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**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION
CALIF. ENERGY COMMISSION**

MAR 25 1985

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BUSINESS MEETING

**1516 NINTH STREET
FIRST FLOOR HEARING ROOM
SACRAMENTO, CALIFORNIA**

**WEDNESDAY, MARCH 20, 1985
10:40 AM**

REPORTED BY: DAWN LOFTON

COMMISSIONERS PRESENT

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Charles R. Imbrecht, Chairman
Barbara Crowley, Vice Chairman
Geoffrey D. Commons, Commissioner
Arturo Gandara, Commissioner
Warren D. Noteware, Commissioner

STAFF PRESENT

William Chamberlain, Staff Counsel
Randall Ward, Executive Director
Kent Smith
Lori Gervais, Secretariat

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P R O C E E D I N G S

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3 CHAIRMAN IMBRECHT: Alright, Executive
4 Director.

5 EXECUTIVE DIRECTOR WARD: About the only
6 comment today is that I would like to have, once the
7 Committee has released the Draft Electricity Report,
8 have an informational presentation put on by the staff
9 for those Commissioners who have not been close to the
10 process. And, that's really up to the Commissioners.
11 If they feel will be helpful, I am prepared to do that.
12 And, I see a nod, so we'll try to do that.

13 COMMISSIONER GANDARA: That reminds me.

14 CHAIRMAN IMBRECHT: Commissioner Gandara.

15 COMMISSIONER GANDARA: I just raised, several
16 Commission meetings ago, the prospects of once there
17 seems to be kind of a final document (I'm still
18 confused to the finalty of the document) but, once
19 there is that kind of document, the possibility of
20 contracting with -- what I consider experts, that is,
21 members that presided over such reports in the past,
22 previous members of the Commission, for kind of an
23 expert analysis. I don't think the contract is
24 important. I would like that feedback and viewpoint.
25 And, if it takes contract to get their attention to it,

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1 I think it would be fine. I that at that point, it was
2 raised whether it would be illegal or not to contract
3 with previous members of the Commission for such a
4 point. And, somebody was supposed to get back to us on
5 that. Now, I don't know whether it was the Executive
6 Director in this context or whether it was the
7 Committee that was looking into it. But at the time I
8 mentioned it, I believe you said you had seen that
9 memo. And, I had my office....

10 CHAIRMAN IMBRECHT: I have since seen it as
11 well.

12 COMMISSIONER GANDARA: Again, I don't think
13 that we need to answer it fully, but....

14 CHAIRMAN IMBRECHT: I'd like to discuss with
15 you. I have some mixed emotions about it.

16 COMMISSIONER GANDARA: Well, I just want it
17 addressed one way or the other.

18 CHAIRMAN IMBRECHT: I can see inviting some
19 of the people back, let me put it that way. In terms
20 of a blanket policy, I have my concerns.

21 EXECUTIVE DIRECTOR WARD: Mr. Chairman, one
22 other thing that I probably should mention and that you
23 can add to as well, is we did have our first Budget
24 Hearing in the Assembly. It went fairly well.

25

1 We didn't lose any items, we had a couple of
2 items to put over. One was the extension of the
3 Methanol Program. The other was a portion of the
4 Survey Analysis Contract, I believe. The Committee
5 didn't appear hostile at all to those two proposals.
6 And, I suspect with a little bit of front work, that we
7 will be successful.

8 CHAIRMAN IMBRECHT: Basically what happened,
9 Legislative Analysts had raised nine objections to our
10 budget. The Sub-Committee of Ways and Means overruled
11 the analysts on seven of the nine and asked for
12 additional information on the other two. And I have to
13 say that I thought we did quite well in that context.
14 And, that's just very normal at this point in time.
15 There is a certain ebb and flow that goes on in these
16 things; and you can't run over your own analysts 100%
17 of the time in a given session. He had gotten beaten
18 up by the PUC a little bit in advance.

19 COMMISSIONER COMMONS: Yes, at the last
20 Business Meeting, we asked that the Executive
21 Director's office and my office get together on the
22 problem that we were having in the load management and
23 in the Conservation Report. Since I no longer have
24 responsibilities for the Conservation Report, I will
25 not pursue that.

1 However, the latest solution I heard was to
2 take one of the last people remaining in load
3 management to work on the Conservation Report. We were
4 already down in load management over 40% from what was
5 expected and I know the rest of my Commissioners have
6 not shared my enthusiasm in load management. I am not
7 sure it's the same contingency planning, but I would
8 like the Commission to direct the Executive Director
9 not to take any more people away from the load
10 management area. And, I'd like to see what the plan is
11 since we've been going now only nine months
12 understaffed, as to when we are going to get the load
13 management properly staffed.

14 EXECUTIVE DIRECTOR WARD: Commissioner, I
15 would resist that kind of direction. I think all of us
16 are aware, after going through some constrained budget
17 resources for the last two years, that there are only
18 so many fingers on both of our hands. And, I think you
19 realize, Commissioner, that I have gone through a
20 concerted effort to try to find an appropriate
21 individual to work on the Conservation Report. It has
22 not been without complications and problems trying to
23 find that individual.

24 Also, we have had and are continuing to have
25 a staff shortfall in load management. I am well aware

1 of that. I also recognize the statutory obligation
2 that we have in the Conservation Report. I also
3 suspect in the context of the overall policy of the
4 Commissioner, the Conservation Report, at least in the
5 next sixty to ninety days, probably has a little bit
6 higher priority. My understanding is that the Division
7 Chief is working as fast and as expeditiously as
8 possible to restaff up the load management area with
9 vacancies.

10 I just can't take blood out of a turnip.
11 And, I don't like to come to you with that kind of bad
12 news; but, that's really the reality of the staffing
13 issue. Now, I will commit to you to continue to work
14 with you on this and do my best, as will the Division
15 Chief, to satisfy your concerns in the load management
16 area. I think I have indicated before that you and I
17 share, I think, the same policy framework in terms of
18 priority that load management ought to be traveling
19 under. But, I think you also understand the reality of
20 the resource situation as well.

21 COMMISSIONER COMMONS: Mr. Chairman, that is
22 not an acceptable resolution. Essentially, what the
23 Executive Director is saying is the area in the
24 Commission where we are the shortest, we are going to
25 become even shorter.

1 We went through this nine months; we went
2 through this six months ago; we went through it three
3 months ago. And, the solution each and every time is
4 to take from the three or four people that we have
5 doing load management, the only area in conservation,
6 other than standards where we have legislative
7 authority. This Commission adopted unanimously a year
8 ago, June, to do an OIR, which would establish the
9 authority of the Commission in the area of load
10 management. We were supposed to begin work on this in
11 January of this year. We were supposed to have begun
12 work on that July of last year. Continually, this
13 activity has been postponed.

14 If we don't want to have load management
15 because we don't want to assign staff, then it's my
16 recommendation to the Commission, and I will make that
17 recommendation to the Public Utilities Commission and
18 the Legislature, that we reverse our position and allow
19 the PUC to have its authority. But, we are not able to
20 do the job that we have been legislatively mandated to
21 do because we have inadequate staffing. It is not
22 appropriate or fair to the utilities that we try to
23 work with that we don't put people to work in reviewing
24 this area.

25

1 As most of you, I hope, are aware of now,
2 that load management relates to capacity and
3 conservation to energy. And this state is capacity
4 short. I do not believe we even have two full-time
5 people, right now, allocated to this function. I would
6 like to know what the....

7 EXECUTIVE DIRECTOR WARD: It's not a matter
8 of allocation, it's a matter of people being onboard
9 that can fill the positions....

10 COMMISSIONER COMMONS: No, it's a matter....
11 I'm sorry, Mr Ward. It's a matter that the Executive
12 Director has other priorities that he feels are more
13 important in terms of....

14 EXECUTIVE DIRECTOR WARD: No, that's
15 absolutely incorrect, Commissioner. The resources have
16 been allocated. I understand the allocation of
17 resources to load management, those are PYs. If we
18 have vacancies in the Commission and they occur in that
19 area, then I have an obligation to try to fill those
20 vacancies as expeditiously as possible. And, I am
21 trying to do that.

22 But, it is also inappropriate and certainly
23 would necessitate a discussion within the context of
24 the Budget Commission deliberations is to see where I
25

1 can take current people that are here and put them in
2 load management.

3 COMMISSIONER COMMONS: It's not a question
4 right now of putting people into load management. The
5 latest communication I had is you are taking people
6 -- you can't even say 'people' -- 'person' because,
7 that's what we're down to, from load management and
8 putting that person into the Conservation Report. And
9 I'd like to have the Commission's -- this is part of
10 what we said we were going to discuss today -- I'd like
11 to have the full Commission's viewpoint as to: Do we
12 continue the load management program or do we
13 reallocate people to other areas? And the fact that we
14 may go out and hire, since this problem has persisted
15 now for just over nine months and I see no remedy in
16 sight. We've had four weeks of non-meetings and non-
17 progress. I think it's now appropriate for it to be
18 brought before the Commission, and I am doing so.

19 EXECUTIVE DIRECTOR WARD: Commissioner,
20 during the last four weeks, I don't think it's also a
21 correct characterization that there have been no
22 meetings and no progress. You and I have talked about
23 it; and, there have been some other complicating
24 factors in the allocation of resources that have
25 occurred in the last four weeks.

1 There has been a concerted effort. I am the
2 first to admit that we have come up short; but, I
3 believe that we have been thoughtful. We have kept you
4 apprised. We have tried to exceed to your will. And, I
5 think you also understand the constrained resource
6 situation that we are in. We do have vacancies there.
7 It's a matter of recruiting to fill those vacancies.
8 It's not a matter of whether I question your priority
9 of load management. It's my obligation to try to see
10 that with the allocation of resources that we had
11 originally when the budget was allocated by this
12 Commission, are put to the use that they were allocated
13 to. I've got vacancies and there's not a lot I can do
14 about it, Commissioner.

15 CHAIRMAN IMBRECHT: Is the Personnel Office
16 on top of this?

17 EXECUTIVE DIRECTOR WARD: They certainly are.
18 As is the Division Chief.

19 COMMISSIONER COMMONS: There is not, I
20 believe.... Is there...have been any examination
21 scheduled for this area?

22 EXECUTIVE DIRECTOR WARD: My understanding is
23 that, and I would have to confirm this with the
24 Division Chief, is that he's going to try to recruit an
25

1 engineer as expeditiously as possible, to fill that
2 void.

3 COMMISSIONER COMMONS: So, there is no
4 action, Mr. Chairman, that has been taken as of this
5 time. And, this is a matter that has only been before
6 us for nine months; and, we have only gone backwards
7 each time I bring it before the full Commission. And,
8 I think it's time for the Commission to decide are we
9 going to be in the load management field or are we not.
10 Because, we are not going to be in the load management
11 field if we don't have people that are going to carry
12 on this responsibility.

13 CHAIRMAN IMBRECHT: I am not inclined to
14 suggest that we back out of the load management field.
15 I would offer the following that, I think would be
16 appropriate for you to bring as a specific action plan
17 as to what personnel is doing for examinations in
18 filling those positions. I have expressed my own
19 frustration about the continuing vacancy problem we
20 have. And, I just have to believe that.... You know,
21 sometimes we're better off.... I would like to hold
22 out for the best and most superior candidate. But at
23 some point you have to cut and run and say: 'Alright,
24 we can't get the most superior - a warm body that can

25

1 give you two-thirds of that out is better than no body
2 at all.'

3 EXECUTIVE DIRECTOR WARD: Commissioner, I
4 concur with you. And, if there was a very graceful way
5 out of this, I would be the first to be inclined in
6 that direction. I've got.... There was at least, and
7 without discussing specific individuals, there had been
8 some plans made, I think that would have accomplished
9 the objectives. And then, those plans were
10 constrained. They were constrained for very good
11 reasons and there is no implication here that it wasn't
12 for good reason. But, we've got a shortage of
13 individuals with the talent necessary to proceed under
14 the tasks of the Conservation Report and the load
15 management effort.

16 CHAIRMAN IMBRECHT: I still think it would be
17 appropriate to have a specific report from UM Division
18 Chief as to what exactly is being done....

19 EXECUTIVE DIRECTOR WARD: My sense,
20 Commissioner, what I'm hearing is that you want an
21 action plan for filling the vacancies and there is no
22 further direction from the Commission.

23 MR. SMITH: Let me raise one more item here.
24 Because Division Chief in Conservation Division has not
25 had the option of filling some of the vacancies because

1 they have had staff that equals the Commission's
2 allocation to the Division. It's only in the last week
3 or so that that situation has changed and the Division
4 Chief now has a vacancy. He hasn't had that option,
5 except for the last few working days. That's new.
6 It's not the situation that exists in Assessments,
7 where there are vacancies that have existed for several
8 months.

9 CHAIRMAN IMBRECHT: I'm a little confused
10 because I thought it was represented to us that the
11 problem here was that we had vacancies.

12 EXECUTIVE DIRECTOR WARD: But that's been
13 recent. In other words, I think....

14 CHAIRMAN IMBRECHT: I don't think we are
15 going to resolve it right at this instance, but I think
16 that two weeks from today we ought to have some clear
17 understanding of exactly what's going to be the
18 approach. And if not, then I'd entertain Commissioner
19 Commons' request.

20 COMMISSIONER COMMONS: Well, this is the
21 third Business Meeting, Mr. Chairman, that I have
22 brought this before us. And I'd like to pursue it a
23 little bit further. We were able to do things a lot
24 more complicated than that today and....

25

1 CHAIRMAN IMBRECHT: Just one moment.
2 Commissioner Gandara.

3 COMMISSIONER GANDARA: If I may, Commissioner
4 Commons. I share your frustrations and concerns. I
5 have an area of my own that I have been discussing with
6 the Executive Director which, I will say, I have not
7 pursued it diligently before the Commission. But, I
8 think he is also tired of listening to me on it and
9 that we are pursuing offline.

10 I think things have been not fully resolved.
11 I share your concerns on the load management thing that
12 we should proceed with some action plan. If there is
13 going to be that, I want to add my concerns. I don't
14 want to do it right now, but if we are going to get
15 detailed about it, I think there is more than one area
16 that is of concern. I don't know whether we can
17 resolve it. I don't think you can resolve the concern
18 I have right now. So, I don't want to get into it...

19 CHAIRMAN IMBRECHT: What I'm looking for, I
20 want to know: specifically, what exists in the way of
21 vacancies; specifically, when there will be examinations
22 performed to allow us to qualify a group of people to
23 be interviewed and hired for those positions. I want to
24 know specifically beyond that, if those positions
25 aren't likely to produce a reasonably near-term

1 resolution of this problem, then what other options are
2 available to us short of simply cancelling a program as
3 suggested by Commissioner Commons.

4 EXECUTIVE DIRECTOR WARD: I think we will be
5 prepared to do that.

6 CHAIRMAN IMBRECHT: Commissioner Commons.

7 COMMISSIONER COMMONS: Well, the issue goes
8 back to: Where do we put our priorities in the
9 Commission?

10 CHAIRMAN IMBRECHT: I think you've made your
11 point, Commissioner Commons.

12 COMMISSIONER COMMONS: No, I have not made my
13 point, sir.

14 CHAIRMAN IMBRECHT: Well, the questions is
15 how long the rest of us want to hear the same point
16 being made again. We understand it's a question of
17 priorities.

18 COMMISSIONER COMMONS: Well, you don't know
19 what the tradeoff is. And, that's what I'm trying to
20 explain.

21 In Senate Bill 1549, at my request we had an
22 insertion which is a one liner which says that, "the
23 Commission shall issue a Preliminary Conservation
24 Report." It does not say the detail, the amount of
25 effort or how far that that report has to go. So the

1 tradeoff we are essentially facing is: Do we take the
2 resources, which are very limited in the area of load
3 management, where we have statutory responsibility for
4 Preliminary Conservation Report, which we are allowed
5 to scope in the fashion that we wish? And, that's
6 essentially what the tradeoff is. Because if we go out
7 to hire, we will not do anything on load management for
8 four to six months. End of talk.

9 EXECUTIVE DIRECTOR WARD: My understanding
10 from the Division Chief is that it would be a far
11 shorter time period than that. But, I can ask Ted to
12 respond to that in terms of the kind of position he'd
13 be recruiting for and the timeframe he thinks it's
14 going to take to fill the position.

15 I would also say, Mr. Chairman, that in terms
16 of tests and vacancies associated with specific
17 position classifications that are vacant that there
18 have not been tests for, is really not part of the
19 issue here.

20 COMMISSIONER COMMONS: Randy, when you take
21 away the only people you have that are qualified in the
22 area and put them into another area and you bring on
23 someone new, you have to have some continuity of
24 experience. This is an area that we lost the two most
25 valuable people that this Commission had last year.

1 And, we are talking about the only experienced person
2 that we have left. We've already lost one other
3 experienced person. So, you're talking about going
4 back to square one on a program.

5 EXECUTIVE DIRECTOR WARD: I share your
6 concern. And it's equally frustrating for me as it is
7 for you....

8 CHAIRMAN IMBRECHT: We have been over this
9 ground and I am going to exercise the prerogative of
10 the chair, unless I hear another Commissioner that
11 wants to pursue this subject. I think you've gotten
12 clear direction and what we are looking for are some
13 drop dead dates on these problems. They do seem to
14 hang around for a long time. And, let's see a clear
15 option list available to us.

16 COMMISSIONER COMMONS: I'm just going to
17 state that I object to the direction of the chair. I
18 don't think.... I think it's clearly showing that you
19 are going to allow the Conservation Report to take away
20 the manpower. And, I would like to ask that this be
21 agendized, not at the next Business Meeting, but at the
22 Business Meeting subsequent since I won't be here.

23 CHAIRMAN IMBRECHT: So, if we can resolve
24 this in two weeks, you don't want us to resolve it in
25 two weeks.

1 COMMISSIONER COMMONS: No, well if you can
2 resolve it sooner - I'll just put it on the Agenda for
3 four weeks from now. That's certainly a reasonable
4 time period to resolve it.

5 CHAIRMAN IMBRECHT: Now I understand why you
6 are willing to give up the Conservation Committee,
7 Commissioner Commons. Okay, whether you object to it
8 or not, that is the direction and I haven't heard a
9 motion or a majority of the Commission suggesting that
10 I am making an inappropriate direction of this chair.
11 And so, absent hearing that, that is the direction.

12 Alright, is there any public comment that
13 come forth to the Commission at this point in time (I
14 say to this empty cabin)?

15 Commissioner Crowley has requested an
16 Executive Section to briefly discuss a personnel matter
17 and that at the conclusion of that Executive Section,
18 we will stand adjourned. We will reconvene immediately
19 in the small conference room.

20 COMMISSIONER COMMONS: Excuse me, Mr.
21 Chairman, I'd like to know if it's an individual matter
22 concerning personnel or a general personnel matter. We
23 were just now discussing a general personnel matter.

24 MR. CHAMBERLAIN: I believe it's a matter
25 involving a direction to me.

REPORTER'S CERTIFICATE

1
2 THIS IS TO CERTIFY THAT I, Dawn Lofton,
3 Reporter, have duly reported the foregoing proceedings
4 which were had and taken in Sacramento, California on
5 Wednesday, March 20, 1985, and that the foregoing pages
6 constitute a true, complete and accurate transcription
7 of the aforementioned proceedings.

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

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13 
14 Reporter

15 Dated this 23rd day of March, 1985.
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