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STATE OF CALIFORNIA  
ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
Order Instituting Rulemaking )  
To Revise the Load )  
Management Standards. )

CALIF. ENERGY COMMISSION  
APR 5 1984  
RECEIVED IN DOCKETS

1516 Ninth Street  
1st Floor Hearing Room  
Sacramento, California

Wednesday, April 4, 1984  
2:37 P.M.

Reported by: Patricia A. Petrilla

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COMMISSIONERS PRESENT

- Charles R. Imbrecht, Chairman
- Arturo Gandara, Vice Chairman
- Russell L. Schweickart, Commissioner
- Geoffrey D. Commons, Commissioner
- Barbara Crowley, Commissioner

EX OFFICIO

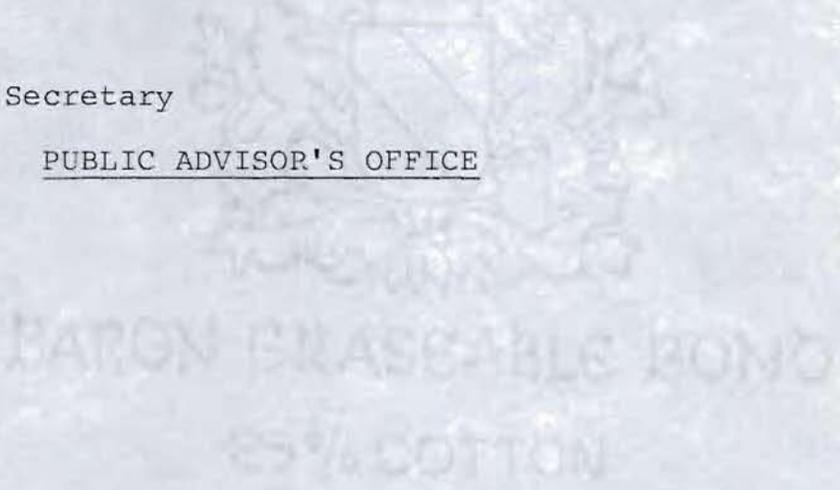
Bill Foley

STAFF PRESENT

- Randall M. Ward, Executive Director
- William Chamberlain, General Counsel
- Steve Cohn
- Lorri Gervais, Secretary

PUBLIC ADVISOR'S OFFICE

Gary Heath



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I N D E X

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Proceedings

Agenda Item 12 - Commission Consideration and Possible  
Adoption of an Order Instituting  
Rulemaking to revise the load  
management standards.  
Steve Cohn - Presentation  
Commission Questions and Discussion  
Commission Order

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Adjournment

Reporter's Certificate



P R O C E E D I N G S

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3 CHAIRMAN IMBRECHT: Okay. Let's turn to Item  
4 No. 12. Consideration and possible adoption of an order  
5 instituting rulemaking to revise the load management  
6 standards.

7 Commissioner Commons, are you doing this one?

8 COMMISSIONER COMMONS: Yes. I'd like to ask  
9 Mr. Cohn to make the presentation please.

10 MR. COHN: Thank you, Commissioner Commons. The  
11 order instituting rulemaking which is proposed for  
12 Commission adoption today would, in its broadest form,  
13 enable the Conservation Programs Committee to initiate an  
14 investigation, hold hearings, and make possible recommenda-  
15 tions for ultimate Commission adoption of changes to our  
16 current load management standards.

17 The order is drafted in a very broad manner to  
18 allow for really, just an updating of the standards. In  
19 particular, we include the possibility of broadening the  
20 scope of the standards to cover the full range of load  
21 management specified by statutes. Second, the possibility  
22 of revising the procedural requirements. Thirdly, and  
23 perhaps more importantly, to better integrate the Energy  
24 Commission's load management requirements with our own  
25 demand forecast and resource plan assessment which we conduct

1 pursuant to the Warren-Alquist Act. Fourth, we want to  
2 better integrate the Energy Commission's load management  
3 requirements with the requirements of the Public Utilities  
4 Commission; and finally, we want to re-evaluate the  
5 criteria for cost-effectiveness load management.

6 The current standards basically consist of four  
7 parts, one being the residential load management standard  
8 which has been the focus of most of the Commission's  
9 hearings in the last year and, of course, will be the  
10 focus of the Edison hearing which we will have immediately  
11 following this.

12 Also, we have a swimming pool filter pump  
13 standard which requires that utilities encourage swimming  
14 pool owners to operate their filter pumps off-peak. We  
15 have a marginal cost pricing standard which requires  
16 utilities to submit marginal cost base rates to the  
17 Public Utilities Commission or their rate-making body.  
18 Finally, we have a commercial audit program.

19 With the exception of the residential load  
20 management program, really, the other three are completely  
21 out of date, so at a minimum, we would want to look to  
22 update these standards.

23 I'd be happy to answer any further questions here.  
24 Basically we have set no particular time table for when  
25 these hearings would take place, we want to leave that

1 rather open-ended. My own guess would be that the hearings  
2 would probably follow adoption, or at a minimum, the  
3 preliminary report, if not the final Electricity Report  
4 sometime early next year.

5 CHAIRMAN IMBRECHT: Okay. Does anyone wish to  
6 be heard on this matter? Commissioner Schweickart?

7 COMMISSIONER SCHWEICKART: Yeah. I have a very  
8 minor question, I think more of form than anything. We  
9 seem, occasionally in this order, to confuse the revision  
10 of regulations pursuant to our load management program  
11 with revision to load management standards, and I believe  
12 what we're talking about here is revision of the Commission's  
13 regulations in terms of handling of load management as  
14 opposed to setting some standard, is that not correct?

15 MR. COHN: Well, I think actually we're talking  
16 about amending both. Let me explain. The Warren-Alquist  
17 Act directs us to implement standards by regulation, so  
18 that's what we have. We have load management standards  
19 but they're actually promulgated in the form of regulations.

20 I don't know if that answers your question or  
21 not, but they're basically synonymous in the sense that  
22 the load management standards are only found in the  
23 regulations. There are no standards outside of the  
24 regulations.

25 COMMISSIONER SCHWEICKART: All right. I leave it

1 to someone who handles wordsmithing to ensure that we do  
2 not have some confusion here, but I frankly understand the  
3 setting of standards pursuant to regulation. It seems more  
4 rational to me, that what we're doing is amending the  
5 regulations of the Commission under which, once revised, we  
6 will establish or set standards.

7 MR. COHN: Right. I think the latter is correct.

8 COMMISSIONER SCHWEICKART: But that's a  
9 technicality. My additional comment would be to the  
10 Commission, and I think will be highlighted to a certain  
11 extent by the following item, as well perhaps as the  
12 preceding item. This is one that will certainly carry on  
13 well beyond my term, and I wish everyone good luck with it.

14 But we're dealing here with, at this point,  
15 operational implementation of load management for the  
16 California utilities. Beyond experimental programs which  
17 were clearly spelled out, I think, in the regulations, and  
18 could be handled in a relatively informal manner, we are  
19 now beginning to move into proceedings and decisions which  
20 will essentially displace, and therefore, to some extent,  
21 should be handled with a degree of formality, similar to  
22 the siting of a peaking power plant.

23 Such formal process would provide for formal  
24 intervention, for sworn testimony, for cross examination,  
25 for a rather rigorous determination of need, and costs and

1 availability of alternatives, et cetera, et cetera, et  
2 cetera, similar to what we would be doing, were we confronted  
3 here with a power plant.

4 I believe that these alternatives, namely demand  
5 management, should be dealt with in a way essentially  
6 comparable, in this instance, to the handling of supply  
7 provision, that is, in terms of public access to the  
8 process, and the rigor with which it's dealt with.

9 Clearly, our regulations do not at the present  
10 time call for that, and so we are handling the current  
11 load management proceedings pursuant to the existing  
12 regulations. Nevertheless, as we go forward, I believe  
13 that many of the same considerations in terms of handling  
14 these matters will apply, and I believe we should, and I  
15 strongly support this order, because it will establish an  
16 opportunity to investigate the -- shall we say the equity  
17 between handling demand side, and supply side issues of  
18 this magnitude.

19 CHAIRMAN IMBRECHT: Okay, fine. We have a motion  
20 from Commissioner Commons, a second by Commissioner  
21 Schweickart, I presume, is there anyone else that wishes  
22 to testify on this matter? Is there objection to a  
23 unanimous roll call? Hearing none, ayes five, noes none,  
24 the order instituting rulemaking is adopted.

25 (Thereupon, the hearing was adjourned.)

REPORTER'S CERTIFICATE

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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, April 4, 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

Dated this 4th day of April, 1984.