECHT: I appreciate that in particular.  
12 I have not had a chance to report to the remainder of the  
13 Commission, but the Governor has been holding quarterly  
14 meetings of the heads of all agencies and boards and  
15 commissions, and so forth. The last such meeting was  
16 conducted last week, and in his remarks to his assembled  
17 appointees, he stressed in no uncertain terms, his own  
18 desire to see such policies proceed.

19 So I'm glad to see that we've got something moving  
20 in that direction, and I thank Commissioner Gandara for  
21 raising that issue as well. Anything further?

22 EXECUTIVE DIRECTOR WARD: No.

23 CHAIRMAN IMBRECHT: Commissioner Commons?

24 COMMISSIONER COMMONS: In the quarterly review,  
25 would you also please address -- we allocated, I believe,

1 two person years to doing long-range planning for this year,  
2 and I've not heard how we're proceeding on that, and where  
3 we're going, and can we please include that in the quarterly  
4 review.

5 CHAIRMAN IMBRECHT: Okay, fine. Is there any  
6 member of the public who wishes to address the Commission?  
7 Hearing none, we will recess for executive session, subject  
8 to the call of the Chair to return to public session in the  
9 event that that is required.

10 If not, we will announce adjournment at the  
11 conclusion of the executive session.

12 (Off the record, executive session.)

13 CHAIRMAN IMBRECHT: The meeting is hereby adjourned.

14 (Thereupon the business meeting of the California  
15 Energy Conservation and Development Commission was adjourned  
16 at 1:39 p.m.)

17 --o0o--

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## 1 REPORTER'S CERTIFICATE

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3 THIS IS TO CERTIFY that I, Sabrina Schmidt,  
4 Reporter, have duly reported the foregoing proceedings  
5 which were had and taken in Sacramento, California, on  
6 Wednesday, February 8, 1984, and that the foregoing  
7 pages constitute a true, complete and accurate transcription  
8 of the aforementioned proceedings.

9 I further certify that I am not of counsel or  
10 attorney for any of the parties to said hearing, nor in  
11 any way interested in the outcome of said hearing.

12  
13 

14 Sabrina Schmidt

15 Dated this 16th day of February, 1984.  
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