STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

CALIF. ENERGY COMMISSION
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BUSINESS MEETING

1516 NINTH STREET

1st FLOOR HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, FEBRUARY 22, 1984

10:20 A.M.

Reported by: Patricia A. Petrilla

Video/Audio Recording Services, Inc.
2100 - 28th Street
Sacramento, California 95818
(916) 452-2653

1 COMMISSIONERS PRESENT

2 Charles R. Imbrecht, Chairman

3 Arturo Gandara, Vice Chairman

4 Russell L. Schweickart, Commissioner

5 Geoffrey Commons, Commissioner

6 Barbara Crowley, Commissioner

7 EX OFFICIO

8 Bill Foley

9 STAFF PRESENT

10 Randall M. Ward, Executive Director

11 Kent Smith, Deputy Director

12 William Chamberlain, General Counsel

13 Paul Gertner

14 Don Kondoleon

15 Steve Cohn

16 Mike Jaske

17 Luree Stetson

18 Lorri Gervais, Secretary

19 PUBLIC ADVISOR'S OFFICE

20 Ernesto Perez

21 Gary Heath

22 ALSO PRESENT

23 Eleanor Cohen, Executive Committee of SCAG

24 Stuart Wilson, Sacramento Municipal Utility District

25 J. Peter Baumgartner, Pacific Gas and Electric Company

1 ALSO PRESENT (Con't.)

2 Roger Johnson, Los Angeles Department of Water and Power

3 Patricia Fleming, San Diego Gas and Electric Company

4 Richard N. Kleeberg, Southern California Edison

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1 P R O C E E D I N G S

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3 CHAIRMAN IMBRECHT: Will the meeting please come
4 to order. Let me begin by welcoming on behalf of my fellow
5 Commissioners, our newest Commissioner, Ms. Barbara Crowley.
6 Barbara, it's a delight to have you with us, and congratula-
7 tions on your appointment, the trust the Governor has
8 deposited in you. Thank you for joining us.

9 COMMISSIONER CROWLEY: I really appreciate the
10 opportunity to work with you.

11 CHAIRMAN IMBRECHT: We have a few housekeeping
12 items. The agenda has been the recipient of substantial
13 surgery. Item No. 1 is postponed until the March 8th
14 business meeting, as is Item No. 5 and Item No. 8. Item
15 No. 2, is in effect moot for this business meeting, in that
16 the Executive Director did accept the NOI filing by the
17 joint developers of the proposed Geothermal Public Power
18 Line Project.

19 We are prepared, if there are any questions on
20 that, for staff to respond to them, but as a practical
21 matter, that is indeed a moot item for this business meeting.

22 As for the remainder of the morning, we will
23 consider Items 3 and 4. Item 6 we have noticed as a
24 special order at 1:30 p.m., after consideration of Items 3
25 and 4, we will then turn to a review of our work plan and

proposed March change letters for the budget process. If there is time remaining in the morning session, we will then turn to an executive session. There are a number of items that General Counsel has requested an executive session on, and finally, we'll return to Item No. 7, and Committee reports at the conclusion of the other business which I have just enunciated.

With that, we'll turn to Item No. 3, which is Commission consideration and possible approval of the Petroleum Violation Escrow Account Interagency Working Group pursuant to the Commission resolution governing the creation and conduct of advisory groups.

DEPUTY DIRECTOR SMITH: Mr. Chairman, Paul Gertner is here to present that item.

CHAIRMAN IMBRECHT: Thank you, Mr. Smith.

MR. GERTNER: At the last business meeting, the Commission approved a contract with LBL, and in the proposal here before you is to approve the working group which is discussed in that contract with LBL, and approval of the working group is required by a Commission resolution that was adopted on January 11th of this year.

As stated in the backup, in the description of the working group, the working group would advise the CEC Budget Committee as specified in the LBL contract, and there's three areas in that contract, primary areas of

1 advice, where the advice would be given.

2 One is on the informational requirements for

3 evaluating proposals. The second is on which proposals

4 should be evaluated during Phase I, wherein the agencies

5 would be submitting proposals for review, and LBL is

6 limited to 40 proposals. The third instance, they would

7 be providing advice to the Committee on which proposals

8 LBL should evaluate based on the public workshops.

9 In designing how this group would operate, we've

10 considered a number of objectives. One is, the PVEA funds

11 will ultimately be allocated to the budget process, and

12 what we're attempting to achieve here is bringing as many

13 agencies in early on as possible so that at the conclusion

14 of our study, we will hopefully have achieved a concensus

15 among the agencies, and have a cooperative proposal which

16 is consistent with the LBL analysis, and with the Energy

17 Commission's policies.

18 That hopefully would make the budget process more

19 efficient, more rational, and it would be less competition,

20 perhaps, between agencies, and more of a cooperative effort.

21 We're also attempting to keep this process from

22 becoming too cumbersome. There's a tremendous amount of

23 interest in the PVEA funds, and a lot of different agencies

24 and individuals want to get involved in how the money is

25 going to be allocated, and really, the reason for delegating

1 authority to the Executive Director as recommended here, is
2 simply an effort to keep things from getting too cumbersome,
3 and therefore, we are recommending that the Executive
4 Director be delegated the authority to appoint the
5 Chairperson, the CEC representatives, and also to invite
6 other agencies to participate.
7 The work of the working group would be -- it
8 would be oversight by the Budget Committee, and ultimately,
9 the Commission as a whole. Advisers could attend the
10 Budget Committee meetings and keep the other Commissioners
11 informed of the advice being given by the working group,
12 and Commissioners would have the option of requesting that
13 issues be brought before the whole Commission at any time.
14 The working group, as stated in the order
15 approving it, would be subject to the open meetings act,
16 and that means that any member of the public may attend,
17 and anyone that wants to be informed of the meeting dates
18 and provided with backup materials has a right to receive
19 those things.
20 Finally, I'd like to point out that the LBL
21 contract involves approximately 1.5 PY and staff time to
22 manage the contract, and also do the work related to the
23 working group with that contract. Out of the 1.5 PY, we
24 estimate that .3 PY would be directly related to participating
25 in this working group and helping it function.

1 So, with that, I'll just open up to any questions.
2 COMMISSIONER GANDARA: Are there any questions
3 from the Commission? Mr. Gertner, let me perhaps just
4 comment that it's my recollection that the staff was
5 directed to prepare the advisory committee materials and
6 resolution in such a way as to reduce the ambiguity, and
7 reduce, perhaps, the concern over some lack of specificity
8 in the original LBL contract.
9 It appears that the resolution, however, and
10 the materials, refer back to the LBL contract. We have
11 two documents that are referring to each other, without
12 a corresponding reduction in some of that ambiguity, or
13 an increase in specificity.
14 I mention that to you because I think it is a
15 concern among some of the Commissioners, and I frankly,
16 that was some of the feedback that my office gave you.
17 Now, I don't know where to go from here. Do any other
18 Commissioners have any comments with respect to this?
19 COMMISSIONER SCHWEICKART: Well, I have exactly
20 the same problem. Again, without having before me the
21 actual words from the last business meeting, it's my clear
22 recollection that part of the charge in defining the --
23 or directing the staff to prepare the materials relevant
24 to the advisory committee, was to specifically state, or
25 explicitly state and define the responsibilities and

1 authority of the working group in order to minimize down-
2 stream conflict and confusion and problems.
3 I understand from talking with Mr. Gertner that
4 there is a strong desire on the part of the staff to
5 maintain flexibility and to provide an environment in which
6 good relations can be maintained through some flexibility.
7 It's my own experience, however, that when you're dealing
8 with money, that you're better off in terms of maintaining
9 good relationships if the specific authority and responsi-
10 bilities and work tasks are well defined, rather than
11 loosely defined.
12 As a result, I find it difficult to support the
13 proposal before us today which simply refers back to what
14 we in essence rejected last week as the mechanism for
15 defining the authority and responsibility of the working
16 group.
17 So I quite agree with Commissioner Gandara and
18 I frankly am not in a position to support the order as it
19 sits before us.
20 MR. GERTNER: I think I could respond to that.
21 The -- I think perhaps there are two issues. One is where
22 the working -- instances in -- where the working group would
23 give advice. I think these are very specifically stated
24 within the contract and it would be very easy to include
25 those within the order adopting the working group.

1 I have a copy of the contract in front of me with
2 those few phrases which state exactly where they would
3 give advice, and what they would provide advice on, and
4 we could go over them, I could put them in the order. It's
5 no problem at all.
6 My understanding of what happened at the last
7 meeting was a desire for more specifics insofar as the
8 membership of the working group, and how -- what the
9 objectives of the group were, what we were telling the
10 members, and how the group was to function in a practical
11 sense.
12 COMMISSIONER GANDARA: Well, there's been, I
13 guess, some added ambiguity. For example, up to now we
14 have been talking about one representative from each agency,
15 and the resolution seems to contain a new concept that was
16 never discussed before, that's this delegation of authority.
17 I mean the whole purpose and the whole idea of
18 the advisory committee was that, you know, prior to
19 creation of these committees that we would have before the
20 Commission a very specific purpose, very specific proposal
21 for who's going to be involved, very specific proposals as
22 to who would be chairing the meetings, and so forth, and
23 so on, the amount of time commitment that would be expended
24 by the Commission.
25 The current information really doesn't, by this

1 mechanism of delegation, doesn't provide that specificity
2 to the public or to the Commission. In fact, it expands
3 it now to designate representatives, which implies that
4 there would be more than one representative from the
5 Energy Commission.
6 If that is to be the case, why would that be the
7 case? Now, from my point of view, it seems to me that we
8 could pull this -- I mean, I'd like to act on this item
9 today if we could, and I think that some of the concerns
10 could be addressed if we held this item over, perhaps you
11 worked on it between now and the end of the business meeting.
12 Another possibility would be that if in fact it
13 cannot -- these concerns cannot be addressed, then maybe
14 the two weeks between the last business meeting, and the
15 scheduling of this item was not sufficient to permit the
16 dialogue to occur between the staff and the Commissioners
17 that was expected to come up with a resolution of the
18 concerns of the contract, and perhaps we should postpone
19 it again.
20 In any case, unless there are any other
21 Commissioner comments on this item, I would suggest that
22 for the moment, we hold it over, because I don't think that
23 we have the votes to at least proceed, to resolve this
24 item now, and we might later, but I would hope that what
25 we would try to do is reflect the concerns that have been

1 expressed in changes to the resolution and the materials.
2 For example, I can give you my concern. Where did
3 the idea of delegation of -- I mean, there are three areas
4 here where there's some ambiguity because of this delegation.
5 Where does that crop up, I mean, that's the first I heard
6 of it when I saw this draft. Is there necessity for that,
7 can we just specify who the Energy Commission representatives
8 are?
9 DEPUTY DIRECTOR SMITH: I think I can address
10 that. That was the Executive Director's thought as a way
11 to be able to move forward on this, resolve some of the
12 issues. If the sense of the Commission was that it would
13 be more appropriate for those decisions to be made by a
14 Committee, or by one of the Commissioners, he certainly
15 would be willing to concur in that.
16 This was an offer of a way of getting the
17 decisions made. That's not a critical element.
18 COMMISSIONER GANDARA: Okay, and --
19 COMMISSIONER COMMONS: Can I address that one
20 item?
21 COMMISSIONER GANDARA: Commissioner Commons?
22 COMMISSIONER COMMONS: On that one item, I would
23 not support in this instance where we have, you know, four
24 or five years, maybe eight or ten years of Energy Commission
25 funds resting on a major appointment that either would have

1 to go to the Committee, and if the Committee didn't agree,
2 come to the full Commission, or to the Commission.
3 I would not want to see that very critical
4 appointment delegated, personally.
5 DEPUTY DIRECTOR SMITH: As I say, if it was the
6 sense of the Commission that they prefer that the Committee
7 deal with that, we'd certainly concur.
8 COMMISSIONER COMMONS: I think the Chair of the
9 whole group actually should be part of your resolutions,
10 and the task force, the persons working, should go through
11 the Committee itself.
12 COMMISSIONER GANDARA: Well, my suggestion on
13 number 4, I have no problems with delegating the authority
14 to designate additional representatives, and that seems to
15 be kind of the flexibility that would be required.
16 It seems to me that we just -- the Commission
17 needs to make a decision whether it wants its representative
18 to be the Chairman of the group or not. Is there some
19 concern that perhaps some other agency might want to have
20 the Chair, or is there some interest that we have in having
21 somebody else being the Chair?
22 Because since we have the big responsibility,
23 does it not make sense for the Energy Commission representa-
24 tive to be the Chair?
25 DEPUTY DIRECTOR SMITH: I think this leaves open

1 the possibility of more than one Energy Commission staff
2 participant, and I believe what was being proposed there
3 is what's delegated, and is the choice of who that is, and
4 which of those is likely to be Chair. I haven't heard a
5 proposal that another agency Chair the group.
6 COMMISSIONER GANDARA: Well, okay. It would seem
7 to me, then, that we're in agreement that the Energy
8 Commission representative ought to be the Chair, so that
9 can be specified. The only question is about representatives.
10 Is there some reason that the Energy Commission needs more
11 than one representative in terms of formal representation
12 on this working group?
13 MR. GERTNER: I think the thought there was that
14 the Chairperson should not -- there should be a separate
15 representative so that the Chairperson could assume a more
16 neutral stance.
17 DEPUTY DIRECTOR SMITH: Let me make a general
18 comment.
19 COMMISSIONER GANDARA: That does make sense, but
20 I think the question then is would there be some concern
21 expressed, then, by the fact that there would be two
22 Energy Commission representatives, and all the other agencies
23 have one, or -- I mean, be the Chair and another person?
24 MR. GERTNER: This didn't occur at the first
25 meeting, where I functioned as a Chairperson and Karen

1 Griffin was the representative of the CEC. Nobody seemed
2 to have any problems with that.
3 COMMISSIONER SCHWEICKART: Well, it could
4 certainly be specified that there would be only one vote,
5 that the Chair would be a nonvoting Chair.
6 COMMISSIONER GANDARA: Yeah, why don't you
7 specify that so that we don't incur some concern among
8 the other agencies that it's being stacked. I mean --
9 COMMISSIONER COMMONS: Or the Chair only votes
10 to break a tie in case of --
11 COMMISSIONER GANDARA: Or something like that. I
12 mean, these are mechanical things, but I think that they
13 can be taken care of. I have, you know, no problems with
14 the arrangements you described, Mr. Gertner. I don't think
15 it's a question of who's involved with all that. I think
16 it's a question of specificity in our proposal here.
17 Then the -- what needs to be clarified is on
18 Paragraph 9, it indicates no additional funding or
19 Commission staff authorized over the levels required for
20 managing the LBL contract. I guess the intent of the
21 advisory committee resolution is not so much to specify --
22 not to addressing the point of view of what's authorized,
23 but as to what the expectations are with respect to
24 expenditures, both the funds as well as commitment of our
25 staff. In the materials that you have today, you seem to

1 suggest that there would be an internal task force created
2 from the division chiefs, or an internal committee. So
3 now we're talking about more staff time.
4 I guess what number nine also included is just a
5 reasonable estimate of the amount of time that it would
6 take to serve this Committee, or for our involvement in
7 this Committee, and that's again simply to identify to the
8 Commission what the budget consequences are of the
9 creation of Committees in this administration.
10 I don't think that I have in mind any level that
11 is appropriate or inappropriate, anything like that, but
12 I think it ought to be identified for the Commission's
13 purposes, you know, what -- your time, Karen Griffin's
14 time, the time that you'll be asking of the division chiefs
15 to assist this committee.
16 In the original LBL contract, you also state that
17 the other agencies would be provided technical assistance
18 as requested, or as required in the preparation of their
19 proposals and so forth. Now, it seems to me that if that
20 is going to be one of the functions of the working group,
21 and then that kind of estimate of staff resources also have
22 to be included.
23 COMMISSIONER COMMONS: Mr. Chairman, I don't even
24 have a copy of these items of nine, they're not in my book.
25 Were they passed out, or --

1 COMMISSIONER GANDARA: They are in the contract
2 that was approved, I guess, last -- at the last business
3 meeting, and that's where Commissioner Schweickart's
4 concern comes in.
5 COMMISSIONER COMMONS: Okay.
6 COMMISSIONER GANDARA: That I think that he felt
7 that there was some ambiguity, I think with good reason.
8 So, those are the concerns I have with respect to the
9 mechanical and construction of the resolution that I think
10 can be taken care of before the end of today.
11 I think Commissioner Schweickart is asking a
12 different question that I think also needs to be addressed,
13 and I'm not quite certain whether you wish to give some
14 direction, or whether your desire is to postpone it until
15 we reach some better resolution.
16 COMMISSIONER SCHWEICKART: Well, it's my belief,
17 although I support the discussion that's occurred to this
18 point, and the concerns expressed there, it's much more
19 my concern that the order establishing the working group
20 should specifically identify what the responsibilities,
21 and products and actions of the working group will be.
22 Now, in referring back to what I can find in the
23 contract, in the LBL contract that specifies that, it's
24 very general. It simply says that from what I've found
25 that concept papers will be reviewed by the working group

1 for its advice on which proposal should be fully developed
2 and included under evaluation.
3 Well, it's my own strong feeling that that's
4 inadequate guidance to ensure that the working group fully
5 understands what is expected of it, what lies within its
6 authority and responsibilities and what does not. I could,
7 I'm afraid, come up with quite a number of different
8 scenarios as a member of the working group in terms of how
9 that's to be done, and the degree to which -- and the
10 basis, the criteria, for example, on which I would make
11 such -- or provide such advice.
12 So, while frankly not being happy with delaying
13 this action, I do believe it to be inadequate, and I think
14 the consequence of the inadequacy that I see in the long
15 run means delays at an even worse time, or conflict at an
16 even worse time than dealing with it up front.
17 On the other hand, I really don't know, and I
18 would like to hear from the staff what the timeliness issue
19 might be in terms of any further delay in moving ahead
20 with the Commission order.
21 MR. GERTNER: Well, I'd like to just first comment
22 on your request. I think that we do have some initial
23 ideas as to how the working group would possibly come up
24 with these 40 proposals, and we could specify that in here,
25 but it's a question of whether we want to lock ourselves in.

1 We're bringing together 10, possibly 12, or 15
2 agencies and attempting to build a concensus among them,
3 and it could inhibit that if we got too specific within
4 this order as to how they are supposed to come to that
5 concensus. I'm not sure what we gain from that.
6 They will have to have some criteria, and I think
7 we'd like to have an opportunity to sit down with them and
8 discuss what those criteria should be.
9 COMMISSIONER SCHWEICKART: Well, let me ask you
10 something, Paul.
11 COMMISSIONER GANDARA: Commissioner?
12 COMMISSIONER SCHWEICKART: Yeah?
13 COMMISSIONER GANDARA: If I might try to address
14 your question, the reason that this item is before us today
15 is because it is an outcome of the discussions that were
16 held regarding the approval of the LBL contract last time
17 around. In being scheduled today, it was scheduled
18 basically as a responsiveness on the part of the staff and
19 the Chairman to my desires.
20 Now, I don't think that there is an urgency to
21 act on this matter today. I think that if you are concerned,
22 I share your concerns, and I would support that we postpone
23 the item until there is at least an alternative --
24 resolution, an alternative proposal worded in such a way
25 that it can come before the Commission for full consideration,

1 both in its present form, and in its most flexible form,
2 if that's a desire of one option, and then in an alternate
3 form.
4 But it does appear to me that there has not been
5 enough opportunity for the concerns that you expressed last
6 time to be incorporated here.
7 At the same time, in terms of the urgency of
8 acting on this item today, it's in the Commission's interest,
9 in our interest, and I think a strong interest of mine that
10 we do act on it as soon as possible because of the public
11 noticing provisions of the resolution of the creation of
12 the advisory committee that we -- on the other hand, if
13 there -- if we were asked to maximize public input between
14 now and the next business meeting, if there were to be any
15 further meetings of this particular working group, then I
16 think that particular effort would be met.
17 In other words, I'm saying that I don't feel that
18 there is any particular urgency to act on it today, other
19 than the fact that it was in response to the decision we
20 made last time around. So we can afford to wait and take
21 your concerns into account, and try and work on that.
22 At the same time, I'm not sure if there are
23 any meetings of this group scheduled between now and the
24 next business meeting that, you know, given the practicalities
25 and the noticing provisions of the -- that we're required

1 to abide by, that would seriously affect, you know, anybody
2 who's interested in receiving notice and attending meetings
3 of this working group.
4 But other than that, I don't think that there's
5 an urgency, other than a desire to reach closure on this.
6 COMMISSIONER SCHWEICKART: Well, let me say --
7 while it is an interesting question, how we handle it as
8 an interim basis, it's not clear to me, in fact, that
9 our problem here was inadequate time in the two weeks, so
10 much as it was perhaps differences in outlook between what
11 I understand to be the executive office or the staff, and
12 at least in my case, myself, and therefore, I think it
13 might be fairly important to get a sense of the Commission
14 in terms of whether specific direction to be more -- to
15 lay out responsibilities and authorities more specifically
16 is, in fact, the desire of the Commission.
17 I think then the staff can go away with a little
18 more specific direction, and not just another two weeks
19 where perhaps the staff's opinion may just -- may differ
20 from mine, or any other Commissioner's, and come back and
21 find ourselves in very much the same position.
22 So I'm sure that Paul will be helped in trying
23 to bring this thing to closure, in some sense, if there
24 was at least a sense of should more specific criteria,
25 direction, expectation, authority, responsibility, et cetera,

1 however one wants to categorize that, vis-a-vis the working
2 group be included in the Commission order establishing
3 that working group.
4 COMMISSIONER GANDARA: Okay. Let me suggest the
5 following because I think you are correct, and fundamentally
6 it may be a difference of a point of view, then, you know,
7 a delay would not help.
8 To the extent that I outlined very specific
9 mechanical changes, okay, what you can do is you can
10 redraft the resolution and we'll postpone this item for
11 action later on in the day when we'll have a full
12 Commission.
13 It seems to me that the sense that Commissioner
14 Schweickart would like to get from the Commission as to
15 whether, you know, there is a shared point of view on the
16 other issue of greater specificity, I share his concern.
17 So, that's, at least two Commissioners who have that
18 concern.
19 If other Commissioners wish to express their
20 concerns now, then we would clearly know whether we can
21 postpone this for another two weeks, or whether we should
22 just take it up with the first order of changes later on
23 in the day. I'm happy with that.
24 DEPUTY DIRECTOR SMITH: Commissioner Gandara, one
25 comment. The Executive Director indicated that if there were

some outstanding issues with regard to this item, and there obviously are, that he would like to be able to address those later in the day.

We can make the mechanical changes that have been described as an alternative, and then have the item come back up later today, leaving open the option of resolving it.

COMMISSIONER GANDARA: That would be fine by me.

COMMISSIONER SCHWEICKART: Okay.

COMMISSIONER GANDARA: Is that fine, Commissioner? Okay. Why don't we then prepare that alternative, and we'll take this up later.

We'll move on to Item 4, the contract with the Regents of the University of California for a $5,750 contract to support a workshop at the University of California, Los Angeles.

DEPUTY DIRECTOR SMITH: Yes. Mr. Don Kondoleon of the Development Division and a representative from the University system are with us to present this.

MR. KONDOLEON: Good morning. The proposed contract that you have before you would support a second alternative fuels workshop which is scheduled to be held on March 9th at UCLA which would be conducted by the University's Public Policy Program.

Now, to speak on behalf of the workshop, we've

1 invited Ms. Eleanor Cohen who is a member of the Executive
2 Committee of SCAG which represents the cities of L.A.
3 County and is also a Councilwoman with the City of Claremont.
4 COMMISSIONER GANDARA: Welcome.
5 MS. COHEN: Thank you. What I would like to do
6 is in just about two minutes, give you a little bit of
7 history about this workshop and the reason that we're
8 coming to the Commission.
9 The workshop is an outgrowth -- the whole issue
10 is an outgrowth of what is in the regionally adopted Air
11 Quality Management Plan for Southern California which was
12 adopted by SCAG and the Air Quality District. One of the
13 major items that's been identified in that plan is a
14 changeover in the way we fuel our vehicles by the year
15 2000. We're trying to make a major changeover.
16 As a result of the amount of interest that the
17 Public Policy Program had identified on the part of
18 various agencies as well as the public on this issue, and
19 because we recognized that there wasn't a mechanism for
20 bringing together the various interests including the
21 fuel suppliers, vehicle manufacturers, as well as the
22 public agencies, to know how to move ahead on this strategy
23 in the Air Quality Plan, we put together a conference in
24 October.
25 It was by invitation only, and what we tried to do

1 was identify representatives of those various interests
2 who were up to speed on the issue and could, at that
3 opening workshop, help us look at the various fuels that
4 are available, the gaseous, electricity and the alcohol
5 fuels, to see where they were technologically, and how far
6 along they are in commercial readiness for widespread
7 use in the South Coast Air Basin.
8 As an outgrowth of that conference, which was
9 entirely a discussion format, with everybody there as
10 equal participants, we decided to do the second workshop,
11 and it was the participants themselves who suggested that
12 we ought to do a second half in a way, which is a more
13 specific look at the barriers that the various interests
14 are finding in commercialization and institutional, legal,
15 regulatory, and organizational barriers.
16 So that's what we're going to be doing on March
17 9th, with the assistance of some management consultants to
18 help us make some suggestions, or put forth some ideas as
19 to how to deal with such multiple interests who want to
20 work ahead on a common goal.
21 It will differ from an ordinary conference in
22 that it's a kind of a think session. It's not the sort of
23 place where there's a large audience and panelists will
24 talk at them. People are there to explore together some
25 possible ways to go and take them back to their individual

1 agencies where there is authority to go ahead and act.
2 We have been working with the Energy Commission
3 staff, as well as staff from the ARB, the South Coast
4 District, and SCAG in putting together the contents of
5 this conference, or the discussion outline. We don't know
6 what the outcome is going to be, because the public policy
7 program doesn't try to decide what the goal is, or what
8 the outcome is.
9 What we're just trying to do is facilitate a
10 discussion and a mechanism for putting ideas on the table.
11 We have cosponsorship from the Air Resources
12 Board committed, from SCAG, the District has it pending as
13 you do, EPA is helping to fund the proceedings, and we're
14 also asking for funding from the Energy Commission to do
15 that. Arco Corporation and Southern California Edison,
16 and the Electric Power Research Institute.
17 So, I would be very happy to answer questions, or
18 give you any other information.
19 COMMISSIONER GANDARA: Commissioner Schweickart?
20 COMMISSIONER SCHWEICKART: Yes. Could I perhaps
21 bring us, with a little bit of presumption here, into the
22 real issue. I think that -- first of all, bringing this
23 group of people together in let me say a pre-action
24 orientation is highly commendable. I think it's an
25 excellent forum for going from a relatively abstract

1 concept, and demonstration of capability, and moving it
2 much closer to an implementation mode.
3 On those grounds, I certainly support it very
4 strongly, and I suspect that the Commission supports that
5 concept. However, the issue here that I know to exist is
6 the one of public participation, and whether or not it is
7 open to the public, or not open to the public, and there
8 are clearly legal aspects of that.
9 So in order to bring us to the issue which I
10 believe, in fact, is before us, I'd like to ask, I suppose
11 comment from the Public Adviser, and also from General
12 Counsel in terms of what the Commission's flexibility is
13 in this matter, what legal requirements are before us, and
14 that sort of thing, with the Chair's support on that.
15 COMMISSIONER GANDARA: Okay. Before we get into
16 what is required, perhaps I might ask a question of
17 Dr. Cohen, or --
18 MS. COHEN: Mrs. not a Doctor.
19 COMMISSIONER GANDARA: Mrs. Cohen. I was from the
20 Los Angeles area before I came to the Commission and was
21 involved in a number of activities, one of which was the
22 Adult Educators of Greater Los Angeles, and the -- it was
23 comprised of -- I was on the Board of Directors of the
24 Adult Educators of Greater Los Angeles, comprised of
25 basically the extension university of all the universities

1 in the area.

2 Dr. Frand was then the head of the -- at UCLA

3 extension university, and the reason I mentioned all that

4 is because it is my understanding that one of the tenets

5 of the concept of the extension university, and one of the

6 tenets of the adult educators was that in fact the

7 activities of the extension university should be, in fact,

8 to educate. Most of their activities were open.

9 Conferences of this type are not unusual, they've

10 been held, clearly, before, and usually it's been in a

11 rather open format that people can sign-up for whatever

12 conference they wish to attend.

13 So in, you know, deferring for a moment the issue

14 of what is required, or what ought to be required, really,

15 that's more the issue of the concept, from the point of

16 view of the extension university, the policy of the extension

17 university, and if you would answer that question first,

18 and then I think we can proceed to your other question.

19 MS. COHEN: I'll try. Let me say that I am only

20 working with the Public Policy Program on the two workshops

21 this year on sort of a contractual basis, so I do not have a

22 long history of how University Extension has operated. But

23 my understanding is first of all, that there is no univer-

24 sity, there is no tax support for the Public Policy Program

25 within University Extension so we have to generate funding

1 for each of the activities that we carry out.

2 As far as the concept of public participation, I
3 am comfortable with this format from this perspective, and
4 maybe I'll put on my other hat as a local elected official
5 to answer this. I think there are times when in the
6 interests of the public, it is really important for those
7 people who are either going to be setting policy, or who
8 have some interest, to be able to get together in a format
9 where they can share ideas, and begin to think creatively.

10 So long as that is done with the understanding
11 that what comes out of it is made public, so long as
12 various interest groups are invited to participate with
13 their representatives, and as you might note, in our
14 list, we have the League of Women Voters, the Coalition
15 for Clean Air, the Sierra Club, and local elected officials
16 who have some interest in that, I think that partly
17 satisfies the public participation issue.

18 The other part of it is that it's very much not a
19 decision-making body, because there is no authority there.
20 I guess finally I would say that the public policy program
21 does a number of kinds of conferences, depending on the
22 need. If there is some interest, and obviously, some
23 source of funding for doing a broader public education
24 conference on this issue, we would be very interested in
25 doing that. It's just that this was one of many formats

1 that the Public Policy Program has been engaged in over
2 the last four years.
3 That's probably as much as I can tell you with
4 my limited experience with the program, but I know that
5 it's not different from some kinds of things that have been
6 done before.
7 COMMISSIONER GANDARA: You're saying the creative
8 process would be hindered by having people in attendance,
9 watching, listening to the dialogue that would occur among
10 these representatives, some of them elected officials?
11 MS. COHEN: The format has been -- the format
12 in October was, we all sat around a table, it was about 55
13 people, which was pretty hard to keep in a discussion
14 group, but all were there equally, whether they were people
15 without any expertise such as -- I'll pick on the represen-
16 tative from the League of Women Voters who was there as
17 kind of a public interest kind of person, or a technical
18 engineer from Ford Motor Company. But everyone had an
19 equal opportunity to participate.
20 I think it would be difficult if we had others
21 that we were saying we were not going to call on because
22 they were there, and part of our problem is, with only a
23 few hours with all of these people together, we don't have
24 time to try to bring up to speed the general person who
25 might be sitting there who would want to have information.

1 So we might be in a --

2 COMMISSIONER GANDARA: Well, I saw the list of

3 your participants in the first meeting, and there were a

4 lot of people from at least my area, of knowledge in that

5 area, who were certainly not up to speed either. I mean,

6 they're people who were lay people in this area.

7 MS. COHEN: Well, that was our effort to try to

8 get the public -- to make them aware of what we were doing,

9 and have them a part of it, and so we tried to identify --

10 it's hard to identify who represents the public. But the

11 idea was a discussion format where people could all get

12 their ideas on the table, and you can only do that with so

13 many people.

14 COMMISSIONER GANDARA: Fine. If we could address

15 Commissioner Schweickart's questions?

16 MR. PEREZ: I think this comes from being the

17 child of Sun Desert, and what I mean by that opening

18 statement is the fact that clearly the Energy Commission

19 under the Warren-Alquist Act has a very strong commitment

20 to public participation in all of its events.

21 I explained that to Ms. Cohen prior to the

22 business meeting this morning so that she can understand

23 the reason that my concern was so strong on this matter.

24 Basically, I review all Commission events to prepare

25 recommendations to you on the issue of public participation.

1 Therefore, using two factual scenarios, I have
2 these recommendations: If Commission participation
3 consists of staff representatives, and no more than one
4 Commissioner, then as a matter of policy, I recommend that
5 you notice this workshop. The nature of public participation
6 might be limited to observation in order not to interfere
7 with the proceeding.
8 If, however, the attendance by the Commission
9 consists of staff representatives and two or more
10 Commissioners, then as a matter of law, it is my opinion
11 that it would have to be noticed.
12 MS. COHEN: May I ask a question for clarification?
13 In your first statement, I think you said your recommendation
14 would have been that it be noticed, and I think you were
15 saying it need -- did you not mean that it would not need
16 to be noticed in the first instance?
17 MR. PEREZ: No, my recommendation on the first
18 scenario is that it should be noticed as a matter of policy,
19 not as a matter of law.
20 MS. COHEN: It should be, I see, thank you.
21 COMMISSIONER GANDARA: Commissioner Schweickart,
22 does that answer your --
23 COMMISSIONER SCHWEICKART: Well, no, I think --
24 excuse me. I think my question goes to the issue of law,
25 I mean, quite clearly, in my own recollection, the

1 Commission has supported various conferences and gatherings
2 where there have been registration fees, and things of that
3 kind as a part of the proceeding, held by someone else
4 coordinating it, and clearly, those were not open to the
5 public, and yet the Commission supported.
6 However, when the Commission supports workshops,
7 quite clearly, our general policy is that we do hold open
8 proceedings. I'm interested in what the statute says,
9 and what General Counsel's interpretation of the statute
10 is, vis-a-vis this matter in terms of options, and then I --
11 then given that, and comments already made, and some I'd
12 like to ask Mr. Kondoleon, then I'd like to hold up the
13 reason for making a decision one way or the other as being
14 argued before the Commission.
15 But I'd like to understand, first of all, what
16 are the Commission's options. If we don't have any options,
17 well, what are we doing?
18 MR. CHAMBERLAIN: Okay. As a legal matter, I
19 think the closest thing that comes to this kind of situation
20 is in Section 11121.8 of the Government Code which refers
21 to a state body, including any advisory board, advisory
22 commission, advisory committee, or similar multi-member
23 advisory body if created by formal action on the Commission.
24 Now, from what I heard, it does not sound as if
25 this contract would be for the purpose of creating an

1 advisory body, and for that reason, it seems to me that the
2 issue of public participation in this particular workshop
3 is an issue of policy for you, not an issue of law.
4 COMMISSIONER SCHWEICKART: Would you, however,
5 conclude, as does Mr. Perez, that if there are two or more
6 Commissioners there, that as a matter of law, it must be
7 open, or is that not the case, since they would be attending
8 some other event? I think for example --
9 COMMISSIONER GANDARA: That would be a moot
10 point since the initial participants do not include any
11 Commissioners, presumably you wouldn't be up to speed for
12 the second.
13 MS. COHEN: Maybe I could clarify that point. We
14 invited about 55 or 60 people the first time, and at that
15 time we did not invite any Commissioners, we did have
16 staff representation. This time, and we may have created
17 a problem by doing it, we invited Chairman Imbrecht, and
18 we also -- because the staff had informed us that
19 Commissioner Commons had expressed some interest, did send
20 an invitation to him having no idea that you had these
21 problems with two Commissioners, and I don't know -- Mr.
22 Perez and I talked about this earlier. We weren't aware
23 that we had created a problem.
24 COMMISSIONER SCHWEICKART: Well, we may have
25 problems with two Commissioners, you can pick your two, but

1 the issue here is three Commissioners, not two.

2 MS. COHEN: We're not trying to pick the two, so

3 much, yes, I know.

4 MR. CHAMBERLAIN: In my view, the -- I'm not sure

5 exactly why Mr. Perez believes that two Commissioners

6 presents a legal issue. I've always assumed --

7 MR. PEREZ: I should clarify that, Mr. Chamberlain,

8 I assumed the fact just presented by Ms. Cohen, and that is

9 that those two particular Commissioners compose the Biennial

10 Report Committee.

11 COMMISSIONER SCHWEICKART: Well, nevertheless,

12 they --

13 MR. CHAMBERLAIN: Committee meetings --

14 MR. PEREZ: As the agenda item was originally

15 developed for the Commissioners, it was explained in the

16 backup package that the purpose of meeting in Los Angeles

17 was to discuss matters relevant to the Biennial Report

18 process. That has since been changed, but we still have

19 the two members of the Biennial Report Committee designated

20 as potential invitees, or attendees.

21 MR. CHAMBERLAIN: I would still maintain as a

22 matter of law, though, that the Biennial Report Committee

23 can meet outside, without noticing its meetings.

24 COMMISSIONER SCHWEICKART: Let me ask Mr. Chamber-

25 lain, for example, the PUC is sponsoring their annual

1 conference down at Stanford in another month or so, I
2 can't remember exactly when it is. If three Energy
3 Commissioners may show up there, there's no need for that
4 to be open to my knowledge. It is someone else's
5 conference, three of us attending, or four for that matter,
6 or maybe even five, and yet to my knowledge, there was no --
7 COMMISSIONER COMMONS: Go for six.
8 COMMISSIONER SCHWEICKART: -- there would be no
9 requirement or prohibition for our participation, or
10 anything of that kind. Am I correct in that?
11 MR. CHAMBERLAIN: I'm not sure of that. I think
12 I'd have to give that some consideration. It would
13 probably depend on how large a conference it is, and the
14 extent to which your participation might actually involve
15 the interchange of ideas amongst you.
16 COMMISSIONER SCHWEICKART: All right. Well, it
17 may all be moot here, because I don't think we have more
18 than two Commissioners, and to my knowledge, there is that
19 distinction in the Brown Act between two or more than two.
20 I guess I'm in a position where I, at least at this point,
21 consider it basically to be our option, what it is we'd
22 like to support.
23 So from my own personal point of view, I'd like
24 to hear a little more from Mr. Kondoleon or others, the
25 reason behind wanting to have it closed, other than the

1 issue of being able to draw the line, and have people
2 observing, but not participating, clearly a discussion.
3 Ms. Cohen's point, I believe, can be handled mechanically,
4 is somewhat separate from the issue of who is present as
5 a witness.
6 So, I'm at this point ready to hear further
7 on that.
8 COMMISSIONER GANDARA: Okay. Fine. Before we
9 take comments on Mr. Perez's first recommendation, which
10 is a matter of policy, this is to separate the observation
11 from the participation, I believe Commissioner Commons,
12 you had your hand up.
13 COMMISSIONER COMMONS: My problem was solved by
14 Commissioner Schweickart, thank you.
15 COMMISSIONER GANDARA: Fine. Then we'll proceed
16 then to hear on the proposal here by Mr. Perez, concurred
17 apparently by Commissioner Schweickart, that your problems
18 would seem to be handled by noticing the meeting, and
19 allowing observers at the proceeding.
20 MS. COHEN: Well, we have already sent out
21 invitations. We're getting very close to the time, it's
22 two weeks from Friday, on the understanding that we're
23 proceeding the same way that we did before. That's what
24 went out in our letters of invitation about three weeks
25 ago. I think it would be very difficult, just because of,

1 I think the sensitivity of some proprietary interests.
2 They're comfortable in some forums and not in others, and
3 if they suddenly show up and find it's not what they thought
4 they were doing in October, I'm not sure what kind of a
5 problem we have.
6 I think -- I don't think we can change that. I
7 think what we would have to do is forego the Commission's
8 cosponsorship, which then gets into another problem with
9 our publishing the proceedings, as well as the maximum
10 use that we can make of the managements consultants, because
11 we have to pay for their time.
12 So that's part of our problem, is a logistics
13 problem.
14 COMMISSIONER GANDARA: What about the publishing?
15 MS. COHEN: I beg your pardon?
16 COMMISSIONER GANDARA: Is the contract funds to
17 pay for the consultant's time and for the publishing, is
18 that what you're saying?
19 MS. COHEN: No, no, that's two separate things.
20 We're calling in management consultants to help in our
21 discussion, and help in identifying ways of overcoming the
22 various barriers. Publishing the proceedings is another
23 activity which we are asking for Commission funding for.
24 We would like to have a record, the proceedings
25 and an analysis of the two conferences as a whole.

1 COMMISSIONER GANDARA: So that would be -- is that
2 a cost item included in the contract?
3 MS. COHEN: Yes, yes.
4 MR. KONDOLEON: That's right, and basically what
5 you would do, then, is if in fact, we did not go forward
6 with the contract, then you are in fact robbing the public
7 of participation by the fact that more than likely there
8 will not be the proceedings published, and that more than
9 likely more people would read the proceedings than would
10 actually attend the conference.
11 COMMISSIONER GANDARA: Well, that's a very
12 convoluted argument, Mr. Kondoleon, robbing the public,
13 but we'll proceed with any other questions you may have.
14 Any other Commissioner questions?
15 COMMISSIONER SCHWEICKART: Yeah, I still have not
16 heard, frankly, a rationale which argues for not having the
17 proceeding open. I still want to hear that. Frankly, my
18 mind is wide open on this, but I haven't yet heard anything
19 other than an appeal without any basis for it.
20 MR. KONDOLEON: I think we're speaking more in
21 logistic terms. I mean, we're speaking of a workshop
22 that's going to be held two weeks and two days from today,
23 and as Eleanor has said, the invitations have already gone
24 out, and I think there's some concern on the part of the
25 other co-chairman of the workshop that, you know, the public

1 -- we don't know how many people in the public would attend,
2 and if, you know, means could be made for those people to
3 actually be accommodated at the site, among other concerns.
4 MS. COHEN: We're not trying to close out the
5 public, I hope that's not coming across that way, because
6 that's not our intent. It's not some sort of secret
7 proceeding. That's the reason that we've invited some of
8 those people that are on our list who are not technical
9 experts, but they're people who very generally come and
10 represent the public, and that was our effort to try to
11 do this and still keep within a discussion format that
12 would allow us to do some problem solving.
13 Commissioner Schweickart, I don't know if that
14 satisfies your concern, but it's partly a logistics problem
15 with handling the discussion and --
16 COMMISSIONER SCHWEICKART: Well, but I think
17 it's fairly clear, and I think everyone supports, and I
18 don't think there's any conflict whatsoever about the
19 idea of having an audience which does not -- which is
20 invited to observe, but does not expect, nor have any
21 light in terms of participation in a discussion.
22 That is, I don't think there's a problem in that.
23 The question is, and it would seem to me, even given that
24 there are only two days before let me say a two week notice
25 could be put out, that nevertheless, an effective notice in

1 terms of newspaper advertisement, or something of that
2 kind, that could quite easily be put together within that
3 two day period.
4 So I have still not heard, frankly, what the
5 difficulty would be, but for limited space in the facility
6 which has already been set up, or something of that kind,
7 in which case once again, in the newspaper thing, it will
8 say space is limited, and you know, first come, first
9 served.
10 So I still have not heard anything which would
11 support not noticing such a thing. I'm -- and I emphasize,
12 I'm willing to consider it if there is something. I don't
13 have my mind made up one way or the other.
14 COMMISSIONER GANDARA: Commissioner Commons?
15 COMMISSIONER COMMONS: Let me see if I can come
16 up with some of the answers to your question. If I were
17 an elected public official participating in the Los Angeles
18 basin on an area of as great a sensitivity as this, I could
19 see where an elected official, or even a representative of
20 a company would want to have the ability to, in a smaller
21 group, discuss and present some ideas, toss out some
22 hypotheses that then would not be promises, or would not
23 be in terms of necessarily a position of an elected
24 official which could come back later on to haunt them, but
25 would be an honest, valid attempt to come to grips with a

1 major problem that's facing the Los Angeles basin.
2 My hunch is that if we had gone back to SCAG
3 earlier and asked whether or not you'd have a problem with
4 having observers, SCAG, I've worked with on many occasions,
5 and it's been a very open -- in fact one of the criticisms
6 of SCAG is that it's been too open to public participation
7 in the Los Angeles basin, rather than the other way around,
8 and I think they've probably gone -- with 55 participants,
9 maybe some of those participants could have been observers
10 in order to get a better discussion in a short period of
11 time, and they probably would have gone along with the
12 concept.
13 My tendency on this, first of all, if I had been
14 putting the workshop together, I would have recommended
15 that we do have participants that are observers in that
16 sense, and certainly all the workshops that I've worked
17 with we've done that.
18 My feeling, though, is that here is a really
19 valid attempt by someone to try to address a problem, and
20 I prefer not to tell someone how to operate, or put
21 together their show, where they have taken this into --
22 taken their own problems into consideration. I'd rather
23 rest upon their beliefs and wishes in terms of how it
24 operates so long as we have the public policy parameter.
25 I would state for the record that if we were to

1 participate in the future, that it would be this Commission's
2 preference that there be observers, and that public
3 participation in that sense be done.
4 In terms of a question of legal notice, since
5 this is an optional matter, it's a policy issue here, there's
6 no rule that says we need to give two weeks notice. We
7 could -- if the conference were this Friday, we could
8 certainly publish in the "Los Angeles Times", or otherwise
9 make notice, because we don't come within the 10 day or
10 two week noticing period, since it's an optional matter
11 in terms of the notice.
12 We could also ask SCAG as to whether they would
13 have any objections. I haven't heard yet that they would
14 object if we did send out a notice. That's one question
15 that I would want to ask is would they have an objection if
16 we did send out a notice where the public could observe.
17 But if they did object, I would still want to
18 support this because it's a major, major problem in the
19 Los Angeles basin, and I personally would not question SCAG
20 as to why they set it forth the way they did, and I
21 encourage their efforts.
22 COMMISSIONER GANDARA: All right. Since we're
23 sort of stating our positions on the matter, I'll state mine,
24 which is that it is Energy Commission money in this, and
25 the Commission can condition the contract upon any

1 particular circumstance it wishes to, including participation
2 above and beyond the minimal legal obligations.
3 It seems to me that the proposal that has been
4 put forth is not an unreasonable one, that in fact the
5 discussion, and the participants be limited to those
6 people who have been invited. I can certainly see the
7 need that has been expressed for that. At the same time,
8 I should note that the Commission has, in fact, conducted
9 such kinds of symposiums, or proceedings, or workshops,
10 where it, itself has in fact, publicly noticed and had
11 observers, people who wished to be present.
12 I recall before I was on the Commission, I was
13 invited to present a paper before the Strategic Oil Workshop
14 that was held by the Commission in Los Angeles, and the
15 discussion, the presentations, and all that was limited to
16 the participants, but again, that was something in which
17 there was no deterrence by public participation. I think
18 that we have the other circumstances, the Professional
19 Advisory Group on residential building standards is one
20 example.
21 During the course of the residential building
22 standards, we also held some rather large meetings, we
23 used the big facilities of the Conservation and Services
24 Agency who in fact had a very large square table, and we
25 might have had very close to 40 participants, and we also

1 had an area for observers.

2 To perhaps take issue with Commissioner Commons'
3 point about public officials perhaps engaging in quiet
4 debate out of a sensitivity to some concerns, I very
5 definitely take the opposite point of view, Justice Holmes
6 point, that is, that the best disinfectant for bad ideas
7 is public debate.

8 I think that that ought to frankly be a policy
9 that we should support in this Commission, so that I
10 wouldn't support it, then, in the form and fashion it's
11 proposed. I think it not only deprives the public in the
12 short-run, but it deprives the public in the long-run as
13 well, of having issues fully come forth.

14 For my part, I think it also smacks close to the
15 issue of elitism, which I frankly would be concerned about,
16 and I also would take issue with the fact that as long as
17 somebody else is putting it, that it's their rules and
18 their game.

19 While it may be the case if we're not asked to
20 fund it, but if we're asked to fund it, I think there is
21 another question, and I think even beyond our not funding
22 it, I think there is a moral question of our participation
23 in closed proceedings.

24 But in any case, I don't see that this problem
25 is irresolvable. I think the proposal made by the Public

1 Adviser is a resonable one, but if that's -- and I think
2 it's for the Commission to decide whether it wants to
3 condition that contract and not solicit the -- particularly
4 whether SCAG would approve or disapprove of that.
5 So is there any Commissioner debate on this
6 matter?
7 COMMISSIONER COMMONS: I have one question before
8 I -- your arguments are very persuasive in many respects,
9 you know, just because it's a $5,000 contract, there's --
10 public participation is really important, and I'm hearing
11 what you're saying.
12 I'd like to ask a question, though, before I
13 formally make up my own mind. What would be -- is there a
14 way you can find out whether or not you could comply with
15 the Public Adviser's request, and allow us to make a public
16 notice without your having to do anything, other than
17 allowing people to sit in the back of the room?
18 MS. COHEN: Let me clarify first that -- because
19 it's been brought out that it's not just SCAG, we have
20 seven cosponsors, and so, that would just -- they would
21 just be one player, but they have been part of the planning
22 group, two members of their staff as well as your staff
23 members.
24 Our problem is if a lot of people show up. I
25 guess I have a problem if we try to notice two days before

1 in the "Los Angeles Times" just to comply with something,
2 and nobody shows up. That bothers me morally. I think we
3 should either, you know, do it or we don't, and do it in
4 time.
5 COMMISSIONER COMMONS: Well, we don't do it in
6 the "L.A. Times" wouldn't we be doing it with our public --
7 with our normal mailing list, Ernesto? Wouldn't we be
8 sending it out to our normal mailing list on this --
9 you're not talking about a big advertisement in the "L.A.
10 Times".
11 MR. PEREZ: Yes, we'd use pre-existing lists.
12 COMMISSIONER COMMONS: I've conducted probably
13 10 public workshops in Los Angeles on many exciting topics,
14 and the average number of persons that had come to attend
15 is seven and a half.
16 MS. COHEN: Commissioner Commons, I know exactly
17 what you mean, because we try very much to get participation
18 and often can't. My concern is, and I really have to
19 speak for Leroy Graymer who is head of the program, he was
20 quite concerned because we had already sent out notices to
21 the participants, invitations that very specifically said
22 we were going to continue in the same format.
23 So, it's not just the sponsoring organizations,
24 it's all of the people who are going to be participating,
25 and we don't feel that we can undo this at this time. I'm

1 very sorry that this is happening so close to the workshop.
2 We did start this through your process back in October, and
3 I don't know why it's taken so long to get on your agenda,
4 but the problem is, here we are today, and I don't mean to
5 be stubborn about it, it's just the kind of situation we
6 find ourselves in.
7 I very much understand your feelings about
8 public participation, and I can understand why this is an
9 issue.
10 COMMISSIONER SCHWEICKART: Well, let me ask,
11 notwithstanding what you've sent out, Ms. Cohen, is there
12 any indication that people will not participate, or will
13 not continue their sponsorship if, in fact, the Commission,
14 forget you having to take any action, sends out notice to
15 mailing lists which presumably deal with our general fuels
16 issues, that this conference is going on, and that space --
17 that to the extent space is available, they can witness
18 or sit in on the proceeding.
19 Is there any such --
20 MS. COHEN: There isn't an indication, because we
21 haven't asked the question, because it didn't come up --
22 didn't come to our attention as a concern of the Commission
23 until late Friday. So I can't answer your question because
24 I don't know. I just know that this was the understanding
25 with which we put it together through the small planning

1 group, and the participants last time, and the newest ones
2 who have been invited. I can't answer that.
3 COMMISSIONER GANDARA: If I might suggest a
4 course for Commission action -- I'm sorry, I thought you
5 were finished.
6 MS. COHEN: I'm sorry.
7 COMMISSIONER GANDARA: Why don't we put a motion
8 to the floor to approve the contract, I'll, you know,
9 propose an amendment to condition the contract upon the
10 recommendation of the Public Adviser, and if that fails,
11 then we can proceed to resolve that. I think we've
12 discussed it, you know, it seems to me sufficiently, or
13 we can postpone the item again until later today.
14 COMMISSIONER SCHWEICKART: Well, I have no desire
15 to postpone it, but I do want to understand to decide
16 where I'm going to vote, frankly.
17 COMMISSIONER GANDARA: I didn't wish to interrupt
18 that. I thought that we'd just been around it several
19 times, and perhaps we haven't.
20 MS. COHEN: Commissioner Schweickart --
21 COMMISSIONER SCHWEICKART: No, I think I'm
22 asking new questions, even though they may not be important
23 to everybody.
24 MS. COHEN: I brought a letter from Dr. Graymer
25 who heads the program which we can distribute, which

1 essentially says most of what I've said. But his position
2 is that at this stage, it would be inappropriate for us to
3 proceed using Commission funding if we have to change the
4 rules at this point.
5 So I think his position would be that if that is
6 the condition, then we would not be having Commission
7 support. I guess we just wouldn't accept the money, or
8 whatever we say, but that -- and I don't mean this as a
9 threat, it's just, as I say, this is the way it's happened,
10 that part of our request was to do the proceedings and
11 analysis. So that is what we would be jeopardizing. But
12 he doesn't feel he can change it.
13 COMMISSIONER SCHWEICKART: All right. So I have
14 some specific questions, which if you can give me specific
15 answers to, will help me formulate where I'm going to vote,
16 and you can do what you want afterwards.
17 MS. COHEN: Okay.
18 COMMISSIONER SCHWEICKART: Are the proceedings,
19 are the rules that you've operated under, which you
20 presumably are going to continue to operate under, to
21 record the proceedings? Is there a transcript of the
22 proceedings?
23 MS. COHEN: We didn't tape record last time
24 because we felt a tape recorder would interfere with
25 people's ability to just speak comfortably. However, we

1 had three people taking notes, including myself, and we
2 did prepare the summary, and it's pretty comprehensive,
3 and I think it's in your packet, we would be doing the same
4 thing. It's just that the tape recording somehow makes
5 people just not participate as fully.
6 COMMISSIONER SCHWEICKART: All right. And is it
7 your understanding that the -- you referred to the rules,
8 that the rules, in quotes, relate to participation within
9 the discussion, who may participate within the discussion,
10 or is it your understanding that the rules include who
11 may also watch what's going on?
12 MS. COHEN: The rules which you're calling them,
13 which were simply the understanding, is that everybody
14 who comes participates equally.
15 COMMISSIONER SCHWEICKART: And that only those
16 who are invited come.
17 MS. COHEN: That's correct. Logistically too,
18 the other reason we didn't tape record is we had 55 people
19 around a table, and we felt we just couldn't pick it up
20 without having just numerous machines around. So our
21 main goal is the problem-solving effort.
22 COMMISSIONER SCHWEICKART: I understand. All
23 right, I have no further questions, and I'm ready to move
24 it as proposed, along the lines which you suggested,
25 Commissioner Gandara.

1 COMMISSIONER GANDARA: I hear a motion, is there
2 a second for the motion of this contract?
3 COMMISSIONER COMMONS: I'm not sure what the
4 motion is.
5 COMMISSIONER SCHWEICKART: The motion is to
6 approve the contract as spelled out in our packet.
7 COMMISSIONER COMMONS: We can't discuss it if
8 we don't have a motion, so I'll certainly second it.
9 COMMISSIONER GANDARA: Okay.
10 COMMISSIONER CROWLEY: I don't think he was here
11 when I suggested that your suggestion --
12 COMMISSIONER SCHWEICKART: Well --
13 COMMISSIONER COMMONS: Well, that's an amendment,
14 you're going to propose an amendment.
15 COMMISSIONER GANDARA: Yes.
16 COMMISSIONER COMMONS: Okay. I'm going to second
17 it so we can have it on the floor.
18 COMMISSIONER SCHWEICKART: Before Commissioner
19 Gandara proposes an amendment, let me simply state my
20 reason for moving it as it stands. I strongly support I
21 think just about everything Commissioner Gandara has
22 stated, frankly, and I feel that frankly, the staff has
23 unfortunately not appropriately represented the Commission
24 in the proceedings up to this point, so that the people
25 involved in it, the other participants, as well as the

1 University, were informed of the Commission's policy, and
2 general operating procedures.
3 Nevertheless, the Commission has in the past
4 sponsored quite a number of conferences, and get togethers
5 of various kinds in which, in fact, the general public was
6 not publicly noticed and invited to participate, and those
7 run a full gamut from University hosted conferences to
8 other third parties.
9 I think generally speaking, in terms of its own
10 actions, it has not ever done that, and would not be
11 appropriate. But I think in terms of contracting with
12 other third parties, this does certainly not set any
13 precedent as such.
14 So frankly, while under a de novo condition, I
15 would not support this contract, I believe that there is
16 no real harm done, given that the proceedings are --
17 number one, the invitation was to include just about all
18 of the let me say formally structured public interest
19 groups which the Commission generally includes in its
20 notices, as well as proceedings made available to everyone,
21 and the fact that there are no -- there is no decision-
22 making process, but rather the outcome of this workshop
23 would inform other duly noticed at other decision-making
24 forums.
25 So that is the basis on which I frankly, on a

1 close call, and somewhat reluctantly support the contract
2 as it is currently proposed.
3 COMMISSIONER GANDARA: Any other?
4 COMMISSIONER COMMONS: Well, are you going to
5 propose your amendment?
6 COMMISSIONER GANDARA: Well, I will, after I
7 argue against the motion.
8 COMMISSIONER COMMONS: Well, I think first we
9 could have an amendment before we go on to the main motion.
10 COMMISSIONER SCHWEICKART: Well, that's Arturo's
11 choice.
12 COMMISSIONER GANDARA: Well, my point is that I
13 would oppose the motion for the reasons that I stated
14 before, which I won't repeat here, but in addition to the
15 response to your argument, Commissioner Schweickart, is
16 that while the Commission has sponsored previous conferences
17 or symposiums that have in fact not been -- have not had
18 that public participation, I am not aware of any situation
19 where the Commission has made a conscious decision not to
20 have that public participation once it's been brought to
21 the attention.
22 I think it's been more one of an inadvertent
23 nature that a conference has been held, or some advisory
24 group has been called together. But I'm not aware of any
25 circumstance that -- where the issue of public participation

1 has become -- has come before the Commission and the
2 Commission has rejected it.
3 Secondly, I am not aware of any conference the
4 Commission has held in which, you know, the Commission has
5 restricted the proceedings to simply the -- inviting
6 participants -- well, I take that back, there are some
7 out-of-state power conferences, the Northwest Power
8 Conference, I guess that has been the case.
9 But in all other instances, certainly the
10 advisers of the other Commissioner's offices have been
11 able to attend, certainly the Public Adviser has been able
12 to attend, and I presume by the rules that have been set
13 by the organizers of this conference, that the Public
14 Adviser is not invited to attend, and in fact, nor your
15 adviser could attend if you wish to, in fact, have direct
16 knowledge of a Commission-funded contract.
17 So it is different in that regard. So given
18 those additional matters in which I would distinguish the
19 reasons whereby you would support this contract, plus the
20 previous ones I made, I would move that we condition this
21 contract, and we add the contract modification, appro-
22 priately so, that would permit the attendance of any
23 interested person to observe the discussions and proceedings
24 of this conference.
25 It then is, of course, up to the organizers of the

1 conference whether they wish to accept the funds of the
2 Energy Commission under that condition or not. But insofar
3 as we're concerned, I think that as you very meritoriously
4 set out in the beginning, you know, the idea is a good one.
5 We're not talking about the idea, we're not talking about
6 the participants, we're not talking about them, we're
7 talking about another issue which is, I think, an important
8 issue and principle.
9 So, I make my motion, and I hope somebody would
10 second that.
11 COMMISSIONER COMMONS: I'll second it.
12 COMMISSIONER GANDARA: Any discussion?
13 COMMISSIONER COMMONS: Yeah. I'm going to -- I
14 guess Rusty and I are really close on this one in terms of
15 which way to go, and I was leaning the other way, and I
16 don't think I very often change my opinion on something
17 listening to discussion here, it doesn't happen often.
18 First of all, this workshop will occur even if
19 we do not participate. That's not the issue as to whether
20 or not the workshop occurs. The sad part is there may not
21 be the transcripts, but I think they have the funds for
22 the transcripts. What happens is, they don't have the
23 management consultants, which is where the bulk of the
24 money is going.
25 I don't like to tell another organization how to

1 operate their show, and that, in essence, if we say it is
2 public, but we're looking here at $5,750, which is almost
3 half, and you know, the fact I wasn't invited in October,
4 and would have gone if I had been invited, or would have
5 wanted someone to attend, or the fact that your adviser,
6 and you're responsible for the Syn Fuels Committee, or
7 yourself hasn't been invited, and was not invited in
8 October, and the severe restriction in terms of here we
9 are asked to put in the funds, but we haven't even been
10 asked as to whether or not, who we would like to see
11 participate.
12 In fact, we weren't invited to the first go-around.
13 Second is, there isn't an official transcript. There is
14 not a tape recording, or an official transcript, so it
15 goes beyond just a question of whether or not an observer
16 is there. There really are questions as to the openness
17 of the discussion, and I would guess that it is, in a sense,
18 since we've discussed it as openly as we have in this
19 meeting, that it would be a precedent, and I think it's
20 close, because I want to very much support it, but I'm
21 more concerned on the larger principle, when we do things
22 that they should be done in open, that people be allowed
23 to hear and know what we're doing, and even though we're
24 contributing a sum of money, certainly if I went there,
25 my ideas and attitudes could be very definitely influenced

1 by the conversations, what went on, and I would feel that
2 other Commissioners, or their advisers, or other people
3 in this Commission, and the public at large should have an
4 equal right.
5 It would also make it very difficult, and all
6 the different committees that I work with, and with the
7 utilities, to cast a vote here, and then say that a lot of
8 the times where I had said, well I know these are tough
9 issues, I know you don't want to have them discussed in
10 public, but that's the process or the procedure, because
11 the ratepayers are affected.
12 How do I make and draw a line of distinction
13 where in one instance that I'm saying we don't need that
14 participation, and in the other instance we do. So I
15 think it's better where it's close like this to follow our
16 Public Adviser's opinion and allow for the observation as
17 distinct from the participant status.
18 So I'm going to switch and support your amendment.
19 COMMISSIONER GANDARA: Do we have any further
20 Commission discussion?
21 COMMISSIONER CROWLEY: May I ask a question please?
22 COMMISSIONER GANDARA: Commissioner?
23 COMMISSIONER CROWLEY: I'd like to inquire if
24 you're stating that the publication of the proceedings
25 is not comprehensive, and is not available to the public,

1 is that correct?

2 COMMISSIONER COMMONS: Well, there's not going to

3 be a transcript of the record, and there's not going to be

4 a tape recording of the record.

5 COMMISSIONER CROWLEY: No, I understand that.

6 COMMISSIONER COMMONS: So what would actually go

7 into the transcript, or what would go actually into the

8 publication of those proceedings would be not subject to

9 our review, and if there were a transcript of the record,

10 I might switch and go back the other direction, so we

11 would actually know what had occurred.

12 COMMISSIONER CROWLEY: Thank you.

13 COMMISSIONER GANDARA: To clarify another

14 point, I think there was made mention that our agenda

15 packages included, you know, some extensive report, or

16 some report, and I -- my package doesn't include it, and

17 neither does Commissioner Imbrecht's package, I just

18 checked. My office was --

19 MS. COHEN: I think they're clipped together

20 with your cover --

21 COMMISSIONER GANDARA: -- provided with what

22 appeared to be a summary, but that was -- I don't know

23 if that's the same.

24 MS. COHEN: It's attached, it's clipped together

25 with your, it's about the third or fourth page.

1 COMMISSIONER GANDARA: Okay. Well, they must
2 have missed -- must be part of our notes and things, because
3 I don't have it. In any case, are we ready for the question
4 on the amendment?
5 DEPUTY DIRECTOR SMITH: Commissioner Gandara,
6 just a point of clarification. As I heard the amendment
7 it was that the condition is that the public must be
8 admitted to the conference, and I was trying to clarify in
9 my mind whether or not that translated to we needed to go
10 through our formal noticing procedure, and use our mailing
11 list to notify interested parties of the conference.
12 COMMISSIONER GANDARA: Well, I think that was
13 part of the recommendation of the Public Adviser, yes, so
14 that was the motion that I was making.
15 DEPUTY DIRECTOR SMITH: Okay.
16 COMMISSIONER COMMONS: But I think you said as
17 an observer, not as a participant.
18 COMMISSIONER GANDARA: Yes. Yes, as an observer.
19 DEPUTY DIRECTOR SMITH: So that the condition is
20 that for the money to be accepted, or to be available, we
21 would notice the conference through our mailing list.
22 COMMISSIONER GANDARA: We are offering the money,
23 we are offering to sponsor the conference conditioned upon
24 the public being admitted as observers, and certainly with
25 the freedom for the Public Adviser to notice the meeting.

I would presume that if the funds are not accepted, and that is their choice, and that certainly we would respect the fact that they wish to have a private meeting, and it would not be so noticed.

Will you call the roll please on the amendment to the main motion.

SECRETARY GERVAIS: Commissioner Commons?

COMMISSIONER COMMONS: On the amendment, aye.

SECRETARY GERVAIS: Commissioner Crowley?

COMMISSIONER CROWLEY: On the amendment, this is -- I vote yes on the amendment.

SECRETARY GERVAIS: Commissioner Schweickart?

COMMISSIONER SCHWEICKART: Aye.

SECRETARY GERVAIS: Commissioner Gandara?

COMMISSIONER GANDARA: Aye. Is there any further discussion on the main motion, which is the contract before us, contract proposal before us, as modified by the amendment? If not, then call the roll please.

SECRETARY GERVAIS: Commissioner Commons?

COMMISSIONER COMMONS: Aye.

SECRETARY GERVAIS: Commissioner Crowley?

COMMISSIONER CROWLEY: Aye.

SECRETARY GERVAIS: Commissioner Schweickart?

COMMISSIONER SCHWEICKART: Aye.

SECRETARY GERVAIS: Commissioner Gandara?

1 COMMISSIONER GANDARA: Aye.
2 MS. COHEN: We appreciate all the time that you
3 have devoted to this and I know you have a busy agenda,
4 and we very much appreciate that.
5 COMMISSIONER GANDARA: We appreciate you making
6 the trip, I know that it's a special effort for your
7 coming, but -- and these are matters that sometimes occupy
8 the Commission.
9 COMMISSIONER CROWLEY: Mr. Chairman, may I ask a
10 question? Is this typical timing of submitting a request
11 in October and being heard in February?
12 COMMISSIONER GANDARA: Unfortunately, Commissioner
13 Crowley, it would be my perception that it often is the
14 case. That we have often directed, or suggested otherwise,
15 that in fact there be sufficient time, so that if it needed
16 to go back, that it could come back and forth.
17 COMMISSIONER CROWLEY: Thank you.
18 COMMISSIONER GANDARA: Commissioner Commons.
19 COMMISSIONER COMMONS: I don't know if you'd
20 still like me to attend, but I am still very interested.
21 (Laughter)
22 MS. COHEN: That has nothing to do with the
23 invitation. I think what we didn't realize though, is
24 you may have a problem with two Commissioners and if --
25 COMMISSIONER COMMONS: No, there's no problem

1 with two Commissioners.

2 MS. COHEN: Okay, well, I think we would like to

3 leave that for you to decide internally who would or

4 wouldn't want to participate. We just identified two

5 people, and at the suggestion of the staff, obviously all

6 of you were interested in this subject. So I think we'd

7 like to leave that with you, if you could let us know --

8 COMMISSIONER COMMONS: Well, I would like to

9 attend, and I'm sorry that we missed each other on our

10 answering services over the weekend. I want to thank you

11 for coming up.

12 I would also like to follow-up Commissioner

13 Crowley's statement. I think the problem that we faced

14 here today was the fact that this issue wasn't brought to

15 our attention until late February when it came in in

16 October, and I'd like a report back as to why it came so

17 late.

18 DEPUTY DIRECTOR SMITH: That's --

19 COMMISSIONER COMMONS: Because I feel very

20 embarrassed in front of SCAG, and if this issue had been

21 brought earlier, we would have resolved this issue, and

22 would not have had this problem, is my belief, and I'd

23 like to know why it took this time also.

24 DEPUTY DIRECTOR SMITH: We'll provide that to you.

25 MS. COHEN: Thank you.

1 COMMISSIONER GANDARA: Thank you. The Item No. 5
2 has been continued. Item No. 6 will not be heard until
3 1:30. Item No. 7 will be heard later in the afternoon.
4 Item No. 9, we don't have any minutes, I believe, to be
5 approved. We will have an executive session for the
6 General Counsel -- requested by General Counsel, so do we
7 need a General Counsel's report other than the Executive
8 Session?
9 MR. CHAMBERLAIN: I had one other item, I don't
10 have the papers here with me, but I intend to distribute
11 to you today a document that we received from BPA that's of
12 some significance and concern. It is an issue paper
13 relating to their intertie access policy that they are
14 developing.
15 COMMISSIONER GANDARA: So that will not be -- you
16 want to bring that up separately from the executive
17 session?
18 MR. CHAMBERLAIN: Right.
19 COMMISSIONER GANDARA: Okay. Well, let's -- why
20 don't we then hold off since you don't have the report
21 there. The Executive Director's Report is going to be a
22 bit more lengthy than I think we have time for.
23 So we are at a crossroads. We either begin the
24 Executive Director's Report which contains both the
25 quarterly review as well as the BCP discussion, or we can

retire for lunch, and then have executive session before the 1:30 item that we noticed would be heard in the CFM forms. What is the Commission's pleasure?

COMMISSIONER COMMONS: It sounds like a wonderful idea.

COMMISSIONER SCHWEICKART: The latter.

COMMISSIONER GANDARA: That we reconvene, that we adjourn now for lunch, and we convene for executive session at 1:00 o'clock?

COMMISSIONER SCHWEICKART: What's Chuck's -- it seems to me that depends on -- I would say executive session as soon as possible, but clearly, we'd be matching with the Chairman's schedule.

COMMISSIONER GANDARA: Chairman Imbrecht indicated that he would be back as soon as possible, and he indicated that it was going to be a lot shorter than it has been. Given that that's the case, I don't have any idea of when that might be -- so that's why I suggested the executive session for around 1:00 o'clock when I think we would have a full Commission for sure.

Executive session at 1:00 o'clock in Commissioner Imbrecht's office, and we will hear the -- start with the CFM item at 1:30, and then pick up on the rest of the items that have been postponed.

Is there any member of the public who might wish

to comment, might want to comment now rather than wait until the end of the day?

Okay, we are in recess.

(Thereupon the morning session of the business meeting of the California Energy Resources Conservation and Development Commission was adjourned for lunch at 11:45 a.m.)

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AFTERNOON SESSION

--o0o--

CHAIRMAN IMBRECHT: We'll call the meeting back to order, and we'll turn to the advisory committee after we deal with Item No. 6, Commission consideration and possible adoption of order granting modifications to our earlier order regarding the CFM V survey forms and orders upon utilities.

Commissioner Commons, I believe would like to open for the presentation of this matter, and then we'll turn to staff.

COMMISSIONER COMMONS: In terms of the procedure here, I guess this is to a certain extent for you, Commissioner Crowley. In November, I believe, we adopted a Commission order concerning the survey forms used for the common forecasting methodology which is the methodology that's used in this Commission in making our biennial forecasts that we do every two years.

When we made that order, this year we had instituted a process that was somewhat different than we had done before, whereby the Committee was empowered to grant modification to the Commission order on a utility-by-utility basis, to take into account the fact that some of the utilities have different climatic zones, are different size, have different internal operating needs.

1 The Commission in granting the authority to the
2 Committee to make those modifications did so with the
3 following stipulations. One is, if any party is not happy
4 with the modifications that were granted or not granted,
5 that the Commissioner, a utility, a member of the public,
6 they clearly had the right to bring that back to the
7 Commission in the form of a petition or a request of
8 rehearing.
9 Second, the Commission stated to the Committee,
10 not a formal definition of what a modification order is,
11 and I'll ask legal counsel, when legal counsel gives their
12 presentation to define, but it was not an open-ended
13 statement that the Committee could do whatever it wished
14 in terms of modifying the order.
15 In general terms, if we were looking at doing
16 five building types on a survey, and the Committee wished
17 to modify the order to three or to seven, that would be
18 permitted, however, we wanted to delete and not have a
19 survey of building types at all. That would be considered
20 a change of the order itself.
21 Now, before us today, we'll have various utilities
22 and others that may want to address the Commission, and
23 from a procedural standpoint, and I'll ask legal counsel
24 to clarify it, rather than having separate petitions come
25 in concerning the specific order of the Committee, what we've

1 tried to do is agendize that so that those requests that
2 were made to the Committee, and the Committee felt, and
3 legal counsel advised them, were beyond the right of the
4 Committee to reconsider, that we can hear those at the same
5 time today so that we can dispose of the topic of survey
6 orders.
7 So what I'd like to do first, Mr. Chairman, with
8 your approval, is to first allow legal counsel to present
9 the legality of the petitions, and the modification orders,
10 and the process that we are to follow today, and then to
11 ask Dr. Jaske who has worked for the Committee, in working
12 with the utilities, in order to come up with appropriate
13 modifications.
14 CHAIRMAN IMBRECHT: All right, fine. Mr. Cohn?
15 MR. COHN: Right. Thank you, Mr. Chairman.
16 Essentially, there are two principal parts to the Committee
17 order which is before you. The first part, dealing as
18 Commissioner Commons has mentioned with requests for
19 modification which are within the scope of the original
20 Commission survey order adopted in November, 1983.
21 The second part of the Committee order is a
22 recommendation with respect to two petitions for rehearing
23 or reconsideration which were filed by SDG&E and PGandE.
24 As to the second part of the order, the petitions for
25 rehearing, the staff as well as myself, would recommend

1 that we put this -- that particular item over to another
2 business meeting, in other words, continue the consideration
3 of the petitions for reconsideration, unlike a siting case,
4 we are not under any specific time line to act upon these
5 petitions, and rather than put the utilities in a position
6 of having to file suit within a 30 day period after today
7 if they choose to do so, we would prefer to put that over
8 and have further discussions on that issue.
9 COMMISSIONER COMMONS: Is that with the
10 concurrence of the two utilities involved?
11 MR. COHN: Well, the concurrence of SDG&E, I
12 have --
13 CHAIRMAN IMBRECHT: Why don't we wait until we
14 hear their presentations, and if that's the case, then we'll
15 provide proper direction to you.
16 MR. COHN: Right. I have not spoken to PGandE
17 about the matter. Now, as to the request for modification,
18 the order signed by the Committee here is appropriate under
19 the original order. In other words, I think all of the
20 requests for modification granted by the Committee are
21 within the scope of the original Commission survey order
22 adopted in November.
23 Nevertheless, the Committee wanted to bring that
24 order before you today for ratification, rather than waiting
25 for any party to appeal the order, given that expeditious

1 handling of this is seen to be of some benefit.

2 The one exception to the request for modification
3 being within the scope of the original order would be the
4 request by LADWP not to do an industrial survey. The
5 Committee did not grant that request in the order, basically
6 because the Committee felt that granting that request would
7 be beyond the scope of the original Commission order.

8 Nonetheless, we feel that that should be discussed
9 here today, and of course, the staff position, as I under-
10 stand, would be to deny that request. But we do feel that
11 that is an issue here today, and should be handled separately
12 from the request for modification order.

13 The other item here is that there have been
14 several negotiations that have taken place even since this
15 order was drafted, and I believe Mike Jaske has prepared a
16 list of some four or five amendments which he would
17 propose as additions or deletions, or changes to the order
18 to try to satisfy all concerned.

19 As you can see, this has been somewhat of a
20 mediation process here, and we're trying to accomplish a
21 goal that we all have set out to meet, but it's taken
22 some time, so even up until today, there have been some
23 changes being discussed.

24 So I would ask your indulgence, then, in hearing
25 the set of amendments that staff would propose to the order

1 today, and of course, those amendments, as well as any
2 other amendments desired by the Commission, I will have
3 drafted, or written into the actual order for final
4 signature.
5 With that, if you have no questions, I'll turn
6 it over to --
7 CHAIRMAN IMBRECHT: Any questions for counsel?
8 Commissioner Commons?
9 COMMISSIONER COMMONS: My understanding is we
10 do not have to adopt the modification order that it is
11 appropriate at this time, if anyone wishes to appeal any
12 portion of that order, that this is an appropriate time
13 to do so, or would want to have an additional modification
14 other than that which is granted.
15 It is also the appropriate time, but that the
16 Commission did properly delegate to the Committee, and
17 you're saying the Committee properly acted within the scope
18 of that delegation, and so that Committee decision does not
19 have to be approved by the Commission.
20 The Commission may wish to, if it wants to ratify
21 it, but it's not a necessary act.
22 MR. COHN: That's correct. However we do have
23 several changes that are now being proposed today, so I
24 think probably the most expeditious way of handling this
25 matter formally, should it be agreed that these amendments

1 are appropriate would be to have those written up into a
2 new order for adoption by the Commission so that any further
3 action after that would only be in the form of a petition
4 for a rehearing, rather than an appeal of a Committee order.
5 CHAIRMAN IMBRECHT: Thank you. Dr. Jaske?
6 DR. JASKE: Thank you. I have before me a page
7 which enumerates four amendments, and due to some last
8 minute negotiations, there are three additional amendments,
9 seven in total, which are being typed at this minute. So
10 let me try to describe generally speaking, what it is, has
11 been the process to date, and where changes have occurred,
12 and try then to hand you language for these seven amendments
13 all at one time, rather than some now and some later.
14 The process that has been carried on since the
15 end of November to this morning is one where utilities filed
16 modification requests staff was delegated by the Committee
17 to try to clarify those requests, and to come to some sort
18 of resolution of them between staff and utility, and then
19 bring forward staff's recommendations to the Committee.
20 That process began in earnest in early December
21 and has carried on until today.
22 There are quite a large number of modification
23 requests which utilities have made, and which some change
24 between what the utility originally requested, and what
25 it is the utility and the staff were able to come to

1 resolution. Subsequently, the Committee has granted those
2 requests. So, it's a rather convoluted series of activities
3 that have been going on, and it's very hard to describe,
4 but let me summarize here on a utility-by-utility basis
5 where we are at this point.
6 For PGandE, there were -- and I might say that
7 the whole category of on-site commercial survey modification
8 requests has been sort of held in abeyance pending the
9 Governor's March change book, and the Committee order so
10 notified the utilities that their requests were neither
11 granted nor denied, merely continued.
12 So on the three remaining portions of the order,
13 that is, residential surveys, commercial mail surveys,
14 and industrial surveys, were the area where there was
15 action taken by the Committee.
16 Now, for PGandE, there was no request in
17 residential, there were extensive requests for commercial
18 mail and for industrial. On the commercial mail, PGandE
19 and staff have basically come to an agreement that they
20 will focus their effort on a follow-up activity of their
21 CFM IV survey, where they will contact in person approxi-
22 mately 2,500 customers, and this seems like a good effort,
23 it's something that PGandE wants to do, and it will get
24 staff a higher quality product for the CFM IV survey. We
25 can add to it, and we were quite happy to agree to that

1 request.

2 For industrial, there's a rather substantive
3 change in the time line of the original survey order
4 requirement, that is where the data was originally due in
5 July of this year, the order grants PGandE a delay until
6 December of 1985, but it requires that PGandE substitute
7 or deliver in addition to the full survey, a -- effectively
8 a piecing together of secondary data, some purchased, and
9 some using company-owned records, which we can treat as a
10 survey, and which will -- is something which is deliverable
11 by the utility in such time that the staff can analyze it
12 and include it in its CFM VI forecast.

13 Upon reflection, there was really not sufficient
14 time for the utility to conduct a true survey, and meet
15 the requirement of the order in terms of deliverable in
16 July of this year. So the staff is satisfied with the
17 modification requests that it negotiated with PGandE, and
18 the Committee's order grants them.

19 For Edison, there is a similar situation. Edison
20 has -- had asked for a series of minor modifications to
21 their commercial mail survey. Those were of no consequence.
22 Staff agreed to them, and on the industrial survey,
23 following along the lines of PGandE, Edison will be piecing
24 together a survey, in quotes, out of secondary data,
25 delivering that to us this summer, and conducting and

1 delivering the data of a true survey by December of 1985.
2 Again parallel to PGandE, staff has no problem.
3 For the other utilities, that is SMUD, San Diego
4 and Los Angeles, the picture is somewhat more confused,
5 and the changes referred to by Mr. Cohn, the amendments,
6 will, I believe, revise the order somewhat, but will
7 continue in the same vein as has been the case to date,
8 and that is, trying to come to some reasonable compromise
9 between the utility capabilities, and the staff needs for
10 data, such that the basic requirement of the order is
11 being met in spirit, if not to the letter.
12 Now, with that, let me distribute these
13 amendments since they deal principally with SMUD, San
14 Diego and Los Angeles.
15 COMMISSIONER COMMONS: Just one comment, Mike,
16 I believe with the Southern California Gas Company, there
17 were no requests.
18 DR. JASKE: That is correct.
19 (Pause to distribute materials.)
20 DR. JASKE: These seven amendments are not
21 organized in a fashion that groups them logically, so I'm
22 going to take them out of order, if I may, I think it will --
23 it's easier to deal with some of them together.
24 Amendments No. 1 and 5 and 6 are simple house-
25 keeping language insertions. They're three identical

1 actions, and it's best described in Amendment No. 1. The
2 original language of the order reads as written, with the
3 exception that the underscored (or its equivalent) was not
4 in the original order. We propose that that phrase be
5 added, and that is being done --
6 CHAIRMAN IMBRECHT: Is there any --
7 DR. JASKE: Excuse me?
8 CHAIRMAN IMBRECHT: Is there any controversy
9 associated with that?
10 DR. JASKE: I do not believe so.
11 COMMISSIONER COMMONS: The only part is Los
12 Angeles did not make a request for this particular modifica-
13 tion on the industrial, but the Committee granted the
14 same modification to them that they granted to PGandE and
15 SCE, even though they did not make the request.
16 CHAIRMAN IMBRECHT: On the basis of equity?
17 COMMISSIONER COMMONS: On the basis of equity.
18 CHAIRMAN IMBRECHT: Okay. Why don't you continue
19 with the description of the others.
20 DR. JASKE: So those are three small housekeeping
21 items. Amendment Nos. 3 and 7 pertain to the case of
22 San Diego. San Diego was one of the two utilities that
23 put in a petition for rehearing of the order. They also
24 put in a modification request which had to do with
25 commercial on-site survey, and the commercial mail survey.

1 The order is not dealing with the commercial
2 on-site survey. The order, as it was written February 9th,
3 effectively denied San Diego's request for the commercial
4 mail survey, which was to conduct it only for three
5 business types. Staff and San Diego have been talking
6 continually, and we have now come to an agreement, and we
7 wish the language of Amendment No. 3 to be inserted into
8 the order, which requires that San Diego do five business
9 types, use at least a sample size of 2,000, and come to
10 the Commission staff for approval of the questionnaires,
11 and of their sampling. Applications keep --
12 CHAIRMAN IMBRECHT: To the best of your knowledge
13 -- excuse me. To the best of your knowledge, does that
14 respond to their concerns, is that acceptable to them as
15 a compromise?
16 DR. JASKE: That's my information, yes.
17 CHAIRMAN IMBRECHT: Okay.
18 DR. JASKE: Amendment No. 2 -- and I believe, then,
19 that satisfies San Diego's concerns. Amendment No. 7
20 deletes Section Roman II of the order on page 5, which is
21 the denial of the motions for rehearing. San Diego wishes
22 to effectively continue to have their motion remain in
23 force, and not have the Committee's action taken, and
24 those -- our discussions with San Diego effectively link
25 Amendments 3 and 7.

1 That brings us, then, to Amendment No. 2, which
2 is for SMUD. This is language that addresses the
3 commercial mail survey, which effectively puts SMUD into
4 this parallel set of requirements with PGandE, in that
5 they will be focusing on a resurvey of CFM IV participants,
6 and given the problems with their CFM IV survey, we think
7 this is a reasonable thing for them to do.
8 I might add that this then brings an item of
9 controversy, because as written, this amendment deletes
10 the granting of a request made by the Committee to SMUD,
11 and substitutes this form of commercial mail survey. I
12 believe SMUD will raise an objection to that.
13 COMMISSIONER COMMONS: So they're not objecting
14 to the commercial mail survey. The objection is to the
15 deletion.
16 DR. JASKE: I believe that's correct. Then
17 lastly, that brings us to Los Angeles. Los Angeles had
18 requests on the residential sector, effectively all four
19 forms of the order. The residential sector was granted in
20 the original order, merely a time delay.
21 The on-site survey request is not being treated
22 now. We were able to resolve our differences for a
23 commercial mail survey, and the remaining outstanding
24 request of Los Angeles, and one which the Committee's order
25 denied, was that Los Angeles not perform the industrial

survey.

In sort of the spirit of fairness and parallel with Edison and PGandE, the Committee granted the same changes to Los Angeles as it did to Edison and PGandE, even though Los Angeles has not asked for those changes, and still requires those changes to be a requirement more onerous than they wish to satisfy.

So at this point, I believe that the single modification request most in dispute is that of Los Angeles performing the industrial survey.

CHAIRMAN IMBRECHT: I see, with this slight objection to Amendment No. 2. Okay. Are there further questions for Dr. Jaske? Thank you very much. Let's begin to hear from the respondents on this issue. First, Mr. Stu Wilson representing SMUD. If you are in general agreement with these proposals, and would like to limit your remarks, the Chair would appreciate it.

MR. WILSON: Very well. Thank you, Mr. Chairman and Commissioners. We are nearly, I think, in agreement with what is proposed. I think Dr. Jaske characterized our position accurately. We were pleased to see in the draft order, originally came out, the granting of what we considered a relatively minor modification to the residential survey.

Then, subsequently, -- subsequent to the issuance

1 of the draft order, we've carried on some discussions with
2 the staff about the commercial mail survey, and as of
3 today, reached agreement, and we have no problem with the
4 language proposed on the amendment sheet as it pertains to
5 conducting a commercial survey. I think we can work
6 effectively with the staff to come up with a survey that
7 will satisfy everybody's needs.
8 CHAIRMAN IMBRECHT: So you support the proposed --
9 MR. WILSON: We support the language in here on
10 the amendment that pertains to the commercial survey. One
11 remaining point of dispute is the way the amendment was
12 prepared, in granting the language, in approving the
13 language we agreed upon for the commercial mail survey, it
14 deletes the language which was originally in the draft order
15 pertaining to the residential survey, and it's that issue
16 to which we object.
17 CHAIRMAN IMBRECHT: Commissioner Commons?
18 COMMISSIONER COMMONS: Yes. I would like to ask
19 Dr. Jaske to explain why he wanted to delete this, and
20 then I'd like to ask Mr. Wilson why it's important to him
21 that we not delete it.
22 DR. JASKE: The item in dispute is whether or not
23 SMUD does a follow-up using telephone or personal interview
24 of people who fail to respond to the mail questionnaire
25 sent to them. In CFM IV, SMUD found that there was a

1 considerable difference in the energy consuming characteris-
2 tics, the household appliances, the income, et cetera, of
3 mail phase respondents and follow-up respondents, because
4 it did do a follow-up.
5 Despite the fact that they found a difference,
6 they wished not to perform that again for CFM V. They
7 find themselves in a budgetary situation that doesn't
8 support doing that. We understand their problem, but
9 given that they have now in CFM IV found a problem, that
10 is a difference between mail respondents, and otherwise,
11 we think it's only appropriate that they pursue collecting
12 that data once again to see whether there is abberation
13 in the original data in CFM IV or if there is truly, in
14 effect, to get the survey resulted, as representative of
15 the entire population.
16 CHAIRMAN IMBRECHT: On the summary of the utility
17 requests and Committee actions that was distributed to
18 members of the Commission, indication is that the Committee
19 granted the request relative to the residential issues on
20 behalf of SMUD. Are you saying that that has now been
21 modified? Do I understand that correctly?
22 DR. JASKE: No, I'm saying that the Committee's
23 action is not supported by the staff.
24 CHAIRMAN IMBRECHT: Is not supported by the
25 staff, but so the recommendation before us -- wait a minute.

1 Does the order before us reflect the Committee's direction
2 or the staff's --
3 DR. JASKE: The Committee's.
4 COMMISSIONER COMMONS: Well, the order that we
5 have in our book is the Committee order. During the past
6 few days, there have been, with the three utilities, I've
7 asked staff to go back again to see if we could come closer
8 to concurrence.
9 What has happened here is they've reached
10 concurrence on the large area of dispute, but they haven't
11 -- they've thrown into the package this smaller area, which
12 in terms of dollars and cents is a smaller item than the
13 big item. So staff is now proposing, if we grant this
14 other modification, which the Committee has not taken up,
15 that in granting that modification we delete the one --
16 CHAIRMAN IMBRECHT: Rescind.
17 COMMISSIONER COMMONS: Rescind the one that the
18 Committee essentially was approving.
19 CHAIRMAN IMBRECHT: Does the Committee have a
20 recommendation on that?
21 COMMISSIONER COMMONS: Well, my recommendation,
22 I'd like to hear Stu Wilson as to why he feels we shouldn't.
23 MR. WILSON: All right. Let me try this one.
24 It's, in our view, it's a fairly simple issue. I don't
25 dispute anything that Dr. Jaske has said regarding the

1 previous survey, the phone follow-ups, and so forth.
2 The situation we find ourselves in is that the
3 district completed its residential survey about three
4 months ago. We finished collecting the data about three
5 months ago. At the time that was put together, and
6 management decisions were made allocating resources as to
7 how to conduct that, decisions were made to allocate some
8 resources to follow-up and verify the accuracy of the
9 information contained in the survey.
10 We did not, you know, attempt to do everything
11 because we had, as I'm sure you can appreciate, limited
12 resources with which to do it, and basically, it came down
13 to a choice of devoting those resources to additional
14 telephone follow-ups, or -- on to non-respondents, or to
15 do some on-site verification of the information supplied
16 by respondents to determine the degree of accuracy of that
17 information.
18 It was the judgment of the management of the
19 utility that that was a better use of our limited resources,
20 that there was some real concern about the accuracy of
21 information, such as the level of insulation that is
22 reported, you know, what's the R-value of the insulation
23 when the homeowner says, well, I think I have R-40. You
24 know, how good is their judgment, or how accurate is their
25 knowledge.

1 So, basically, that's the situation we're in, and
2 I guess it is our belief that it's becoming, if it isn't
3 already a moot point, because of three months elapsed time
4 since the completion of the mail survey, a telephone
5 follow-up with non-respondents to the survey may not be
6 of any particular value.
7 CHAIRMAN IMBRECHT: Commissioner Commons?
8 COMMISSIONER COMMONS: I can't speak on behalf of
9 the Committee, because the Committee has not --
10 CHAIRMAN IMBRECHT: As Presiding Member.
11 COMMISSIONER COMMONS: As the Presiding Member.
12 I think there are two or three points I would like to make.
13 First of all, I think SMUD has made a good faith effort in
14 trying to work with staff, although it occurred a little
15 late in time in terms of trying to work this out.
16 This information is not for this year's forecast.
17 This is the survey information which will be the basis of
18 our forecast two years hence. I tend towards the SMUD
19 position, primarily in that the residential forecasts have
20 not had as much dispute between the Commission and the
21 staff overall in the state. The only thing that my concern
22 would be is what Stu just said in terms of that follow-up
23 on the accuracy of the data which was where the problem
24 lies, that's not included in terms of the words that we're
25 doing.

1 I would feel much more comfortable if what he
2 said was actually included rather than requiring them to
3 do that which they don't want to do, is they did that which
4 would be most helpful from their management's perspective,
5 I would feel happy.
6 CHAIRMAN IMBRECHT: Okay. Why don't we -- when
7 we come down to resolution of these matters, I'll turn to
8 you for appropriate suggestion of amending language.
9 Anything further? Commissioner Schweickart?
10 COMMISSIONER SCHWEICKART: Mike, what are we
11 talking about here in terms of the difference in behavior,
12 you know, when in doubt, let's go to the substance. What
13 magnitude of discrepancy are we talking about between the
14 written survey and the follow-ups?
15 DR. JASKE: As best we can understand from our
16 analysis of the CFM IV data that SMUD has given to us, in
17 some of the key items such as heating fuel type resistance
18 versus gas, or heat pump versus gas, there's as much as
19 10 percentage points difference between the telephone
20 respondents and the mail respondents, and since --
21 COMMISSIONER SCHWEICKART: So a 10 percent error
22 in those reporting what their heating type is?
23 DR. JASKE: Well, there's a 10 percent difference,
24 and we're not sure, you know, if there is a different level
25 of accuracy between the two, or whether there's -- they're

1 just fundamentally different people, that for some reason,
2 those that tend to respond to mail surveys tend to be
3 better educated, or something, and there is some other
4 facet of their home and environs that is associated with
5 that. We haven't really studied enough to know.
6 SMUD is making a reasonable effort to pursue one
7 dimension of this, which is to go and see how accurate
8 people do respond to these things. So there is benefit
9 from what it is they're doing, but given their CFM IV
10 results, it seemed rather irrational to not do a follow-up
11 activity when their previous survey found a difference.
12 That was why we suggested they continue to be
13 required to do that.
14 COMMISSIONER SCHWEICKART: So, at a difference of
15 about 10 percent in energy use, based on the two different --
16 DR. JASKE: No, 10 percent difference in some of
17 the key saturations, say 30 percent resistance in one
18 group versus 40 percent resistance in another group.
19 COMMISSIONER SCHWEICKART: I see.
20 CHAIRMAN IMBRECHT: Okay. I had one final
21 question. Do you have any estimate of what the cost
22 implications are for SMUD to comply with the staff
23 recommendation as opposed to the Committee recommendations?
24 MR. WILSON: Frankly, I haven't tried to come up
25 with that figure, because up until a few minutes ago, I

1 didn't realize this issue was in dispute. It's possible we
2 could get it quickly, but I don't have it.
3 CHAIRMAN IMBRECHT: Okay. Unless that's important
4 to anyone else, we'll pursue that based upon discretion
5 later on. Thank you very much, Stu.
6 MR. WILSON: Thank you.
7 CHAIRMAN IMBRECHT: Next, J. P. Baumgartner
8 representing Pacific Gas and Electric, and again, for
9 purposes of brevity, are you basically in accord with, or
10 do you have any outstanding issues relative to staff
11 recommendations?
12 MR. BAUMGARTNER: For the record, my name is
13 Peter Baumgartner representing Pacific Gas and Electric.
14 In the interests of brevity, I can say that we concur with
15 the order as amended, as proposed by the staff.
16 CHAIRMAN IMBRECHT: Thank you very much. We
17 appreciate your succinctness. Any questions? Commissioner
18 Commons?
19 COMMISSIONER COMMONS: I have one comment and
20 one question. I want to first of all thank PGandE and
21 the real cooperative attitude that they've had and time
22 they've spent with Dr. Jaske, and I think coming up with a
23 positive and creative solution to what was a very difficult
24 problem.
25 Second, I'd like to know, lurking behind all this,

of course, is the on-site survey, which is the most difficult portion of this, which we have carefully avoided. Has PGandE followed the behest of our Chairman in terms of doing anything to help us, to help you, so we don't have to have this problem in a month or two.

MR. BAUMGARTNER: I'm really not in a position to answer that question directly, or at least I'd prefer not to answer it today.

COMMISSIONER COMMONS: Okay, thank you.

CHAIRMAN IMBRECHT: All right, fine. I've had communication with some of the people in your senior management, and encourage you to continue to pursue that internally, to the extent that you feel that's consistent with your professional obligations.

Thank you very much. Mr. Randol Schreck, also representing --

MR. BAUMGARTNER: Mr. Schreck is my witness, and I don't think it's necessary to call him.

CHAIRMAN IMBRECHT: Thank you very much. Next, Roger Johnson, representing the Los Angeles Department of Water and Power.

MR. JOHNSON: Good afternoon, Commissioners. For the record, my name is Roger Johnson, I'm with L.A. Water and Power. There are two modification requests that are before you. One has to deal with our Form 3, and one

1 relating to Form 4. We concur with the Committee's
2 modification with regard to Form 3, so I will not discuss
3 that. We are, however, at issue with regard to Form 4.
4 We would like to see that the Commission amend
5 the order, recommending that we do Form 4. LADWP desires
6 to be relieved from doing Form 4, because we don't believe
7 that it is cost-effective for our customers.
8 At this time, I'd like to put on some projection
9 graphs to show you, to make the point that we would like
10 to make.
11 CHAIRMAN IMBRECHT: All right fine. Staff, could
12 someone lower the lights, please?
13 MR. JOHNSON: Primarily it's our understanding
14 that when you take a look at the industrial sales by
15 utility systems as they are forecasted in BR IV, you see
16 a grouping, primarily in the 22 to 30 percent range, which
17 contains both Edison, PGandE, and the Department. Down at
18 the 10 to 15 percent range is San Diego Gas and Electric
19 Company.
20 In a sense, there are two groupings here, and as
21 you're aware, those utilities which have been requested to
22 do the industrial survey is in the 20 to 30 percent range,
23 and then San Diego has been exempted from that. This infor-
24 mation would kind of lead one to believe that the Commission
25 has a ground for requesting the Department to do the

1 industrial survey. This is on page 3 of the handout that
2 I gave you, if you'd care to look at that.
3 We believe that San Diego is significantly lower
4 and should be exempted from the industrial survey of sales.
5 We believe that based upon this information alone, that the
6 groupings in and of themselves should not be the basis for
7 requiring us to do this survey.
8 When you take a look at the projected sales for
9 LADWP in the past, since 1960 through the 1980 time frame,
10 and then the projections that were made and presented before
11 the Commission with regard to BR IV, we see that the
12 commercial, the residential, and the industrial sales are
13 projected up there.
14 Our commercial and residential sales are our two
15 largest sectors. Our smallest sector is the industrial
16 area. I want to note with this graph that LADWP's forecast
17 is higher than the Commission's forecast in the commercial
18 sector and it is diverging.
19 We also point out that in the residential area,
20 the Commission's forecast is higher than the Department's
21 and in a sense it is also on a diverging pattern. With
22 regard to the industrial sector, there virtually is no
23 difference in the projected sales.
24 We have an interest in this particular area
25 because of the divergence and of the recent tracking over

1 the past three years as to what our sales has actually
2 been doing with regard to the forecast. We see in our
3 commercial sector that our sales are actually tracking
4 fairly well, if not higher, our forecast for the commercial
5 sector.
6 So, when we take a look at the residential sector,
7 we see that our sales is following more along a track of
8 the Commission's adopted forecast. We don't understand
9 why this is occurring. So we believe that there is a
10 benefit for our customers, for us to invest the money, and
11 to do the data gathering, and the analysis, to kind of
12 resolve what is going on in our commercial, and the resi-
13 dential sector.
14 I want to point out again that the industrial
15 sector is our least sales sector, and that the forecasts
16 are almost identical. That it is due to budgetary
17 constraints that our staff has upon them right now with
18 regard to the mail surveys that we are proposing to spend
19 our ratepayers' money in analyzing what's going on in our
20 commercial and our residential sectors because we believe
21 that for future forecasting efforts, we will be able to
22 come up with a better forecast.
23 CHAIRMAN IMBRECHT: Let me just ask on that
24 point, do I see on the industrial end, your experience
25 going down from both the CEC and the Department's forecast?

1 MR. JOHNSON: Yes, we are, and in looking at that
2 point that I did, is that I took what our average industrial
3 customer sales was, I don't remember the number off-hand,
4 but when I found out what the average industrial customer
5 consumed, times the number of industrial customers that
6 we've lost over the last three years, it is the losing of
7 the industrial customers, or it's a shift from the
8 industrial customers leaving our service territory which
9 has caused this drop, and not in any end use phenomenon in
10 the industrial sector that we can identify.
11 CHAIRMAN IMBRECHT: Not increased conservation
12 or --
13 MR. JOHNSON: Right. In other words it's the
14 number of customers we lost, times the average sales makes
15 up for this differential right here.
16 CHAIRMAN IMBRECHT: I was going to say, just
17 playing devil's advocate for a moment, it appears that with
18 the commercial and residential, that you've at least got a
19 forecast that is somewhere on the mark. On the industrial
20 end, neither forecast appears to be on the mark, and would
21 almost by utilization of your own argument, suggest that
22 that's the place where there ought to be emphasis placed
23 in terms of perfecting the data base.
24 MR. JOHNSON: We would say that that would be
25 true if the industrial sector -- if the mail survey that was

1 being conducted was going to emphasize on whether a company
2 is going to leave our service territory or not, and we
3 understand the mail survey to date is to get an analysis of
4 the end uses of the electricity in the industrial sector,
5 and where the company can come up front and tell us in one
6 year, two years, three years, ten years, or even twenty
7 years, as the forecast is going out to, whether they're
8 going to be within our service territory or not, I would
9 dare say that I don't think any manager would make a
10 projection like that.
11 The primary emphasis that we understand the
12 survey to do is to be gathering end use data, and end use
13 data points, and when the customers leave the service
14 territory, their end uses are totaled with regard to the
15 forecast is concerned.
16 But we think that we should be able to come to a
17 better convergence in the commercial and in the residential
18 area because those are the two driving sectors of our
19 service territory.
20 CHAIRMAN IMBRECHT: With the one exception on the
21 abberation or however you want to characterize the
22 industrial abandonment of your service territory or however
23 you want to characterize it, at the same time, if you go
24 out to the end of our general forecasting time frames, and
25 around the turn of the century, you're really talking

1 residential and industrial if you assume our forecasts and
2 yours are ball park accurate, a difference of only, as I
3 look at that, of about 500 gigawatt-hours between those
4 two sectors.
5 MR. JOHNSON: Here?
6 CHAIRMAN IMBRECHT: Yes. I mean we use your
7 forecast in each instance, for example, or we use ours, and
8 I -- the consequence, it seems to me, in terms of a total
9 electric energy consumption within your service area,
10 industrial is nearly as important as residential.
11 MR. JOHNSON: I'm sorry, I think I missed your
12 point.
13 CHAIRMAN IMBRECHT: Well, the relative consumption
14 of those two sectors is not too different. One, in the
15 year 2000 you show residential being around 6,000 gigawatt-
16 hours if I can read that from here, and industrial 5,500.
17 I mean, I guess I'm saying that it appears to me that
18 industrial is fairly important, and nearly equally important
19 to your residential. All right.
20 MR. JOHNSON: Yeah, but when we're seeing the
21 trend is not following in the residential, our particular
22 forecast here, you know, we're talking about a different
23 magnitude. So that the cumulative magnitude of the
24 difference, in both the commercial, and in the residential
25 is where we're concerned with.

1 CHAIRMAN IMBRECHT: Okay. Well, I guess I have
2 to say, I guess I'm a little skeptical looking at trends
3 based upon like two years out of a ten year frame, because
4 I think some of that industrial perhaps is largely
5 attributable to the recession, which we're coming out of
6 right now, and I just --
7 MR. JOHNSON: It would be if the average --
8 CHAIRMAN IMBRECHT: -- you know, seat of the pants
9 kind of prognostication. I would expect that the industrial
10 would turn up. If you just examine what's happened in
11 terms of employment in the state in the last few months,
12 there has been such a dramatic turn-around, I heard some
13 numbers quoted this year. In the last year we dropped
14 13.8 percent unemployment, to 8.1. That's got to show up
15 in terms of industrial consumption at some point.
16 MR. JOHNSON: We're primarily seeing the up-turn
17 in our commercial sector because of the office space and
18 everything that's going in in the downtown area.
19 CHAIRMAN IMBRECHT: Okay.
20 COMMISSIONER COMMONS: Could you, Roger, give us
21 an indication of what the respective costs of the residential
22 survey, the commercial survey, and the industrial survey
23 are?
24 MR. JOHNSON: Okay. To the best of my under-
25 standing, we are looking for almost identical costs in the

1 commercial, and in the residential area, that each survey
2 because of the fact that the instruments right now that are
3 used for those surveys are pretty much -- I don't know if
4 you want to call them cookbook, but they are instruments
5 that a sample of which you can have in your hand.
6 We've been doing the residential for a number of
7 years, and we've accomplished one commercial. So that each
8 one of these is roughly around 60,000. So we're taking a
9 look at a total expenditure of approximately maybe around
10 $120,000.
11 The industrial on the other hand has the $60,000
12 cost embedded in it, and that is just to do the mailings,
13 and the printing up of the instrument. We've also got the --
14 COMMISSIONER COMMONS: Is that the modified order
15 which is in accord with the PGandE, or is that the original?
16 MR. JOHNSON: No, that is just to go out and do
17 a mail survey, $60,000. Okay? Now, the way the modified
18 order comes out, it requires us to go out and to do the
19 mail survey, but at a later point. It requires us also
20 to develop the instrument, the actual instrument. There is
21 no patterned instrument right now for the industrial
22 sector that we're aware of.
23 So we would estimate that it might be anywhere
24 from -- it could be 10 to 15,000, maybe even 20, just to
25 develop an industrial sector instrument.

1 COMMISSIONER COMMONS: When was the last time you
2 did the industrial survey?
3 MR. JOHNSON: There has been no industrial
4 survey done that I'm aware of.
5 COMMISSIONER COMMONS: How do you make the
6 forecast, then, on the industrial side?
7 MR. JOHNSON: I'm not a forecaster, so I can't
8 really speak for them, but I think they used somewhere
9 close to an econometric model, and they've got an idea
10 possibly of some of the square footages of what's going on
11 and using the SIC codes, and stuff like that, they have
12 gone through and developed a method to estimate what the
13 industrial sales have been.
14 Up until these last couple of years, from what
15 I understand, it's been tracking very true.
16 COMMISSIONER COMMONS: Well, isn't that the
17 methodology that used to be used, where early on in this
18 Commission's formation, where we had the large variation
19 between the utility forecasts, and the Commission forecasts,
20 and the concept of the end use forecast was to try to get
21 down to specific industries, specific building types, to
22 get a better understanding or grasp of what's occurring
23 within a specific utility district so we wouldn't have
24 orange arrows. I think they go back to some of the types
25 of new trends that could emerge, which you'd gain from a

survey, which the Chairman was addressing, rather than based only on historical experience.

MR. JOHNSON: I think you're correct, but for our particular service territory, the difference has been in the commercial and the residential, and not in the industrial. I think if you take a look at the past industrial forecasts, the line has been very much on trend, and that there has been no major divergences between the industrial sales forecast of the Commission and ourselves, to the best of my understanding.

CHAIRMAN IMBRECHT: What is the size of the sample in the industrial survey?

MR. JOHNSON: Pardon?

CHAIRMAN IMBRECHT: Size of the sample, how many industrial concerns are asked to participate?

MR. JOHNSON: Well, --

DR. JASKE: I believe the order requires a 5 or 10 percent sample of their population.

CHAIRMAN IMBRECHT: Can you ball park it?

DR. JASKE: It might be --

MR. JOHNSON: 2,000.

DR. JASKE: -- 2,000 total.

CHAIRMAN IMBRECHT: And how many questions are there on this mail survey?

MR. JOHNSON: To the best of my -- the survey

1 instrument hasn't been developed.

2 DR. JASKE: Twenty, 25.

3 CHAIRMAN IMBRECHT: $50,000 to send that out?

4 I've been involved in contracting for various surveys over

5 the last few years, and it seems like -- that seems like a

6 very high cost for the size of sampling questions.

7 COMMISSIONER COMMONS: Maybe we could form a

8 partnership -- present a conflict, Mr. Chairman.

9 CHAIRMAN IMBRECHT: In any case --

10 MR. JOHNSON: I can only report to you what our

11 staff has told me.

12 COMMISSIONER COMMONS: There are existing survey

13 instruments, though, I believe both Pacific Gas and Electric

14 and Southern California Edison do have survey documents.

15 You may want to modify them, but I don't think it's the

16 development of a total new survey instrument, it might be

17 a modification of an existing one.

18 CHAIRMAN IMBRECHT: Okay, let's -- I think we

19 understand --

20 MR. JOHNSON: I don't think -- we're not aware

21 that there is an industrial survey instrument right now.

22 The final point that we wanted to make was that when you

23 take a look at the industrial sales for the state as a

24 whole, we see that there are two groupings again.

25 The first grouping is up in the 40 to 48 percent

range, where Edison and PGandE is located, and then there's another grouping down -- less than 10 percent for LADWP, and with San Diego's being lower than that.

But when you take a look at the state as a whole, the Department's industrial sector sales is 10 percent of the state, and the trend in that forecast indicates that it's declining. So the significance of the industrial sector sales for LADWP, for the state as a whole is lessening with time.

Can we have the lights back on?

CHAIRMAN IMBRECHT: Okay. Any questions for Mr. Johnson? Any further points you wish to make?

MR. JOHNSON: Just in conclusion, as for the reason of the significance of our industrial sales for the state as a whole, along with our budgetary constraints, that we request the Commission to amend its order with respect to Form 4, combine us with San Diego's and with SMUD's, and exempt the Department from doing Form 4.

CHAIRMAN IMBRECHT: One final question for you from my perspective is in terms of the cost of conducting such a survey, is there a proportional reduction in cost if the size of the sample you required?

MR. JOHNSON: Primarily, the cost in the sample size deals with the mailings.

CHAIRMAN IMBRECHT: I see. Dr. Jaske, let me ask

you. Considering the relative size of their -- or their proportional share of industrial consumption statewide, is the necessity for the same degree of accuracy justified in this instance as it is with the two larger industrial sales territories? In other words, could we get by with a sample of 1,000 as opposed to 2,000 LADWP, since the plus or minus impact of the lack of added specificity is not going to have the same energy impact that it might in SCE or PGandE's case?

DR. JASKE: Generally speaking, unfortunately, the sort of requirement of sample size, based on a percentage of customers gets one into trouble, because if 2,000 was the number implied by what the survey order now says, and we cut that down to 1,000, it's going to be a substantial rate of -- who don't turn the instrument in, so now you're down to 500, and certain industries, you're down to 5. So making that -- the level of 5, you can't count --

CHAIRMAN IMBRECHT: But the real issue, I mean, the only question relative to size of sample in any kind of survey work is your plus or minus ratio at the end result. How far off you are from reality in terms of the numbers that are generated, right?

DR. JASKE: That's correct, and unfortunately, the smaller utilities have a somewhat unfortunate burden that the size of the survey necessary to get accurate

1 results tends to end up being a larger percentage of their
2 customers than it does for the big utilities, if you see
3 what I'm saying.
4 CHAIRMAN IMBRECHT: Yes. Commissioner Commons?
5 COMMISSIONER COMMONS: In the case of San Diego,
6 we had a large number of building types, and it being a
7 smaller utility on the commercial size, in order to -- and
8 in recognition of the problem that you mentioned, rather
9 than reducing the sample size which doesn't buy as much,
10 what we did is we reduced the number of building types.
11 Would there be a possibility here, keeping the
12 sample size the same, to reduce the different types of
13 end uses in the industrial sector that we would be
14 addressing, which would have the same effect as reducing
15 the number of surveys that would be taken? In other words,
16 focus on those sectors where we have the greatest proportion
17 of electricity consumed in the Los Angeles area, furniture,
18 electronics.
19 DR. JASKE: We would be willing to discuss
20 partial coverage of the industry as opposed to complete
21 coverage.
22 CHAIRMAN IMBRECHT: All right. Well, while we're
23 taking up the other utilities views on this matter, why
24 don't you huddle with Mr. Johnson and see if something can
25 be worked out on that. Thank you Mr. Johnson. Next, Pat

1 Fleming representing San Diego Gas and Electric, is Pat
2 here?
3 MS. FLEMING: Yes, just a moment.
4 CHAIRMAN IMBRECHT: Oh, how about if I move on
5 to Richard Kleeberg representing Southern California Edison?
6 Mr. Kleeberg.
7 MS. FLEMING: May I have one moment? For the
8 record, I'm Patricia Fleming representing San Diego Gas
9 and Electric.
10 CHAIRMAN IMBRECHT: All right, we'll give you a
11 break this time, go ahead.
12 MS. FLEMING: I thought I was called.
13 CHAIRMAN IMBRECHT: No, no, I was -- while you
14 were consulting in the back, I went ahead with Southern
15 Cal -- that's okay.
16 MS. FLEMING: I have one minute, I think. All
17 we want to say from San Diego Gas and Electric's point of
18 view is that we concur with the amendments.
19 CHAIRMAN IMBRECHT: Thank you very much. Mr.
20 Kleeberg?
21 MR. KLEEBERG: Richard Kleeberg --
22 CHAIRMAN IMBRECHT: Judging by your consultation,
23 I thought you were going to have longer testimony than that,
24 excuse me.
25 MS. FLEMING: We were deciding who was going to

speak.

CHAIRMAN IMBRECHT: Okay. Mr. Kleeberg.

MR. KLEEBERG: Everybody done back there?

CHAIRMAN IMBRECHT: Yes.

MR. KLEEBERG: Richard Kleeberg representing Southern California Edison. We are in agreement with the order in front of you and with the amendments that Dr. Jaske discussed. We'd just like to mention also, as Dr. Jaske mentioned, that the petitions for modification regarding Form 2, the on-site commercial survey, of which we have a request for modification included, there's no action being taken today. That part of the petition is not being granted or denied.

When the Commission chooses to take action on Form 2, at that time, we will have comments. Thank you.

CHAIRMAN IMBRECHT: Fine. You're probably aware I've had communications with some of your senior management relative to the same issue of communicating your concerns on that issue.

MR. KLEEBERG: Yes, Mr. Chairman, I am aware.

CHAIRMAN IMBRECHT: To appropriate parties within the state government.

MR. KLEEBERG: It is currently being discussed by our senior management.

CHAIRMAN IMBRECHT: I would appreciate as

1 expeditious a reply and resolution of that as possible.
2 MR. KLEEBERG: I will relay your message.
3 CHAIRMAN IMBRECHT: Thank you. Time is very
4 short, believe me.
5 It appears that we have a concurrence on
6 Amendments 1, 3, 5, 6, and 7. Let me ask -- I assume that's
7 a motion from Commissioner Commons, seconded by Commissioner
8 Gandara that we adopt those amendments, is there objection
9 to a unanimous roll call? Hearing none, that will be the
10 order.
11 As to Amendment No. 2, Commissioner Commons, as
12 Presiding Member, it's your prerogative to make the motion.
13 Do you wish to now elucidate as to the Committee's
14 position?
15 COMMISSIONER COMMONS: Yes. Mr. Chairman, I'd
16 like to delete the first statement, delete the last sentence,
17 keep the language that is written, and then in our survey --
18 in our book, on page 2, add the following sentence, and I
19 hope I am paraphrasing Mr. Wilson's comment.
20 Where it says, "as required by Form 1, residential
21 survey design" on page 2 at the bottom on SMUD, add the
22 following: "provided appropriate on-site follow-up is
23 conducted to determine the accuracy of the survey."
24 CHAIRMAN IMBRECHT: Is that acceptable? All right,
25 fine, seconded by Commissioner Gandara, that Amendment 2 as

1 modified be adopted. Is there objection to a unanimous
2 roll call? Hearing none, that will be the order.
3 How's our caucus in the rear of the room coming?
4 COMMISSIONER COMMONS: Let me make a comment
5 while they're caucusing.
6 CHAIRMAN IMBRECHT: Commissioner Commons?
7 COMMISSIONER COMMONS: One of the problems that
8 the Committee had in addressing the LADWP request is that
9 legal counsel's position was that we did not have the
10 authority to look at the request, because it was not, in
11 essence, a modification.
12 Los Angeles has made, I think, a very good
13 presentation, and has raised some points that made it
14 actually a closed case as far as I was concerned,
15 originally. First of all, their industrial sales are
16 substantially lower than Southern California Edison and
17 PGandE in the state.
18 Second of all, a major problem in Los Angeles is
19 the moving out of industry, and it's very difficult, I've
20 done surveys of this type in Pasadena, and follow-up
21 surveys on companies that move out surveys of companies
22 that are expanding in our community to find out, and there
23 is no way a mail survey will gain you any information.
24 This has to be done through personal contacts at the
25 highest levels within organizations, and it's extremely

1 sensitive information.

2 If they had made a request for modification,
3 similar to what San Diego did, where we had a similar
4 problem, and I have not discussed this with Commissioner
5 Gandara, since it never came before me, I would have
6 attempted to reduce the area that we cover in the survey
7 to the more significant industries, without the need, I
8 felt, of covering all industrial types, or the same number
9 of industrial types that we covered in PGandE and San
10 Diego.

11 What I would like to suggest is that we do
12 something similar to that which we did with SMUD, where
13 we allow the staff of our Commission, and LADWP to mutually
14 agree on the sample size, and the allocation to customer
15 type without attempting to negotiate this on the floor of
16 the Commission, and I think the spirit that we're discussing
17 is such that it still would not present LADWP coming back
18 if they weren't able to reach a satisfactory agreement,
19 but I don't like to try to do something as complicated
20 as this, or as significant without really looking at each
21 of the industrial types, where the problems are, and which
22 ones ought to be included, and give LADWP an opportunity
23 to meet with their people, and give our staff a fair
24 opportunity to look at it.

25 CHAIRMAN IMBRECHT: Commissioner Schweickart?

1 COMMISSIONER SCHWEICKART: Yes, thank you, Mr.
2 Chairman. First of all, I find the language in the
3 Committee order quite appropriate, regardless of the
4 direction that we move, at least in considering the two
5 options, if you will, that we've been talking about. That
6 is, the second and third lines of the relevant paragraph
7 indicate that the survey design must be acceptable to the
8 CEC staff.
9 So that if, in fact, we were to provide guidance
10 to the staff that that should include the most critical
11 LADWP industries, or whatever, the language certainly meets
12 that without any further amendments.
13 CHAIRMAN IMBRECHT: Meets that description.
14 COMMISSIONER SCHWEICKART: However, frankly, in
15 terms of the presentation made, it seems to me that I am
16 frankly not terribly sympathetic to the idea that it is a
17 relatively low demand in comparison with residential and
18 commercial in the L.A. area. I think one of the most
19 critical issues that the Commission forecasting staff is
20 going to have to stay on top of with the recent, rather
21 deep recession, escalation of energy prices, and now
22 current recovery, is to what degree has capital equipment
23 been made more efficient in this process.
24 I think there are a large number of uncertainties
25 there. There's some evidence recently reported in the trade

1 journals and business press, indicating that in fact
2 relatively little in capital expenditures are made, other
3 than in the automation area. It's not clear how that's
4 going to affect future energy demand in that sector.
5 So that with the divergence, notwithstanding the
6 fact that the real world seems to be diverging from both
7 the Energy Commission and the utilities forecasts, it
8 would seem to me to indicate that this is an area where
9 we should be gaining as much knowledge as we can about
10 what's happening in that sector, regardless of its relative
11 importance in the LADWP area.
12 I think we're interested in understanding the
13 dynamic, notwithstanding that PGandE and Edison are much
14 larger players in terms of the overall state demand numbers.
15 So I would frankly support the language as it's indicated
16 here, and leave it to a certain extent, to the judgment
17 of the staff, what a satisfactory -- satisfactorily designed
18 survey for LADWP is in gaining that additional knowledge.
19 CHAIRMAN IMBRECHT: Dr. Jaske, were you able to
20 reach any resolution on Mr. Johnson's --
21 DR. JASKE: Basically no. Mr. Johnson
22 characterized it in his initial remarks that there is a
23 sort of view on the part of DWP staff that this information
24 cannot benefit them as they are currently configured to do
25 forecasting, and that given those circumstances, their

1 management wishes to expend no funds. We have a difference
2 of agreement between their staff, and myself, for example,
3 about the utility of the data, but given -- that's their
4 staff's opinion.
5 CHAIRMAN IMBRECHT: Let me try to bring some
6 resolution to this matter. First off, I am generally in
7 accord with Commissioner Schweickart's comments. I have
8 to say, Mr. Johnson, I am not persuaded that there is a
9 significance associated with the industrial sector in your
10 service area.
11 At the same time, I have to say that I think that
12 for a variety of the reasons that he cited, I think there
13 is sufficient importance for us, particularly in the
14 context of 10 percent of the state's industrial consumption
15 and so forth.
16 I do think, however, that that does not mean that
17 we need to impose the same burden upon you as upon the two
18 larger utilities in the state that do have a much larger
19 consumption, and I want our staff to recognize clearly
20 that I believe that the burden should be reduced, and should
21 focus upon those elements of the industrial sector in Los
22 Angeles that constitute the predominant portion of that
23 energy consumption.
24 To that extent, I believe it will mitigate the
25 cost implications, and burden upon your utility, and at

1 the same time, preserve the rest of that information we need
2 to ensure an accurate forecast.
3 To the extent that there is discretion within the
4 order for staff to do that, and assuming staff understands
5 what I'm saying, and I think that generally, if you listen
6 to what the other Commissioner is saying, there's a general
7 concensus on that. If there is not, please offer your
8 objections at this point in time, and I think we can go
9 ahead and proceed to adoption, recognizing that we continue
10 to be open to any concerns you have, Mr. Johnson, about
11 the responsiveness of the staff to this general direction.
12 Commissioner Gandara?
13 COMMISSIONER GANDARA: Yes. I don't have any
14 substantial objection to the indicated direction. On the
15 other hand, I would like to provide a different perspective
16 for the Commission, and -- because I think there is a
17 different value placed on the industrial audit, on the
18 industrial surveys.
19 If we look at the data that was presented by
20 Mr. Johnson, one of the things that he points out is that
21 for the purposes of forecasting, that the Energy Commission
22 forecast has been -- was very similar to the forecast by
23 the utility. This is not the situation that occurs only
24 for LADWP. In general that is a situation where we found
25 that to be the case for most of the utilities.

1 The reason for that is fairly simple, regardless
2 of the model, econometric or end use, that the use of
3 energy by the industrial sector is very price sensitive.
4 So from the point of view of accuracy of forecasting, it's
5 not as critical in my judgment that we have an end use
6 format for the industrial portion of our model.
7 I think this is something we brought out at the
8 last proceeding. On the other hand, I know that staff has
9 always been very interested in furthering the development
10 of end use industrial models to study the process, and
11 where some of the policy questions, of course, can be
12 obtained from that.
13 But if we talk very simply about for the purposes
14 of the accuracy for the forecast, it's my feeling that
15 indeed, that the driver ought not to be the need of the
16 data for an end use model, but rather, the actual accuracy
17 itself. For that, I don't think that we need the
18 industrial survey as critically as you need the residential
19 or commercial survey, and I offer that only for the
20 Commission's consideration, because given that we are in
21 tight times, and tight budgets, and all that, I have
22 often, you know, questioned the prioritization of our
23 efforts into the industrial modeling arena.
24 On the other hand, the Commission had to make
25 that decision, and it will pursue it, so you know, I'm not

in substantial disagreement with direction here. I only mentioned this to I guess illuminate the concern that Mr. Johnson proposed, because even though we're talking about 10 percent of the state's energy, the possible consequences of an error is very, very slight.

You know, we're talking about a very minor difference, regardless of the method that you pursue, it seems to me that the utility of the industrial surveys is simply because of the added impetus it gives to the end use modeling effort. If I'm wrong in that assumption, then, you know, it's clear that that's another matter.

But for the point of view of the accuracy of the forecast, this is not really as critical as the other two.

CHAIRMAN IMBRECHT: Okay. I believe we've all propounded our comments on this issue.

COMMISSIONER SCHWEICKART: Mr. Chairman --

CHAIRMAN IMBRECHT: Commissioner Schweickart?

COMMISSIONER SCHWEICKART: Yeah, you left out Amendment 4.

CHAIRMAN IMBRECHT: That's the one that we're currently on, the rest of them have been adopted, and Amendment 4 is the issue that is before us, I believe.

COMMISSIONER GANDARA: That's correct.

CHAIRMAN IMBRECHT: That's why I left that, that's

1 the only remaining issue of contention.

2 COMMISSIONER SCHWEICKART: I guess I didn't

3 understand us to be on Amendment 4.

4 MR. COHN: Amendment 4 is simply a relettering,

5 changing letters from (e) to (f). The LADWP amendment was

6 not on the sheet passed out by Mike Jaske because he --

7 mainly because he was not recommending that that be granted,

8 that any amendment be placed in the order.

9 CHAIRMAN IMBRECHT: Pardon me, my mistake. So

10 we still have to adopt Amendment 4 as well, as boilerplate.

11 Commissioner Commons, do you have a motion for us?

12 COMMISSIONER COMMONS: I'll try. Dr. Jaske, help

13 me if I make a faux pass here. On page 3 of our order on

14 Southern California Edison, we have the format that we

15 approved for Southern California Edison in doing the

16 industrial survey. Changing SCE to LADWP and then adding

17 a sentence which is the same as the sentence that we have

18 in Amendment No. 2, which is the last sentence that we have

19 that we adopted there, changes to the questionnaire and

20 sample size, allocation to customer types, and follow-up

21 details are to be approved by CEC staff.

22 Add that to -- that sentence to what we adopted,

23 and incorporate by reference, I think, the comments that

24 the Chairman made, and I think we're further strengthened

25 by Commissioner Gandara's feeling that we're trying to

reduce the cost by reducing the sample size, and focusing on the key industry effects.

CHAIRMAN IMBRECHT: Fine. Okay, do I hear a second?

DR. JASKE: I must slow you down to get clarified just what was proposed.

MR. COHN: Thank you.

DR. JASKE: Page 4 of the order --

COMMISSIONER COMMONS: Page 3.

DR. JASKE: Page 4 of the order addresses the industrial sector for Los Angeles.

COMMISSIONER COMMONS: Thank you for -- okay, then all we would do is add that last sentence --

CHAIRMAN IMBRECHT: To paragraph 2 on page 4.

COMMISSIONER COMMONS: Yes.

DR. JASKE: Okay, and may I ask for you to repeat the sense of your addition?

COMMISSIONER COMMONS: Changes to the questionnaire and sample size, allocation to customer types, and follow-up details are to be approved by CEC staff.

MR. COHN: And that should go at the end of the paragraph?

CHAIRMAN IMBRECHT: Yes.

COMMISSIONER COMMONS: Rather than making a statement in the amendment as to the wish of the Commission

1 to significantly reduce the cost, I thought we just --
2 CHAIRMAN IMBRECHT: Fine. I'll offer that as
3 direction to staff, and that will take care of that, I think.
4 Okay. Now, do I hear a second?
5 COMMISSIONER SCHWEICKART: As I understood it,
6 second.
7 CHAIRMAN IMBRECHT: Okay, the matter is before
8 us, and before being voted upon, I will -- as Chairman,
9 direct the staff to modify the request to significantly
10 reduce the burden on LADWP, commensurate with the
11 observations made by various members of the Commission
12 which you can pursue in the record of this hearing.
13 Is there objection to a unanimous roll call?
14 Yes?
15 MR. JOHNSON: One of the items that I left off,
16 was when I was talking about the numbers, whatever they
17 are, $60,000 for the survey, and another $15,000 possibly
18 to do the instrument, we're looking at probably $15,000 to
19 do the Dunn & Bradstreet information, which is an additional
20 item that was put in under this modification, and I didn't
21 mention that earlier.
22 COMMISSIONER COMMONS: I believe it states that
23 you may also develop it, it doesn't say that you have to
24 develop it.
25 CHAIRMAN IMBRECHT: Um-hmm, that's correct. Okay.

1 Is there objection to a unanimous roll call? Hearing none,
2 that will be the order.
3 Okay. We have to return to -- thank you very
4 much, Mr. Johnson. Now we have to return to Item No. 3
5 which is the PVEA working group.
6 MR. CHAMBERLAIN: Mr. Chairman?
7 CHAIRMAN IMBRECHT: Yes, Mr. Chamberlain?
8 MR. CHAMBERLAIN: Did I understand that you were
9 working on various amendments to a main motion there, or
10 have you now adopted the main motion, that is the full
11 order?
12 COMMISSIONER COMMONS: We haven't adopted the
13 main motion.
14 CHAIRMAN IMBRECHT: Thank you, Mr. Chamberlain.
15 We did not adopt Amendment 4, either, as it occurs to me.
16 I don't think we needed a main motion, because we dealt
17 with each of the other amendments serially, not as a
18 separate issue, or not as amendments to a main motion, so
19 I think we do need another motion on Amendment 4 as before
20 us, and then beyond that, we've taken them each up as
21 individual motions.
22 COMMISSIONER COMMONS: Well, what I'd like to
23 do, Mr. Chairman, is make a motion that we adopt the
24 Committee modifications as amended by the Commission as the
25 formal order of the Commission.

1 CHAIRMAN IMBRECHT: Including Amendment No. 4.
2 COMMISSIONER COMMONS: Including Amendment No. 4.
3 CHAIRMAN IMBRECHT: I'll second that, since I
4 made a mistake in presiding. Is there objection to a
5 unanimous roll call? Hearing none, that will be the order.
6 Now we turn to the PVEA issue. Mr. Ward, or Mr.
7 Gertner, who would like the pleasure?
8 EXECUTIVE DIRECTOR WARD: Thank you, Mr. Chairman.
9 Although I wasn't here this morning, I do believe that I
10 understand some of the sense of concern on the part of
11 the Commission. You might want to take a second and start
12 reviewing some of the amendments that I think were
13 responsive to your concerns.
14 Paul Gertner can briefly outline those.
15 MR. GERTNER: On the first page, under the Item 2,
16 we've added that the Executive Director may appoint a staff
17 member as a Chairperson, and that same change is added on
18 the second page. These are all in brackets as you can see.
19 Then turning --
20 COMMISSIONER COMMONS: I'm sorry, would you let
21 me know where we are?
22 CHAIRMAN IMBRECHT: Yes. On the memorandum
23 distributed to us -- this one.
24 MR. GERTNER: What I've done is I marked --
25 CHAIRMAN IMBRECHT: The language in brackets is

1 proposed to be added on both page 1 and page 2.

2 MR. GERTNER: Then on Attachment B, page 2, I've

3 added several items. The portions in the parentheses are

4 taken directly from the contract, nor verbatim, but at

5 least paraphrased directly from the contract, and then the

6 remaining portions of each of those paragraphs are

T.6 7 additional detail.

8 So, I think I'll just give you a minute to review

9 those.

10 (Pause to review documents.)

11 MR. GERTNER: The Item 6 on page 3 should have

12 also been included as an addition, and that is taken

13 directly from the contract as well. The reason for making

14 that distinction is you may only want to put the contract

15 words in, or you may want to have the additional detail.

16 So you have the alternative there.

17 If I should continue, page 3, there's a section

18 on the bottom about voting that's been added.

19 EXECUTIVE DIRECTOR WARD: Mr. Chairman, when

20 you've had an opportunity to review them, I do have a couple

21 of comments that are relative concerns.

22 CHAIRMAN IMBRECHT: Why don't you proceed.

23 EXECUTIVE DIRECTOR WARD: There is one more

24 change that I believe Mr. Gertner wants to outline.

25 MR. GERTNER: On page 4, there's more detail

about staff support, that's page 4 of Attachment B, and then finally, the order, paragraph 5 of the order in the back contains a small change related to the change on the very first page of the memo.

COMMISSIONER COMMONS: I have a point of information, on this number 5, are we adding the words from the CEC staff, or deleting those words?

MR. GERTNER: Adding.

EXECUTIVE DIRECTOR WARD: Under Section (d), which is the criteria under which the working group would be looking at these proposals, although I understood some of the concerns, and the general context that were pointed out by the Commission earlier today, I had not had an opportunity as you all, to read in detail each of these.

Number 2, I have a concern here, and I'll frame it as a concern or a question of the Commission relative to 40 proposals actually being submitted to the Budget Committee. My sense would be that there would be some categorization of these proposals, and that the point for making decisions on which 40 to go to LBL ought not be by the advisory group, ought to be by the Budget Committee.

I see two areas where we could suffer some criticism, and I really think we can narrow that down to one. So that's the basis for my comment.

CHAIRMAN IMBRECT: I'm going to offer one

1 suggestion that I've discussed with Commissioner
2 Schweickart that I think clarifies it a little bit further.
3 On page 2, under (d)(1), the last sentence says,
4 "example criteria might include", let's insert after the
5 word include, "might include but is not limited to", and
6 then --
7 COMMISSIONER COMMONS: Where are we please?
8 CHAIRMAN IMBRECHT: Under Paragraph 1 on page 2,
9 Subsection (d), the last sentence, well, that just gives
10 it a broad -- I don't think we want to enumerate right
11 here as specifically as that.
12 COMMISSIONER SCHWEICKART: My only -- let me just
13 say the discussion here as to might or should, and I think
14 my feeling there is the things which are listed with the
15 inclusion of California energy policy should definitely
16 be included, or certainly other criteria.
17 CHAIRMAN IMBRECHT: I'm going to add one other
18 one, then. Let's change that sentence, then. Example
19 criteria should include, but is not limited to compatibility
20 with Federal PVEA guidelines, benefits to low income
21 population of California, initial cost/benefit estimates,
22 state energy policy, or return of benefits to overcharged
23 citizens. I think that hits the five big categories, and
24 then we might want to add a few others.
25 COMMISSIONER COMMONS: You said, sample criteria

1 shall include?

2 CHAIRMAN IMBRECHT: Example criteria should

3 include, but is not limited to, compatibility with Federal

4 PVEA guidelines, low income benefits, initial cost/benefit

5 estimates, state energy policy, or return of benefits to

6 overcharged citizens.

7 COMMISSIONER COMMONS: Why can't we just say

8 criteria shall include but will not be limited to.

9 CHAIRMAN IMBRECHT: I think that's the same

10 operative, in effect, of what we just said.

11 COMMISSIONER COMMONS: Well it says example

12 criteria.

13 CHAIRMAN IMBRECHT: Fine. Strike the word

14 "example" and just say criteria should include, but is not

15 limited to compatibility of Federal PVEA guidelines, et

16 cetera. Okay, you got that? Okay. Now, I think that

17 responds to most of the concerns of the Commission. On

18 that basis --

19 COMMISSIONER COMMONS: I am --

20 CHAIRMAN IMBRECHT: You're not --

21 COMMISSIONER COMMONS: It does not address the

22 concerns that I've raised.

23 CHAIRMAN IMBRECHT: Okay. Let me just -- let me

24 try this, and see if this responds to your concern. Absent

25 objection from the Commission, I will direct the Executive

1 Director to designate as our lead person, a member of the
2 Executive Office, either as -- in whatever capacity represents
3 the principal representation of the Commission in these
4 discussions, that it be a member of the Executive Office,
5 either yourself, your deputy, or one of your assistants.
6 EXECUTIVE DIRECTOR WARD: So you're precluding --
7 CHAIRMAN IMBRECHT: You may utilize other staff
8 of the Commission for appropriate expert advice, et cetera.
9 EXECUTIVE DIRECTOR WARD: You'd preclude the
10 option of using a division chief?
11 CHAIRMAN IMBRECHT: Yes.
12 COMMISSIONER COMMONS: Is that satisfactory to
13 you? As long as the Committee is in agreement, I'm in
14 agreement.
15 CHAIRMAN IMBRECHT: Fine. I think that-- and the
16 clear point of that, obviously, is not to tilt pro-
17 conservation pro-development, or any other fashion, but
18 to be as generic as possible in that application of the
19 discretion.
20 All right. With that direction to the staff, and
21 with the modifications before us --
22 COMMISSIONER COMMONS: I have one other thing here.
23 CHAIRMAN IMBRECHT: Commissioner Commons?
24 COMMISSIONER COMMONS: On the first page we have
25 this delegate -- on No. 4, delegate to the Executive

1 Director the authority to invite other agencies to
2 designate representatives to the working group. Now, if I
3 recollect, Commissioner Schweickart had raised the
4 possibility of trying to get some legislative representatives.
5 Theoretically, this could dilute substantially, and I don't
6 quite understand this one provision, or what the intent of
7 it is now.
8 CHAIRMAN IMBRECHT: The intent of the provision,
9 as I would best understand it is that in the event that
10 there develops other agencies beyond those which we've
11 currently contemplated that would be eligible for PVEA
12 funding and expenditures, that they be allowed to participate
13 as well, once again, to ensure that the ultimate result of
14 the study has as broad a base of credibility as is
15 possible.
16 COMMISSIONER COMMONS: Could we delegate that to
17 the Committee so we have two Commissioners in support of --
18 CHAIRMAN IMBRECHT: Certainly, that doesn't
19 cause you a problem. Let's strike that, that's fine. Let's
20 strike the delegation of additional representation.
21 EXECUTIVE DIRECTOR WARD: Can we say to the
22 Executive Director with the concurrence of the Committee,
23 so I -- I'm concerned with my neck more than anything else.
24 CHAIRMAN IMBRECHT: That's fine.
25 COMMISSIONER COMMONS: That's fine.

1 CHAIRMAN IMBRECHT: All right. With that
2 additional change. Now, do I hear a motion?
3 EXECUTIVE DIRECTOR WARD: Mr. Chairman, I do still
4 want to raise another concern about the issue of voting,
5 and if it's the Commission's pleasure, to include language
6 relative to a vote.
7 CHAIRMAN IMBRECHT: There is language already
8 in there.
9 EXECUTIVE DIRECTOR WARD: I understand that. I
10 have some reservations about that. My --
11 COMMISSIONER COMMONS: Could you tell me where
12 you're looking?
13 CHAIRMAN IMBRECHT: Page 3.
14 EXECUTIVE DIRECTOR WARD: Page 3. Again, my
15 crystalized view of this is that we're going to be giving
16 in some segregated, meaningful order, all proposals to the
17 Budget Committee, and to the extent that we can narrow
18 those proposals down to the numbers that we've been talking
19 about in the contract, then that's fine.
20 I question the issue of putting the advisory
21 group in a position of having to vote, and then again, the
22 Policy Committee being faced with a similar issue. I'm
23 not sure we need those two conflicts inherent in the
24 process. I think at some point, certainly, a decision has
25 to be made. I'm not sure we need to decision points.

1 COMMISSIONER COMMONS: Which decision point would
2 you prefer? I'm not sure what you're recommending as the
3 alternative.
4 EXECUTIVE DIRECTOR WARD: Okay, for example, let's
5 say that we have 70 proposals, and those 70 proposals are
6 all from state agencies, and there is unanimous agreement
7 with the advisory group that those 70 proposals all fall
8 within the broad parameters that we've discussed here.
9 Based on various agency points of view, it's --
10 there can be no concensus as to 40 refined proposals from
11 that group.
12 CHAIRMAN IMBRECHT: In which case, they present to
13 us those proposals that did not have concensus to fall
14 into that category of 40, and indicate to us what level
15 of support exists for the other proposals.
16 COMMISSIONER SCHWEICKART: Is there a specific
17 charge as to --
18 CHAIRMAN IMBRECHT: That ultimately, then, is
19 responsibility the Committee is going to have to accept to
20 bite the bullet, and make those choices, and I --
21 EXECUTIVE DIRECTOR WARD: Okay. Just as long as --
22 I think it's more important that you all understand, I
23 think, how this flows in going to concern -- to a concern,
24 and Commissioner Schweickart and I --
25 CHAIRMAN IMBRECHT: For weeks now, I've had a

1 fairly firm, conceptual idea in my mind, at least, how this
2 thing could operate, and should operate, and --
3 EXECUTIVE DIRECTOR WARD: Mine has evolved in
4 the last couple of weeks substantially.
5 COMMISSIONER GANDARA: What's the specific
6 proposal?
7 CHAIRMAN IMBRECHT: I don't think there is one.
8 EXECUTIVE DIRECTOR WARD: I'm raising a concern
9 and a question, and if it's -- as I indicated initially --
10 COMMISSIONER SCHWEICKART: Let me try to respond
11 to it, if I could, Mr. Chairman.
12 CHAIRMAN IMBRECHT: Sure.
13 COMMISSIONER SCHWEICKART: First of all, there's
14 a specific charge that the working group will submit no
15 more than 40 proposals to the Committee. So that there
16 may be in the circumstance you're talking about, Randy,
17 of 70 good proposals, an obligation on the part of the
18 working group to draw a line at 40.
19 Now, if that can be done by concensus, I think
20 that's highly desireable, and I think that the Chairman
21 of the working group should be commended for making such
22 an effort. I would point out that on page 3, however, it
23 states that in the event that rendering advice requires
24 the taking of a vote, it does not in any way indicate that
25 that is to be the manner.

1 But if the -- but should it become necessary to
2 take a vote, it then specifically, at this time, identifies
3 the process, so that in itself does not become an issue.
4 That's all it does. It does not proscribe that voting will
5 be done. It merely states that in the event it is the
6 elected method, that each agency does have one vote, and
7 that the Chairman will essentially break a tie.
8 CHAIRMAN IMBRECHT: For purposes of the record,
9 we've heard your concern, let's leave it at that.
10 EXECUTIVE DIRECTOR WARD: Thank you, Mr. Chairman.
11 CHAIRMAN IMBRECHT: Now, Commissioner Gandara.
12 COMMISSIONER GANDARA: I was just going to suggest
13 that we delete one sentence on that same section, page 3,
14 that in the additional language, paragraph 2, the sentence
15 that says the CEC's representative will vote for the CEC.
16 CHAIRMAN IMBRECHT: That's redundant, I agree with
17 you.
18 COMMISSIONER GANDARA: I think that while we
19 like to appear that we're open-minded --
20 CHAIRMAN IMBRECHT: Without objection, that will
21 be dropped. Now, then, Commissioner Gandara, since this
22 was basically your idea, would you care to make a motion?
23 COMMISSIONER GANDARA: Yes, I'll move.
24 CHAIRMAN IMBRECHT: Commissioner Gandara moves,
25 and I will second as the one that, I guess, generated this

1 concept, that we adopt the advisory group pursuant to our
2 own regulations as modified in the instance of this
3 particular advisory group.
4 Is there objection to a unanimous roll call?
5 Hearing none, that will be the order.
6 Next, we will turn to presentation of the work
7 plan for the second quarter, and then in turn, BCP submis-
8 sions for the March change letters.
9 EXECUTIVE DIRECTOR WARD: My suggestion, Mr.
10 Chairman, would be that we go to the BCP submissions first.
11 I think they're going to take a little bit more time.
12 COMMISSIONER CROWLEY: Mr. Chairman?
13 CHAIRMAN IMBRECHT: Yes?
14 COMMISSIONER CROWLEY: May I please be excused?
15 CHAIRMAN IMBRECHT: It's your discretion at any
16 time as to when you feel you have to --
17 COMMISSIONER CROWLEY: I regret that I must ask,
18 but I would appreciate it. Thank you.
19 CHAIRMAN IMBRECHT: Certainly. Thank you for
20 joining us. Commissioner Schweickart raised a good point.
21 Just so we do not inconvenience anyone else who's present,
22 is there any member of the public -- let's turn to the
23 last item on the agenda. Is there any member of the public
24 who wishes to address the Commission on any matter? Okay,
25 fine, Item 13?

1 COMMISSIONER COMMONS: I have a question, Mr.
2 Chairman.
3 CHAIRMAN IMBRECHT: Commissioner Commons?
4 COMMISSIONER COMMONS: We are on the Executive
5 Director's Report?
6 CHAIRMAN IMBRECHT: Yes.
7 COMMISSIONER COMMONS: I believe on the agenda,
8 before the Executive Director's Report is --
9 CHAIRMAN IMBRECHT: I'm coming back to that, and
10 I wanted to step out and talk to you while this was going
11 on, if that's possible. Are you referring to Item 7?
12 COMMISSIONER COMMONS: Yes, because I think that's
13 ahead of this item on the agenda, and this is a long item,
14 and I remember we ran into a situation a few weeks ago
15 where we didn't get to the item because we lost a majority
16 of the Commission.
17 CHAIRMAN IMBRECHT: Well, if we can begin here,
18 and then I will step out with you briefly for a conversation,
19 and at your discretion, I'll return to it, okay?
20 COMMISSIONER COMMONS: We won't have a quorum if
21 you and I step out.
22 CHAIRMAN IMBRECHT: We'll do it over in the
23 corner, how's that. Let's just get this started first.
24 (Agenda Item 13, BCP and 2nd Quarterly Report,
25 under separate cover.)

1 CHAIRMAN IMBRECHT: Moving to Item No. 7, I'm
2 going to make a motion and see if we can't move on that,
3 and that is that we adopt the Committee as proposed, along
4 with the assignments as proposed by Commissioner Commons
5 with the following substitution, that I be replaced by
6 Commissioner Schweickart as the second member on the Fuels
7 and Planning Committee, and that in turn, I replace
8 Commissioner Schweickart on the Research, Development,
9 Demonstration and Synthetic Fuels Committee. Do I hear a
10 second?
11 COMMISSIONER COMMONS: Second with a technical
12 amendment. There's an error in the write-up on number
13 eight, eliminate the last two lines, plus "and subsections".
14 It's a word processing error which should have been in the
15 tax credit.
16 CHAIRMAN IMBRECHT: With that modification, the
17 motion is before us, moved and seconded. Is there
18 discussion? I should just say as one caveat, and the only
19 caveat I'll offer is I know that -- my understanding at
20 least is that Commissioner Crowley would prefer that this
21 matter be disposed of at the next business meeting.
22 In deference to her, I would just suggest that
23 I would like to hold open the option of some modification
24 of assignment based upon her desires, assuming she has
25 objection to this proposal.

1 COMMISSIONER COMMONS: I'll second that.
2 CHAIRMAN IMBRECHT: And with that modification,
3 I'll ask, is there objection to a unanimous roll call?
4 Hearing none, that will be the order.
5 COMMISSIONER COMMONS: I have one problem now,
6 and we're still on the work plans.
7 EXECUTIVE DIRECTOR WARD: Okay. Mr. Chairman,
8 we just completed 84/85 work plans. I would suggest, I
9 think most of the issues are resolved. There is an issue
10 that Mr. Schweickart is concerned about. I have been
11 apprised of a resolution to that issue. I think what we
12 could do is put this on consent calendar with the caveat
13 if any Commissioner wants to pull it off for a reason next
14 week, or two weeks.
15 COMMISSIONER COMMONS: Well, I have some people
16 here on that very issue today that have been waiting
17 patiently since 1:30, and I wanted to include it as part
18 of the BCP if it doesn't get solved in the work plan, and
19 I understand our Chairman can't stay further.
20 CHAIRMAN IMBRECHT: I am going to have to go
21 fight battles, and so I will pass the gavel --
22 COMMISSIONER GANDARA: Thank you.
23 CHAIRMAN IMBRECHT: -- and say, carry on. Wish me
24 luck, since it is all in our mutual interests.
25 COMMISSIONER GANDARA: We will have a five minute

1 recess.

2 (Brief recess.)

3 (Agenda Item 13, BCP and 2nd Quarterly Report

4 under separate cover.)

5 COMMISSIONER GANDARA: We still have, however,

6 unfinished items. We still have the last half of the

7 General Counsel's reports, and we're going to distribute

8 some materials.

9 MR. CHAMBERLAIN: Yes. I'll make this very

10 brief. I could send this up by memo, but I just thought

11 I would give you copies of the newly distributed BPA

12 Intertie Access Policy Issue Paper. I think this paper

13 will be of substantial significance in determining whether

14 BPA will more or less act as a monopoly in the northwest

15 and enforce its wishes with respect to the surplus firm

16 energy that it has, and the relatively high rate that it

17 has adopted for that energy.

18 The problem BPA identifies is that it has a

19 difficult time selling that energy, when the rest of the

20 northwest also has a surplus and winds up underselling it.

21 So its proposal here is to take its ownership of the

22 intertie, and devote a certain portion of it to its own

23 sales.

24 I included the issue alert, kind of a slick and

25 glossy version of it on the front, which is kind of a

1 summary, and the main issue paper, and we'll be working
2 with staff. Comments are due on March 16th. We'll
3 certainly try and get something to you for review.
4 COMMISSIONER GANDARA: Thank you very much,
5 Mr. Chamberlain.
6 We have policy committee reports, are there any
7 policy committee reports? I did note that we had some
8 legislation. Is there anybody here from the Legislative
9 Affairs Office?
10 EXECUTIVE DIRECTOR WARD: No there isn't, doesn't
11 appear to be at this point. Is it -- I guess the only
12 point I'd raise is based on GR, is there anything that
13 you're aware of that had been discussed that needed
14 Commission attention today?
15 COMMISSIONER GANDARA: Well, I note that there are
16 three items on -- let me just make the report on behalf of
17 the GR Committee, then. There are three items that were
18 included in your package, and they were for requests for a
19 position by the Commission, and I notice that the material
20 here indicates that one field is priority, and one of the
21 others are priority too, but I have no sense as to the
22 urgency of the Commission taking a position.
23 EXECUTIVE DIRECTOR WARD: I understand that Luree
24 is still here, and was simply waiting for you all to get
25 to this item, so she will be here forthwith.

1 COMMISSIONER GANDARA: Okay. Then let's go on
2 to any other policy committee reports.
3 COMMISSIONER COMMONS: I just have one item on
4 the legislation since Luree walked in. We took -- we
5 wrote a letter to Senator Rosenthal in response to two
6 questions that were presented to me when we made testimony
7 before the Senate Energy Committee, and there area number
8 of bills being considered, or being introduced in the area
9 of R&D and coordinating councils, and my perception is
10 that two things are happening.
11 One is, the situation is getting out of hand,
12 second is that the concept of the coordinating council
13 which we're trying to have the utilities set up voluntarily
14 through the PUC is getting mixed up with some discussion
15 which this Commission hasn't supported as to how if it
16 were additional state monies on R&D, how it would be
17 allocated, and the possibility of there being an R&D
18 Council to this Commission that would provide us with
19 information and advice.
20 I just want to bring it to the attention of Luree
21 and to the Legislative Affairs Committee, that I perceive
22 we may be having an area where we have a lot of support,
23 but we may end up having opposition due to confusion.
24 MS. STETSON: If I can add to that, there is one
25 bill that Senator Rosenthal was going to be introducing

1 based on the letter that you had sent to him. He's now
2 asking -- sharing legislation with Committee members and
3 has approached Senator Ayala to carry the coordinating
4 council concept that we had reiterated to Senator
5 Rosenthal.
6 There may be a couple of other bills that are
7 being put on that go beyond what we had originally
8 stipulated in our letter to Senator Rosenthal.
9 COMMISSIONER GANDARA: Okay. I would suggest
10 that if there is no matter of great urgency here, that
11 perhaps, you know, that this might be appropriate for fuller
12 discussion before the GR Committee and --
13 COMMISSIONER COMMONS: All I want to do is to
14 raise it today, and ask that the GR Committee take a
15 look at this, or the Legislative Committee.
16 MS. STETSON: Right, we have approximately 1,000
17 bills that were introduced this past week that we're going
18 through individually.
19 COMMISSIONER GANDARA: Schedule GR Committee
20 meetings and --
21 COMMISSIONER COMMONS: Legislative Committee.
22 COMMISSIONER GANDARA: Legislative Committee,
23 I do not have Legislative Committee. We have three items
24 before us, and I would suggest that since the Committee
25 is split on the last item that we do not take that one up

1 if there is no particular urgency on that.
2 MS. STETSON: Well, there is. We were asked by
3 Senator Montoya to get comments back to him as quickly as
4 possible about the bill so that he could schedule a joint
5 meeting between the Senate Energy Committee, and the
6 Senate B&P Committee, I believe. That's supposed to occur
7 sometime next month. So --
8 COMMISSIONER GANDARA: Well, I would suggest as a
9 procedure, we've just reorganized the Commission Committees
10 and I would suggest that this be brought up at the
11 Legislative Committee as soon as possible, that we see if
12 we can get some concurrence with that, and maybe, you know,
13 walk the halls.
14 MS. STETSON: Or just walk the halls, yeah.
15 COMMISSIONER GANDARA: Because I would be
16 concerned here about taking up an item here where I believe
17 there may be a difference of position, and not an opportunity
18 for that to be expressed.
19 With respect to the Farr bill, I noticed that
20 that -- our last position that I've taken on that was in --
21 MS. STETSON: It was taken in July and the bill
22 was significantly amended since then to incorporate some of
23 our concerns. Since the bill was amended, though, the
24 GR Committee reviewed it and decided that it wasn't really
25 appropriate for us to take a position -- appropriate is the

1 wrong word.

2 They weren't ready to take a support position on

3 the bill. They weren't, if you'll recall --

4 COMMISSIONER GANDARA: Is there a pressing

5 deadline on this?

6 MS. STETSON: No, it's just that the bill is

7 set in March, and we keep bringing it back. This is the

8 fifth time it's back. I'd like to get some full positions,

9 so we can get letters out, because we're going to be

10 inundated with bills -- we can put it over to the next

11 business meeting, but as I said, we'll have quite a few

12 bills to analyze and bring before the Commission. I'm

13 trying to get these --

14 COMMISSIONER GANDARA: What does the calendar

15 look like for the next business meeting, is it --

16 COMMISSIONER COMMONS: We have a two and a half

17 hour presentation starting at 1:30 on load management.

18 MS. STETSON: What we can do at the next business

19 meeting is possibly bring these up before lunch, or before

20 the end of the business meeting, along with some others.

21 COMMISSIONER GANDARA: Okay. Well, since it's

22 a neutral position, does the Commission wish to change that

23 in any way?

24 MS. STETSON: Let me say, to give you some back-

25 ground, with this bill, it was a bill that was initiated

with the SolarCal Council, and I can't recall the staff person that was working on it on his own time that worked here at the Commission, but it basically doesn't have much support.

COMMISSIONER SCHWEICKART: I would frankly support the Committee's recommendation on Items 1 and 2.

COMMISSIONER GANDARA: Okay. Commissioner Commons?

COMMISSIONER SCHWEICKART: Excuse me, I will move supporting the Committee recommendation on Items 1 and 2.

COMMISSIONER GANDARA: I will second it. Is there any discussion?

COMMISSIONER COMMONS: Yeah. I really prefer for it to go before the full Commission.

COMMISSIONER SCHWEICKART: That's it, move to adjourn.

COMMISSIONER GANDARA: Okay. I second the adjournment. We are adjourned.

(Thereupon the business meeting of the California Energy Resources Conservation and Development Commission was adjourned at 5:50 p.m.)

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REPORTER'S CERTIFICATE

THIS IS TO CERTIFY that I, Patricia A. Petrilla, Reporter, have duly reported the foregoing proceedings which were had and taken in Sacramento, California, on Wednesday, February 22, 1984, and that the foregoing pages constitute a true, complete and accurate transcription of the aforementioned proceedings.

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

Patricia A. Petrilla

Reporter