

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)

Business Meeting)
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CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JUNE 6, 2007

10:00 A.M.

ORIGINAL

Reported by:

Peter Petty

Contract Number: 150-04-001

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

James D. Boyd

Jeffrey D. Byron

John L. Geesman

Arthur H. Rosenfeld

STAFF and CONTRACTORS PRESENT

B.B. Blevins, Executive Director

Jonathan Bles, Office of Chief Counsel

Harriet Kallemeyn, Secretariat

Kenneth Celli

Beth Chambers

Mary Jane Coombs

Derek Davis

Fernando DeLeon

Eurlyne Geiszler

Mike Gravely

Virginia Liu

Paul Roggensack

Mike Smith

Sherry Stoner

Mike Trujillo

ALSO PRESENT

James Polish, Carlsmith Ball, LLP

William Walsh, Southern California Edison

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P R O C E E D I N G S

10:12 a.m.

CHAIRPERSON PFANNENSTIEL: Good morning, this is the Energy Commission business meeting of June 7. Please join us in the Pledge of Allegiance.

(Whereupon the Pledge of Allegiance was recited in unison.)

CHAIRPERSON PFANNENSTIEL: A couple of changes in this morning's agenda. First of all, Item number 4 is off. Items number 5 through 8 we're going to take up together at the end of the regular agenda. So we'll skip over them the first time through.

There will be an Executive Session on personnel matters at the conclusion of the public agenda so we're hoping -- this looks like a pretty full agenda. We're hoping to move it through rather expeditiously so we can -- I know some Commissioners have time constraints later today so we're hoping to keep this moving.

On the consent calendar before I ask for a motion, there is one change in a contract number, 1b. The contract number should read 500-07-002. And with that change do I have a motion

1 for the consent calendar.

2 COMMISSIONER ROSENFELD: I move the
3 consent calendar. I move the consent calendar.

4 CHAIRPERSON PFANNENSTIEL: All in favor?

5 COMMISSIONER BOYD: Second.

6 CHAIRPERSON PFANNENSTIEL: In favor?

7 (Ayes.)

8 CHAIRPERSON PFANNENSTIEL: Okay, the
9 consent calendar is approved.

10 Item number 2, possible approval of a
11 \$1,950,000 loan to the Santa Barbara City College
12 to install a 250 kV photovoltaic system and energy
13 efficiency measures, including lighting and
14 mechanical system retrofits.

15 Ms. Liu, good morning.

16 MS. LIU: Good morning. Thank you,
17 Chairman Pfannenstiel. Good morning,
18 Commissioners. I believe it's on right now.

19 My name is Virginia Liu. I am from the
20 Public Programs Office and I am representing Tony
21 Wong in this item.

22 This loan has been approved by the
23 Efficiency Committee and is a good example of how
24 both energy efficiency and photovoltaic projects
25 could work synergistically to the benefit of the

1 college. And at this time I'll be happy to answer
2 any questions you might have on this loan. Thank
3 you.

4 CHAIRPERSON PFANNENSTIEL: Are there
5 questions? Any discussion?

6 COMMISSIONER ROSENFELD: I move the
7 item.

8 COMMISSIONER BYRON: Second.

9 CHAIRPERSON PFANNENSTIEL: All in favor?
10 (Ayes.)

11 CHAIRPERSON PFANNENSTIEL: It's
12 approved. Thank you.

13 MS. LIU: Thank you.

14 CHAIRPERSON PFANNENSTIEL: Item 3,
15 possible --

16 COMMISSIONER ROSENFELD: That's
17 expeditious, right?

18 CHAIRPERSON PFANNENSTIEL: Perfectly
19 done. Item 3, possible approval of Petition and
20 Supplemental Petition brought by Chevron, USA
21 under Public Resources Code Section 25218 to delete
22 conditions C, D and E from the Findings and Orders
23 of the 1987 Commission Decision. Good morning.

24 MR. CELLI: Good morning, Chairman
25 Pfannenstiel. Kenneth Celli, C-E-L-L-I,

1 appearing.

2 In October 1987 the Energy Commission
3 granted a small power plant exemption to the 98
4 megawatt Chevron Richmond cogeneration facility,
5 which included the following three conditions: D,
6 that Chevron not sell more than five megawatts per
7 year to PG&E; E, that Chevron not sell more than
8 one megawatt of surplus electrical power to PG&E
9 during the 2,000 hours lowest load demand per
10 year; and C, that they report on a monthly -- well
11 they report the monthly power generated and fuels
12 consumed.

13 On February 15, 2007 Chevron petitioned
14 the Energy Commission to lift the export
15 limitation and after some discussions between
16 Chevron and myself on April 26 Chevron filed a
17 Supplemental Petition seeking to delete conditions
18 C, D and E from the SPPE decision. On May 9 we
19 filed a responsive brief joining in Chevron's
20 petitions along with analyses of Matt Layton and
21 David Vidaver. On May 23 we sent a letter -- I'm
22 sorry, we received a letter sent on May 23 by PG&E
23 to the CPM stating that they did not oppose the
24 petition.

25 We join in the petition. And staff

1 recommends that the Commission grant the petition
2 to remove the conditions C, D and E and submit it.

3 CHAIRPERSON PFANNENSTIEL: Questions?
4 Commissioner Geesman.

5 COMMISSIONER GEESMAN: Madame Chair, the
6 Siting Committee took this matter up and
7 recommends that we approve the request for
8 exemption.

9 COMMISSIONER BYRON: I second it.

10 CHAIRPERSON PFANNENSTIEL: All in favor?
11 (Ayes.)

12 CHAIRPERSON PFANNENSTIEL: Thank you.
13 So we'll move then onto Item 9. Possible approval
14 of Amendment 1 to Contract 500-03-026 with the U.
15 S. Department of Energy - Lawrence Berkeley
16 National Laboratory, extending the term by 36
17 months and adding \$5,000,000 to continue demand
18 response research. Mr. Graveley.

19 MR. GRAVELY: Good morning
20 commissioners. I'm Mike Graveley the team leader
21 for the PIER Energy Systems Integration Research
22 Team.

23 I'm here today to request approval for
24 the Amendment 1 of Contract 500-03-026 with LBNL
25 in the amount of \$5,000,000.

1 The Energy Commission and the PIER
2 Program entered into this contract with LBNL in
3 April of 2004 to create the Demand Response
4 Research Center.

5 Since that time the LBNL staff has been
6 extremely successful in managing very important
7 research to better understand the technical and
8 other issues impacting the successful
9 implementation of DR in California.

10 The DRRC has completed research
11 evaluating innovative DR strategies, developing
12 and implementing new DR technologies and forming
13 successful collaborations with state, national and
14 international partners.

15 Also as was demonstrated yesterday at
16 the IEPR workshop on load management Dr. Mary Ann
17 Piette and her team are working effectively with
18 the California IOUs to assist in the statewide
19 implementation of programs such as auto DR and the
20 program of communicating thermostat PCT.

21 This amendment will allow Dr. Piette and
22 the DRRC to continue this type of critical
23 research to explore more effective automated DR
24 communications and control technologies, examine
25 effective DR rates and tariffs and better

1 understand in customer behavior patterns and
2 attitudes towards DR.

3 This amendment will also allow the DRRC
4 to continue to share the lessons they have learned
5 with the IOUs, municipalities, the ISO and other
6 key stakeholders throughout California and the
7 nation.

8 Staff recommends that the Commission
9 approve this contract with LBNL. I'll be glad to
10 answer any questions I can now.

11 CHAIRPERSON PFANNENSTIEL: Thank you
12 Mike, questions? Yes, Commissioner Byron.

13 COMMISSIONER BYRON: I know we're moving
14 expeditiously but Mr. Gravely can you just give
15 me. This is very important work and I had an
16 opportunity to attend some of Commissioner
17 Rosenfeld's weekly demand response meetings and/or
18 my staff has been at most of them.

19 Can you just give me a sense of how you
20 disseminate the information of the findings from
21 this work to industry. How do they find out about
22 the work that's being done?

23 MR. GRAVELY: Well there are several. I
24 mean, one they've worked actively with the
25 Department of Energy on some conferences actually

1 held in Berkeley and public conferences.

2 And specifically for industry, for
3 example, we working currently now with, for
4 example, I mean, the Silicon Valley Leadership
5 Group on developing case studies. Specific
6 industry applications of DR and how those
7 particular customers signed up and what they did
8 and they like it. So they can share that
9 actually.

10 They have asked us to help in the
11 process to share the communication. So we've
12 developed case studies. We share also through
13 communications of a newsletter and things like
14 that.

15 In addition to many of the companies in
16 the northern California area participate. As you
17 heard yesterday there is over 45 different
18 facilities that have participated in the auto DR
19 for example as one area.

20 So in that area for dissemination we
21 basically rely on also through the IOUs. We've
22 worked with them and their audit program where
23 they go out and do energy audits to also add to
24 that energy audit the DR element to that audit
25 from that perspective.

1 COMMISSIONER BYRON: Very good, thank
2 you. You and I have had this conversation before
3 about your long, outstanding work with the Silicon
4 Leadership Group and those companies that are
5 members.

6 I'm really glad to see that that was
7 part of your answer. And I encourage you to keep
8 working with them.

9 Those case studies convince other
10 companies of the value of this work.

11 MR. GRAVELY: Yes sir.

12 COMMISSIONER BYRON: Thank you.

13 CHAIRPERSON PFANNENSTIEL: Commissioner
14 Geesman.

15 COMMISSIONER GEESMAN: Well I took quite
16 a bit of encouragement from the workshop
17 yesterday. And I do think that particularly given
18 some of the statements both by our staff and
19 contractor, the three investor-owned utilities and
20 the municipal utilities that I think we're on the
21 verge of being able to make some pretty big
22 progress in this area in the next couple of years
23 by using the Energy Commission's load management
24 standards authority.

25 This research effort has been helpful

1 over the course of the last four or five years in
2 informing our judgement. And I'm confident that
3 it will continue to be so. And it will probably
4 make us stepped up level of reliance on the demand
5 research or the Demand Response Research Center in
6 informing our judgements as we craft those
7 standards next year.

8 MR. GRAVELY: It's our intent to support
9 that effort as we go forward with this amendment
10 sir.

11 CHAIRPERSON PFANNENSTIEL: Further
12 questions?

13 COMMISSIONER ROSENFELD: I'd like to
14 make a comment too. As long as you're all being
15 enthused about your program. When we first got
16 into the business of communicating thermostats,
17 the utilities all thought that they were going to
18 cost a couple of hundred dollars.

19 And I thought the high point of
20 yesterday's workshop was when Ron Huffman had a
21 transparency ready to go or a slide ready to go
22 saying that they worked out a deal in which they
23 will be offered starting at 99.99.

24 So that's going to save a lot of money
25 in over 12 million households. So I move the item.

1 COMMISSIONER BYRON: Second.

2 CHAIRPERSON PFANNENSTIEL: All in favor.
3 (Ayes.)

4 Thank you Mike. Item 10, possible
5 approval of Contract 500-06-055 for \$400,000 with
6 Sacramento Municipal Utility District to install
7 and validate the performance of an electricity
8 energy storage system. Mr. Gravely.

9 MR. GRAVELY: Thank you. Again, good
10 morning Commissioners. And for the record, I'm
11 Mike Gravely from the PIER Program.

12 I'm here to request approval for the
13 Contract 500-06-055 for the amount of \$400,000
14 with SMUD.

15 This contract represents a collaboration
16 with the Energy Commission, SMUD, Sacramento
17 Regional Transit and Department of Energy Storage
18 Program.

19 In addition to the PIER funding the
20 SMUD, RT and DOE are providing over \$750,000 in
21 matching funds in this project.

22 The project will evaluate and
23 demonstrate the ability of an alter capacitor and
24 energy storage system to save energy and improve
25 the utility network voltage profile.

1 During this demonstration the energy
2 storage system will absorb regenerative braking
3 energy from the trains as they slow down and
4 replace that energy in the system when the trains
5 accelerate.

6 Normally this energy is exported into
7 waste energy such as resistors. And when the
8 train accelerates normally the utility system
9 experiences a brief voltage depression.

10 Initial studies indicate this technology
11 has the potential of replacing the need for RT to
12 install a new DC substation to support the growing
13 electrical load.

14 The DOE Energy Storage Program is
15 providing independent assessments of this
16 technology, field performance and economic savings
17 in an effort to assist in the more rapid
18 commercialization of this technology.

19 Previous research completed by PIER
20 indicates there are between 400 and 500 potential
21 applications of this technology in California
22 alone.

23 The staff recommends approval of the
24 contract and I'll be glad to answer any questions.

25 CHAIRPERSON PFANNENSTIEL: I just want

1 to make sure that the technology that is being
2 developed is you said 400, 500 applications within
3 California. Is that direct applications or is
4 this just proving out a concept and then somebody
5 will commercialize it. I'm not sure what the next
6 step is after this one.

7 MR. GRAVELY: The general concept within
8 Sacramento RT is would represent and I believe
9 there are seven light rail systems in California
10 alone. But outside the US I don't know the answer
11 to in the US.

12 But they have a consortium of getting
13 together and share things. So this particular
14 demo is to convince them. The systems have been
15 demoed in a limited number in Europe.

16 And so they're coming along. So the
17 opportunity to show them the technology works.
18 One of the challenges here is this is an air-
19 cooled system. So it's out in the outside heat in
20 the summer.

21 And those systems sometimes have a
22 tendency to reduce performance in heat. So we
23 will be assessing its performance in its
24 environment.

25 And it's usually out in the remote

1 location so it's not really realistic always to
2 air condition this type of technology.

3 It does have very good potential
4 economics. SMUD and RT, at their expense,
5 completed an extensive study before we did this
6 project to look at the application, the cost-
7 effectivity and the location.

8 And we actually hope this will be a good
9 demonstration because it potentially will be
10 located right next to one of the substations. And
11 the light rail system will be able to show this
12 technology very frequently to people to come visit
13 in the Sacramento area.

14 CHAIRPERSON PFANNENSTIEL: And when will
15 we have sort of proof of it? When will the demo
16 be --

17 MR. GRAVELY: It's a year long
18 measurement. It'll be up and running I'd say in
19 less than a year. And then we'll be monitoring it
20 for a year and sharing that information from that
21 time frame.

22 COMMISSIONER BYRON: Is this the first
23 high ambient temperature test that this is going
24 to get?

25 MR. GRAVELY: I'm sorry, question?

1 COMMISSIONER BYRON: Is this the first
2 high temperature test that this technology is
3 going to get?

4 MR. GRAVELY: No sir. It's just happens
5 to be that Sacramento is hotter than the
6 environment in Europe it's been in.

7 COMMISSIONER BYRON: Right.

8 MR. GRAVELY: So one of the questions we
9 have is on a typical day, the temperature
10 environment should be okay. But we have sometimes
11 hotter days or heat waves.

12 And in some applications they put it
13 into an air-conditioned environment. In this case
14 it's just air cooled.

15 COMMISSIONER BYRON: Right.

16 MR. GRAVELY: And so we're interested in
17 seeing how well the technology performs. Our
18 expectations are that it will perform well. But
19 this is what it is all about.

20 Our expectations also is if it performs
21 well that the other systems and even RT itself may
22 put in more systems.

23 COMMISSIONER BYRON: Thank you.

24 CHAIRPERSON PFANNENSTIEL: Other
25 questions, discussions?

1 COMMISSIONER ROSENFELD: This came
2 before the R&D Committee of course, and I'm happy
3 to move the item.

4 COMMISSIONER GEESMAN: I will second it.
5 At yesterday's workshop we heard the PIER Storage
6 Program described as robust.

7 I think it's well thought out, well
8 conceptualized, well grounded. It's well
9 coordinated with the federal program.

10 But I would never call either the
11 federal program or our storage program robust. I
12 think it's pathetically under-funded and there is
13 probably no aspect of the electricity R&D agenda
14 more deserving of much greater funding at the
15 federal level particularly in storage.

16 California has made a particular compact
17 with intermittent sources of electricity so we
18 have a bigger stake in this than probably any
19 other region of the country. But the federal
20 program is remarkably deficient in the lack of
21 resources they've put into it.

22 We've done as much as we can financially
23 and we continue to push the envelope. This is an
24 important project and a big part, I think, of the
25 federal initiative as well. So I second the

1 motion.

2 CHAIRPERSON PFANNENSTIEL: Okay, further
3 discussion? All in favor?

4 (Ayes.)

5 Approved. Item 11. Possible approval
6 of Contract 500-06-052 for \$1,179,660 with
7 Electric Power Research Institute for the
8 Collaborative Research Portfolio Membership
9 Agreement between the Energy Commission and EPRI.
10 Good morning.

11 MS. CHAMBERS: Good morning Chairman and
12 Commissioners. I'm Beth Chambers. I'm
13 representing the PIER Program and the Energy
14 Research Development Office.

15 I'm seeking approval of Contract 500-06-
16 052 with the Electric Power Research Institute
17 otherwise known as EPRI to fund eight
18 collaborative memberships specifically selected by
19 our PIER staff for a period of up to three years.
20 Some are to be three years, some only one.

21 This contract will provide access to
22 information and researchers that their individual
23 expertise that is only available through EPRI.

24 We've already discussed the eight
25 research areas. Participation through this

1 membership collaborative research program allows
2 us to leverage our research dollars.

3 On average PIER will only contribute
4 approximately six percent toward the total cost of
5 these membership research collaboratives.

6 And as participants in each
7 collaborative we also have the ability to suggest
8 and direct future research activities.

9 We're recommending approval. But are
10 there any questions that you might have?

11 CHAIRPERSON PFANNENSTIEL: Questions,
12 discussion.

13 COMMISSIONER GEESMAN: I'll move the
14 item. We've had a beneficial relationship with
15 EPRI over the years. And the staff is quite
16 careful in selecting areas where cooperation with
17 EPRI would be beneficial to us. This is one of
18 them.

19 CHAIRPERSON PFANNENSTIEL: Discussion?

20 COMMISSIONER BYRON: If I may. I've
21 also taken advantage of this myself having stopped
22 by EPRI a couple of times and met with staff with
23 regard to the carbon capture sequestration and
24 found it to be a very informative and it was a way
25 for me to check in, if you will, with EPRI and how

1 they're doing with regard to some of their
2 technology.

3 I'm also glad to see the eight areas
4 that were chosen. I think they're, I don't know
5 of the total number of areas that you had to
6 choose from but these are eight very good ones.

7 MS. CHAMBERS: Great.

8 COMMISSIONER BYRON: Commissioner, I'm
9 sorry.

10 CHAIRPERSON PFANNENSTIEL: We are moved
11 and seconded, all in favor?

12 (Ayes.)

13 MS. CHAMBER: Thank you.

14 CHAIRPERSON PFANNENSTIEL: Item 12.
15 Possible approval of Contract 500-06-054 for
16 \$105,000 with Gas Technology Institute to evaluate
17 the application of an enzyme-based process to
18 capture carbon dioxide. Nice idea, good morning.

19 COMMISSIONER BYRON: Interesting.

20 MS. COOMBS: Good morning. Excuse me,
21 good morning Commissioners, my name is Mary-Jane
22 Coombs and I'm here from the PIER environmental
23 area to request approval of Contract 500-06-054
24 with the Gas Technology Institute otherwise known
25 as GTI to evaluate an application of enzyme-based

1 process to capture carbon dioxide.

2 Enzyme-based, bio-catalytic
3 sequestration is a novel type of carbon
4 sequestration which converts CO₂ to carbonate and
5 precipitates the resulting carbonate ion from
6 solution.

7 The products of this process are safe
8 and stable carbonate minerals that can be land
9 disposed or used in diverse applications.

10 In this project GTI will conduct a
11 feasibility study to evaluate the application of
12 this enzyme-based process to capture CO₂ produced
13 from fossil-fuel fired electrical generation.

14 Further GTI will assemble the components
15 necessary to demonstrate at a laboratory level
16 whether a novel enzyme-based CO₂ sequestration
17 project is cost effective, efficient and safe.

18 The anticipated results of the study are
19 an understanding of the specific technical
20 requirements of a bio-catalytic based CO₂
21 sequestration device.

22 A preliminary economic model that
23 addresses pertinent compatibility, cost, enzyme
24 lifetime and waste issues and finally a working,
25 prototype, laboratory-scale, sequestration device

1 that will be used to gather performance data
2 necessary to design, build and operate a full-
3 scale, laboratory device.

4 CHAIRPERSON PFANNENSTIEL: Yes,
5 Commissioner Byron.

6 COMMISSIONER BYRON: This is another one
7 of those areas as Commissioner Geesman said that I
8 suspect is terribly under-funded at the federal
9 level.

10 And this is an interesting, I hope
11 promising carbon capture technique. Can you tell
12 me are we aware or are you aware of any funding
13 that the federal government is doing in this area?

14 MS. COOMBS: Not in this area at
15 present. Previously research was funded through
16 EPRI at New Mexico Tech. And that research is no
17 longer ongoing. So we would be helping to
18 continue programs that have been going on
19 elsewhere. But we are on our own.

20 COMMISSIONER BYRON: Wow, once again,
21 okay thank you.

22 COMMISSIONER BOYD: Madame Chair I'll
23 let the Committee move the item but I just wanted
24 to chime in that when I read and studied this I
25 was quite impressed. And as Commissioner Byron

1 has pointed out, once again, we're pioneering with
2 not a heck of a lot of money into an area that is
3 of incredible national importance and predicating
4 so much of where we go in the future on climate
5 change on carbon capture and sequestration but
6 without enough real research into it. So I'm glad
7 to see California again leading the way. And I
8 only hope others will put some money into this
9 area.

10 So like I was with the previous eight
11 projects, I'm very impressed with what PIER is
12 proposing to do here.

13 COMMISSIONER GEESMAN: I'll move the
14 item.

15 COMMISSIONER ROSENFELD: Second.

16 CHAIRPERSON PFANNENSTIEL: All in favor.

17 (Ayes.)

18 Thank you. Item 13. Possible approval
19 of Contract 500-06-053 with the U. S. Department
20 of Energy - Lawrence Berkeley National Laboratory
21 for \$1,100,000 to conduct research, case studies
22 and demonstration projects for energy efficiency
23 in high-tech buildings. Good morning.

24 MR. ROGGENSACK: Good morning Madame
25 Chairman and Commissioners. My name is Paul

1 Roggensack. I'm with the PIER Industrial Ag and
2 Water team.

3 We are asking approval of a 1.1 million
4 contract with Lawrence Berkeley National Lab.

5 The purpose of this contract is to
6 continue previous work that we done with Lawrence
7 Berkeley Lab on labs, clean rooms and data
8 centers.

9 And the research topics identified are
10 based on this previous work and also from advice
11 from such industry groups as Summit Tech, Silicon
12 Valley Leadership Groups and PG&E.

13 The trend in these high-tech facilities
14 since we've begun this work has only become
15 greater in power and energy use and they've become
16 a more integral part of our economy in California.

17 For example, a single server rack in a
18 data center can use as much as 30 kilowatts,
19 enough power for a 2500 square foot foam home and
20 the cost to power and the cool the equipment over
21 three years is greater than the cost of the
22 equipment itself.

23 Some of the work that we are doing is to
24 do case studies of previous best practices for
25 labs and clean rooms.

1 And we also want to do heat recovery of
2 low-quality heat.

3 And we also want to develop lead
4 criteria for both labs, clean rooms and data
5 centers.

6 And we also want to demonstrate the use
7 of outside air using air economizers.

8 And we want to develop modular and
9 scalable system concepts.

10 And we also want to do two demos for
11 data centers. One is building upon a previous
12 proof of concept that we did using DC architecture
13 in data centers.

14 And then we also want to demonstrate
15 cooling technologies for data centers.

16 So we're asking your approval of this
17 project.

18 COMMISSIONER ROSENFELD: I move the
19 item.

20 COMMISSIONER BOYD: Second.

21 CHAIRPERSON PFANNENSTIEL: All in favor?

22 (Ayes.)

23 It's approved.

24 MR. ROGGENSACK: Thank you.

25 CHAIRPERSON PFANNENSTIEL: Item 14.

1 Possible approval of Contract 500-06-050 for
2 \$691,841 (I should note that's a change from what
3 was in the published agenda) with Science
4 Applications International Corporation for
5 Advanced Distributed Sensor Networks for Electric
6 Utilities. Mr. Gravely again. Good morning.

7 MR. GRAVELY: Good morning Commissioners
8 again. I'm Mike Gravely from the PIER Systems
9 Integration Team.

10 I'm here to request approval for
11 Contract 500-06-050 for the amount of \$691,959
12 with SAIC.

13 This contract will develop, integrate
14 test and demonstrate a new generation of
15 distributed sensor wireless MEMS networks for the
16 cost-effective, security monitoring of electrical
17 transmission infrastructure.

18 SAIC has extensive experience with this
19 technology. And the Program Advisory Committee
20 including the IOUs, the California ISO and the
21 Office of Homeland Security have indicated this is
22 one of our top priorities for research at this
23 time.

24 The technology demonstration also has
25 cross cutting benefits in the PIER distribution,

1 transmission and demand response areas.

2 And the lessons learned from the
3 development and testing of this project will be
4 shared with those programs.

5 The staff is recommending approval and
6 I'll be glad to answer any questions I can.

7 CHAIRPERSON PFANNENSTIEL: Mike, is this
8 co-funded with others? I didn't see that. Is
9 this just our project?

10 MR. GRAVELY: It's not, in this
11 particular case it's the, the utility is providing
12 some funding. This is primarily a PIER funded
13 effort.

14 It's based on a lot of previous
15 research. It's also part of our security program.

16 So the utilities have got a big
17 involvement with us.

18 And this is an area where we actually
19 perceive this project will have a confidential
20 deliverable and a public deliverable as we work
21 with the utilities on ways to make their system
22 more robust and more able to survive potential
23 catastrophes or potential terrorists.

24 So this particular project has very
25 minimal co-partnering. In relation to the other

1 project I'd say less than 10 to 20 percent.

2 CHAIRPERSON PFANNENSTIEL: Right and it
3 just occurred to me since it is so important to
4 the utilities that it surprised me that they're
5 not putting in more money into it.

6 MR. GRAVELY: All of them are putting a
7 substantial amount of their own in kind of support
8 and sometime we could account for that. But we
9 just chose in this case not to estimate their
10 hours and cost.

11 But they provide their own involve with
12 their own travel. And also the utilities are
13 doing all the testing and integration of it from
14 that perspective.

15 CHAIRPERSON PFANNENSTIEL: Thank you.
16 Are there other questions?

17 COMMISSIONER GEESMAN: I just make the
18 observation with respect to your last question
19 Madame Chair. That the way we have from a
20 regulatory standpoint evolved in what are
21 characterized as utility R&D expenditures is that
22 vast majority of those are regarded by the PUC as
23 rightfully performed by PIER and financed through
24 the public goods charge.

25 The PUC has been fairly hostile to

1 utility requests for R&D expenditures using other
2 ratepayer funds.

3 I think it was EPRI that released last
4 week the news that utility industry, R&D
5 nationally as a percentage of revenue has now
6 declined from .3 percent per year to .2 .

7 It was the second or third lowest ranked
8 industry in the U. S. economy for R&D expenditures
9 that moved from .3 to .2 apparently takes it down
10 below the pet food industry.

11 And I had always thought, you know,
12 they've got products called the Scientific Diet
13 for pet --

14 CHAIRPERSON PFANNENSTIEL: Right and
15 that was --

16 COMMISSIONER GEESMAN: -- food, but I
17 thought the pet food industry did better than
18 that.

19 But as a consequence the PIER staff is
20 up against some fairly, daunting, regulatory
21 considerations in trying to squeeze more of a
22 contribution from the utilities

23 I certainly think that they try every
24 chance that they can. And Commissioner Rosenfeld
25 and I have tried to reason with our colleagues at

1 the other commission to take it another look at
2 utility R&D.

3 But this is an ongoing challenge that
4 we're going to need to pursue.

5 CHAIRPERSON PFANNENSTIEL: Yeah, I
6 can --

7 COMMISSIONER ROSENFELD: Of course we
8 should continue the nagging.

9 CHAIRPERSON PFANNENSTIEL: And I
10 appreciate that general observation. This project
11 though because it is a security effort as opposed
12 to a lot of their ongoing R&D seemed like it
13 might be a little, they might have a little more
14 ownership in it and the PUC might accept it that
15 way but it is what it is for the moment.

16 MR. GRAVELY: I think that's a good
17 thought.

18 COMMISSIONER GEESMAN: I'll move the
19 item.

20 COMMISSIONER ROSENFELD: I'll second it.

21 CHAIRPERSON PFANNENSTIEL: All in favor?

22 (Ayes.)

23 Thank you. Item 15. Possible approval
24 of Contract 600-06-035 for \$133,360 with Science
25 Applications International Corporation to prepare

1 a risk analysis study to identify and rank the
2 most likely threats to the Energy Commission.

3 Good morning.

4 MS. STONER: Good morning. I'm Sherry
5 Stoner. I'm the project manager for Contingency
6 Planning in the Special Projects Office.

7 And the results of this contract will be
8 used by the staff to assist us in updating the
9 continuity of operations and continuity of
10 government plan for the Energy Commission.

11 This contract was a result of a request
12 for proposals and the Transportation Committee was
13 briefed last month.

14 And I'd like to recommend the approval
15 of this contract and answer any questions you may
16 have.

17 CHAIRPERSON PFANNENSTIEL: Other
18 questions.

19 COMMISSIONER BYRON: Comment Madame
20 Chair. I'll move the item because it did come
21 before the Appeals and Transportation Committee
22 which seemed like an odd place to put our total
23 security package --

24 CHAIRPERSON PFANNENSTIEL: It's always
25 surprising.

1 COMMISSIONER BYRON: -- but the special
2 projects unit there has shown itself capable of
3 handling this.

4 And transportation, fuel, security items
5 have come up repeatedly. And also we didn't score
6 too well in the statewide scoring of agencies
7 ability to respond to various kinds of devastating
8 emergencies such that there be continuity of
9 operations.

10 So this is an effort to get us back on
11 track and able to function. We all thought we'd
12 just go home and use our cell phones. But
13 apparently we've got to do better than that.

14 So this will take care of getting us
15 back into operation in the event hopeful never to
16 occur of some kind of debilitating disaster be it
17 flood, fire, what have you.

18 CHAIRPERSON PFANNENSTIEL: That's very
19 good news that we'll have some way to do that.

20 MR. BLEVINS: I have a comment just on
21 the scoring point. One of the expectations in
22 terms of having a high score is having somewhere
23 in southern California to relocate the entire
24 operation. So --

25 CHAIRPERSON PFANNENSTIEL: So you're out

1 shopping for someplace in Santa Monica.

2 MR. BLEVINS: We're looking for a site.

3 COMMISSIONER BOYD: Universal City,
4 Disneyland, I don't know, what the heck.

5 CHAIRPERSON PFANNENSTIEL: Okay, the
6 item has been moved, is there a second?

7 COMMISSIONER BYRON: I'll second the
8 item.

9 CHAIRPERSON PFANNENSTIEL: All in favor?
10 (Ayes.)

11 Thank you. Item 16. Possible approval
12 of Contract 600-06-032 for \$251,400 with
13 Bevilacqua Knight, Inc. to continue the Energy
14 Commission's membership in the California Fuel
15 Cell Partnership for three years. Good morning.

16 MR. TRUJILLO: Good morning
17 Commissioners, I'm Mike Trujillo. I'm with
18 Emerging Fuels and Technology Office. And we're
19 seeking approval of Contract 600-06-032 which
20 will be a three year contract and extend our
21 membership with the Fuel Cell Partnership.

22 It has been to the Transportation
23 Committee. And they again, we're seeking approval
24 and I'll answer any of your questions.

25 CHAIRPERSON PFANNENSTIEL: Questions?

1 COMMISSIONER BYRON: I'll move the item.

2 COMMISSIONER BYRON: And I'm the, I
3 believe I'm the Commission's member now to this
4 organization. So I will be glad to second the
5 item.

6 CHAIRPERSON PFANNENSTIEL:

7 Congratulations Jeff. All in favor?

8 (Ayes.)

9 Thank you Mike. It's approved.

10 COMMISSIONER BOYD: Actually wrong
11 organization. Jeff you get stationary sources,
12 I'll get this one. (Laughter)

13 CHAIRPERSON PFANNENSTIEL: Item 17.
14 Possible approval of Contract 600-06-033 for
15 \$151,500 with Shasta Union High School District
16 for the purchase of one 2007 model year compressed
17 natural gas school bus to replace the school
18 district's existing pre-April 1977 school bus.

19 MR. TRUJILLO: You may want to take 17
20 and 18 together. At least I can respond to them
21 at the same time.

22 They're basically the same.

23 CHAIRPERSON PFANNENSTIEL: I'll do 18.
24 Possible approval of Contract 600-06-034 for
25 \$151,500 with Brawley Elementary School District

1 for the purchase of one 2007 model year compressed
2 natural gas school bus to replace the school
3 district's existing pre-April 1977 school bus.

4 MR. TRUJILLO: Both of these are a
5 follow up to the CAF Program and actually the end
6 of the funding, PBA funding that started in 1989.

7 Eight hundred and forty buses were
8 awarded through this program, a little over a 100
9 million dollars.

10 And these will be the last two school
11 districts to be awarded CNG buses as part of that
12 program.

13 And we're seeking approval to award both
14 of these school districts.

15 CHAIRPERSON PFANNENSTIEL: There have
16 been 840 buses taken off the street and 840 CNG
17 buses put on?

18 MR. TRUJILLO: It would be 840 a
19 combination of alternate fuel and advanced diesel
20 technology.

21 One of the driving forces of this
22 program was that it has actually created the
23 safety standards that California now uses with
24 emergency exists and other things that
25 compartmentalization for children and has now

1 become basically the standard that the U. S. uses.

2 COMMISSIONER BYRON: It is 840 cleaner
3 burning school buses.

4 CHAIRPERSON PFANNENSTIEL: Cleaner
5 burning.

6 COMMISSIONER BOYD: With regard to the
7 safety of the inhabitants of the bus as well as
8 the general public through which these travel so.
9 I'm glad to see the last two and I'll move the
10 item.

11 CHAIRPERSON PFANNENSTIEL: Item 17, is
12 there a motion for Item 17? You move that one?

13 COMMISSIONER BOYD: And I'll move both
14 of the items 17 and 18.

15 COMMISSIONER ROSENFELD: I second both.

16 CHAIRPERSON PFANNENSTIEL: All in favor?

17 (Ayes.)

18 Both items are approved.

19 MR. TRUJILLO: Thank you.

20 CHAIRPERSON PFANNENSTIEL: Item 19.

21 Possible approval of Contract 400-06-019 for
22 \$2,500,000 with Architectural Engineering
23 Corporation to provide technical support for three
24 efficiency programs: Compliance and Enforcement
25 of the Building Standards; Time-of-Sale Home

1 Energy Ratings; and New Solar Homes Partnership
2 and SB 1.

3 MS. GEISZLER: Good morning, my name is
4 Eurlyne Geiszler. I'm with the Buildings and
5 Appliances Office of the Efficiency Division.

6 This contract is a result of the
7 solicitation that was released earlier this year.

8 Five proposals were received in response
9 to that solicitation. The proposals were
10 evaluated by a four-person team.

11 The proposal submitted by Architectural
12 Energy Corporation was the most competitive.

13 Architectural Energy Corporation will
14 serve as the prime contractor leading a team of
15 sub-contractors which include, Building Media
16 Incorporated, Resource Solutions, New Jersey
17 Institute of Technology, Multi Media Designs,
18 KEMA, BEW Engineering, Bruce Wilcox, Dr. Beckman
19 and SDVACCI.

20 The contract team will receive direction
21 from staff through specific work authorizations to
22 develop training materials and curriculum, provide
23 training to a variety of audiences, develop online
24 training videos and DVDs and provide technical
25 assistance.

1 The products and activities from this
2 contract will be designed to greatly improve the
3 understanding and implementation of the building
4 standards, train the real estate industry on the
5 information included in the time-of-sale home,
6 energy, rating program and educate the solar and
7 building industry on the technical tools that
8 support the new solar homes partnership program.

9 Your approval of this item is requested
10 and I'm available to answer any questions.

11 CHAIRPERSON PFANNENSTIEL: What is the
12 term of the contract?

13 MS. GEISZLER: It's a three year term.

14 CHAIRPERSON PFANNENSTIEL: Thank you.
15 Yes.

16 COMMISSIONER BYRON: Thank you.
17 Ms. Geiszler, I heard recently that our compliance
18 and enforcement amongst these different building
19 agencies is not 100 percent. Do we have a sense
20 of where that is?

21 MS. GEISZLER: It's my understanding
22 that with the studies that have been done we're
23 lacking about 30 percent compliance of what we
24 anticipate the building standards to achieve as
25 far as energy efficiency.

1 COMMISSIONER BYRON: Yeah, I had heard
2 actually it was less. I was shocked. And given
3 that my father was the building official for one
4 of these 540, 530 building apartments --

5 CHAIRPERSON PFANNENSTIEL: Is he still
6 available? (Laughter)

7 MS. GEISZLER: Where is he? (Laughter)

8 COMMISSIONER BYRON: He's retired but
9 I'm really glad to see that we're addressing this
10 in this way. And I can speak from personal
11 knowledge that I think it certainly can use the
12 help and the information I think will be very
13 useful to them.

14 MS. GEISZLER: Great.

15 COMMISSIONER BYRON: So I'm certainly in
16 favor of this.

17 CHAIRPERSON PFANNENSTIEL: Is there a
18 motion?

19 COMMISSIONER ROSENFELD: I move the
20 item.

21 COMMISSIONER BYRON: Second.

22 CHAIRPERSON PFANNENSTIEL: All in favor.

23 (Ayes.)

24 It's approved.

25 MS. GEISZLER: Thank you.

1 CHAIRPERSON PFANNENSTIEL: Item 20.
2 Possible approval of Purchase Order 06-433.00-016
3 for \$250,000 with ENS-Inc. for technical support
4 and integration of computer-related technologies
5 into the Energy Commission's information
6 technology infrastructure. Good morning.

7 MR. DAVIS: Good morning, how are you
8 doing? Hi, my name is Derek Davis. I work for
9 Information Technologies Services Branch, State
10 Network Services Unit.

11 And I'm seeking approval for today for
12 the \$250,000 with Enterprise Network and Solutions
13 to provide technical services with ITSB. They
14 will assist us in any kind of infrastructure
15 issues or developments that we do within the
16 Energy Commission's model and other complex
17 planning and technical issues.

18 Does anyone have any questions?

19 CHAIRPERSON PFANNENSTIEL: Are there
20 questions? Is there a motion?

21 COMMISSIONER BOYD: I'll move approval.

22 COMMISSIONER BYRON: Second.

23 CHAIRPERSON PFANNENSTIEL: All in favor.

24 (Ayes.)

25 MR. DAVIS: Thank you.

1 CHAIRPERSON PFANNENSTIEL: It's
2 approved, thank you. All right, we turn now to
3 Items 5, 6, 7 and 8, which are appeals from
4 Southern California Edison Company.

5 And just as background I'll describe
6 that the Executive Director partially denied four
7 requests from SoCal Edison, the confidential
8 treatment of various IEPR data, and Edison
9 appealed these denials.

10 And today is, in fact, a pre-hearing
11 conference on the appeals where we will have some
12 information about the issues that are remaining
13 and decide how we'll go about the process of
14 resolving these issues and hopefully by the end of
15 the time set a date for evidentiary hearing. So
16 with that, Fernando, do you want to provide some
17 opening comments?

18 MR. DeLEON: Good morning, Chairman and
19 Commissioners. I am Fernando DeLeon, I am a staff
20 counsel for the Energy Commission. With your
21 permission we would like to consolidate the four
22 appeals into my presentation. It makes it easier.

23 CHAIRPERSON PFANNENSTIEL: That's fine.

24 MR. DeLEON: Okay. Before I begin I
25 would like to take this opportunity to thank the

1 Energy Commission's IEPR staff and the docket unit
2 for processing, reviewing and researching
3 literally scores and scores of confidentiality
4 applications that we have had over the past seven
5 months with this particular IEPR cycle. This has
6 been a great undertaking by them and they have had
7 to undertake this in addition to their regular
8 work so they were really helpful for me and the
9 legal office.

10 As a result of their efforts I am happy
11 to report that there are only four confidentiality
12 appeals from one entity. This is certainly a vast
13 improvement over the last IEPR cycle so we have
14 made some progress in streamlining our progress
15 and having discussions with utilities and other
16 entities with regards to confidentiality.

17 Now with regards to the appeals today.
18 Let me first state that these discussions will be
19 in the nature of a pre-hearing conference and as
20 such no evidence or testimony will be taken.

21 The focus of the pre-hearing conference
22 will be to one, briefly describe and review the
23 procedural history. Two, discuss what information
24 is still in dispute. Three, provide Edison with
25 an opportunity to speak and address these

1 particular issues. Four, discuss what witnesses
2 and testimony the Energy Commission and Edison
3 intend to present at a full evidentiary hearing.
4 Five, set a briefing schedule if that's
5 appropriate. And finally, provide the public and
6 the Commissioners with an opportunity to ask staff
7 and myself and Edison any questions you may have.

8 I also have with us today Energy
9 Commission staff to answer any technical questions
10 you may have. We have Jim Woodward from supply,
11 Nancy Tronas from retail price, Barbara Byron for
12 nuclear energy and also -- I don't see Lorraine
13 anywhere. There she is. And Lynn Marshall, I
14 just saw her in the back, for demand.

15 So with that let me kind of briefly
16 describe, very briefly, the procedural history
17 with regard to these four appeals. First is
18 supply.

19 On March 12, 2007 the Executive Director
20 granted in part and denied in part Edison's
21 application for confidentiality. On the 27th
22 Edison filed an appeal and an appeal hearing was
23 set for April 25. On April 19 Edison requested a
24 stay, which was ultimately granted by the
25 Executive Director. On April 20 the Executive

1 Director filed an amended decision based on
2 additional information that Edison had provided to
3 staff as well as the Executive Director.

4 The items that are still requesting a
5 designation of confidentiality are monthly
6 capacity, found on the S-1 form. Specifically for
7 the Four Corners 4-5, the Palo Verde 1-3, the
8 SONGS 2-3 for the months of August 2007, 2008 and
9 2009. the Four Corners 4-5, Palo Verde 1-3, SONGS
10 2-3 for all months from January 2010 to December
11 2016.

12 For monthly energy found on the form S-2
13 the following facilities are requesting
14 confidentiality, Four Corners 4-5, Palo Verde 1-3,
15 SONGS 2-3 for the months of August 2007, 2008 and
16 2009. Also Four Corners 4-5, Palo Verde 1-3,
17 SONGS 2-3 for all months for the years 2010
18 through December 2016.

19 The Executive Director determined that
20 this information did not constitute a trade secret
21 and therefore was not entitled to a
22 confidentiality determination.

23 With regards to demand, on March 12,
24 2007 the Executive Director granted in part and
25 denied in part Edison's application for

1 confidentiality. On March 27 Edison appealed that
2 decision and an appeal hearing was set for April
3 25. On April 19 Edison requested a stay of its
4 appeal, which the Executive Director granted on
5 April 23.

6 With regards to demand, the areas that
7 are in dispute are the service area forecasts for
8 energy and peak demand for the years 2007 through
9 2009. This includes bundled plus direct access
10 information.

11 The Executive Director denied this
12 request since this information is essentially the
13 same information that was the subject of the 2005
14 IEPR hearings and litigation, which ultimately
15 resulted in Edison's denial of confidentiality.
16 Our denial of confidentiality on the demand data
17 is consistent with our denial in 2005.

18 The next appeal is retail price data.
19 On April 16, 2007 the Executive Director granted
20 in part and denied in part Edison's application
21 for confidentiality. On April 30 Edison filed an
22 appeal. On May 30 the Executive Director filed an
23 amended decision based on additional information
24 received from Edison.

25 Based on that information there are only

1 three items that remain in dispute with regards to
2 confidentiality. The Form 4 cost data, the Form 4
3 total cost data for purchased power, and the
4 derivation of annual average energy and capacity
5 price.

6 With regard to the cost data in Form 4,
7 the Executive Director determined that Edison's
8 purchase power contract information is already in
9 an aggregated form, which does not reveal any
10 price details for individual supply contracts.

11 With regard to the Form 4 total cost
12 data for purchased power, the Executive Director
13 determined that this information is also in an
14 aggregated form and is a product of many different
15 prices multiplied by many different quantities of
16 purchased energy from various sources. If this
17 particular information was made public there would
18 be no business proprietary interest harm or trade
19 secret revealed, nor could one reverse engineer
20 any of this information to arrive at trade secrets
21 or confidential information.

22 Finally, the nuclear data appeal. The
23 Executive Director granted in part and denied in
24 part Edison's application on May 4. On May 18
25 Edison filed an appeal of that decision. On May

1 30 the Executive Director filed an amended
2 decision again based on additional information
3 submitted by Edison. The nature of this appeal is
4 extremely limited and it deals primarily with
5 long-term, monthly outage forecast schedules for
6 the years 2010 through 2016.

7 What Edison is claiming is public -- is
8 claiming is confidential are the specific months
9 in which outages would occur during the 2010
10 through 2016 period. For example, we have already
11 determined that specific days in the month. Also
12 the number of days within a month would be
13 confidential.

14 The only issue would be whether the
15 month that an outage would occur is confidential.
16 For example, if an outage -- we would say that the
17 month that an outage would occur in, say for
18 example March. We won't reveal the day in March,
19 we won't reveal the number of days in March. We
20 would just reveal that an outage would occur in
21 March in these outer years between 2010 and 2016.

22 So that is in a nutshell the four
23 appeals and the issues at stake. Are there any
24 questions from the Commissioners on the procedural
25 history?

1 CHAIRPERSON PFANNENSTIEL: Questions to
2 Mr. DeLeon?

3 COMMISSIONER GEESMAN: Madame Chair.

4 CHAIRPERSON PFANNENSTIEL: Commissioner
5 Geesman.

6 COMMISSIONER GEESMAN: Do our procedures
7 require a pre-hearing conference?

8 MR. DeLEON: No, they do not.

9 COMMISSIONER GEESMAN: My memory from
10 2005 is cloudy. You know, that was such a
11 prolonged and exasperating process that I can't
12 recall if we used a pre-hearing conference in 2005
13 or not.

14 MR. DeLEON: We did not.

15 CHAIRPERSON PFANNENSTIEL: No.

16 MR. DeLEON: In 2005 we structured it as
17 the hearings occurred during the business meeting.
18 That proved unwieldy, it was long, it was
19 cumbersome. It didn't afford the parties an
20 opportunity to prepare witnesses, briefing
21 schedules, et cetera.

22 We decided this time to bifurcate this
23 hearing into two phases, a pre-hearing conference
24 phase as well as a full evidentiary hearing phase.
25 We're hoping that by doing this bifurcated phase

1 we could narrow the issues, agree on those issues
2 and then set a hearing date for witnesses,
3 testimony, briefing schedules, that would be
4 accommodating for both us and any entities that
5 were requesting an appeal hearing.

6 COMMISSIONER GEESMAN: Well I certainly
7 think we ought to extend the appropriate
8 procedural rights to both the staff and Edison.
9 But I have to say that I am surprised,
10 unpleasantly surprised that we are not addressing
11 the evidence today. This initially came up nearly
12 three months ago. The Executive Director brought
13 it to us in April. At the time I expressed
14 concern that in an IEPR proceeding where the clock
15 runs 24 hours every day that the continued delay
16 in resolving this impacts our ability as a
17 Commission to perform our tasks under the IEPR.

18 I understand that the Executive Director
19 assured us that because the staff has access to
20 the confidential data that it may not impact the
21 staff's ability to do its work but I'm concerned
22 that the process that you have just outlined is
23 going to drag on and on and on and on, and I have
24 the unpleasant precedent of the 2005 process to
25 point to. Is there something that would indicate

1 we're not headed down the same primrose path?

2 MR. DeLEON: Let me first address the
3 issue of staying the hearings. In the interim
4 between the original scheduled date and today we
5 have made tremendous progress in narrowing the
6 scope of what is at issue. We have had one appeal
7 that has been withdrawn as a result of
8 conversations between staff, the Executive
9 Director and the legal office in which we reached
10 resolution.

11 So having that withdrawn has been time-
12 saving and hasn't lessened your ability, it has
13 allowed you to not have to hear the evidence in
14 that particular case. It has also been an
15 opportunity for us to look at the information and
16 look at it very carefully and afford the public
17 with as much transparency, but also allowing the
18 entity the ability to keep their business secrets
19 confidential.

20 I think we have really achieved those
21 goals. We've consolidated the appeals, we have
22 narrowed the appeals, the focus of those appeals.
23 We've withdrawn unnecessary appeals. I have also
24 been in discussions with staff and to my knowledge
25 having extended has had little if any impact on

1 our ability to complete the IEPR on a timely
2 schedule.

3 Now you may want to ask specific members
4 individually supply/demand if that's the case but
5 I don't think it has severely impacted our ability
6 to get that project out on time.

7 COMMISSIONER GEESMAN: What is it then
8 that prevented you and Edison from agreeing on a
9 process that we could have initiated today in
10 terms of weighing the evidence and --

11 MR. DeLEON: Well now we have four. Now
12 we have -- At the time we only had -- We've
13 consolidated the appeals. We didn't feel that
14 having an appeal at each business meeting would be
15 in the best interest of the Commission. We have
16 now allowed an opportunity to consolidate all four
17 appeals into one business meeting rather than
18 string them along.

19 COMMISSIONER GEESMAN: Why are we having
20 a pre-hearing conference as opposed to a hearing?

21 MR. DeLEON: Well this is an opportunity
22 for Edison to agree to review our items in
23 controversy, see if they still are in agreement
24 that those are issues that they feel require a
25 confidentiality designation. And an opportunity

1 for us to find out how many witnesses Edison
2 wants, their briefing schedule, their time frames.
3 I don't think that would have been -- I don't
4 think that would have been an achievable goal in a
5 one hearing step, in a one hearing process.

6 COMMISSIONER GEESMAN: You couldn't have
7 simply called their counsel and reached agreement
8 on those terms? You need to bring it to us at a
9 pre-hearing conference?

10 MR. DeLEON: I think we wanted to make
11 sure that the public is aware of all those issues
12 and make the Commissioners aware as well as not
13 only Edison but other utilities and other
14 similarly situated entities aware of our process
15 and the confidentiality requirements that we
16 follow here at the Commission.

17 COMMISSIONER GEESMAN: Okay.

18 CHAIRPERSON PFANNENSTIEL: What is the
19 soonest we could hear this?

20 MR. DeLEON: We could hear it, we could
21 hear it either at the June 20, I believe it's the
22 next business meeting, the following business
23 meeting, or a business meeting following that. I
24 understand that the July 3 business meeting may be
25 cancelled or has been cancelled.

1 CHAIRPERSON PFANNENSTIEL: No, I think
2 that that's -- If that's the case it's new within
3 the last hour.

4 MR. BLEVINS: No, the July 3, there was
5 discussion about cancelling it but, quite frankly,
6 we have left it on the agenda for these purposes
7 based on the timing that would be required
8 potentially associated with these items.

9 CHAIRPERSON PFANNENSTIEL: So July 3 is
10 possible?

11 MR. DeLEON: Yes. In fact our Notice of
12 Appeal has stated that, stated that July 3, June
13 20 I believe and also the following business
14 meeting were available to schedule, based on
15 schedules for Edison as well as their witness
16 availability.

17 CHAIRPERSON PFANNENSTIEL: Other
18 questions for Mr. DeLeon?

19 COMMISSIONER BYRON: Will we be hearing
20 from the applicant in this case?

21 CHAIRPERSON PFANNENSTIEL: We will.

22 COMMISSIONER BYRON: Thank you.

23 CHAIRPERSON PFANNENSTIEL: We will.

24 COMMISSIONER BOYD: I guess I would just
25 note for the record that taking Item 4 off the

1 agenda is a product of having settled issues with
2 PG&E.

3 MR. DeLEON: Yes.

4 COMMISSIONER BOYD: So we are down to
5 just one utility, the one that Commissioner
6 Geesman and I remember so affectionately from
7 2005. So let the process begin.

8 MR. DeLEON: I think this process has
9 been very helpful to both staff and the legal
10 office and I think it generally helps the
11 Commission overall by having narrowed the scope
12 and only bringing those issues to the Commission
13 that are important, that need resolution.

14 Of course we would have desired to reach
15 agreement informally with the Executive Director
16 and the utility but that was not possible.

17 CHAIRPERSON PFANNENSTIEL: Shall we hear
18 from Edison?

19 MR. POLISH: Good morning, Madame
20 Commissioner and the other Commissioners. My name
21 is James Polish of the Carlsmith Ball Law Firm as
22 counsel for Southern California Edison. I am here
23 with Bill Walsh of Southern California Edison.

24 Let me start by pointing out that I
25 think we have attempted to work closely with staff

1 and to resolve as many issues as possible and I
2 agree that that process has been productive. And
3 it has resulted, I might add, in some amended
4 decisions that have come out, including as
5 recently as last week.

6 So when you consider the fact that a few
7 of these initial decisions have been amended and
8 that has been done recently. We've had conference
9 calls with staff to try to narrow or resolve some
10 of these issues. We are meeting very soon after
11 the conclusion of that process and the process has
12 resulted in significantly limiting the issues for
13 the Commission to decide.

14 The reason we're here, however, is that
15 we have a legitimate and a serious concern that
16 refusing to provide confidentiality protection to
17 the precise same information that the California
18 Public Utilities Commission has determined should
19 be protected in order to avoid giving market
20 participants the ability to increase Edison's
21 prices is a matter that is something that this
22 Commission should give very serious consideration
23 to.

24 Providing that information publicly and
25 not giving it the confidentiality protection that

1 we claim it is entitled to will according to the
2 Commission give those market participants the
3 ability to manipulate prices and increase the
4 prices that Edison charges to its customers.

5 We are only seeking protection for that
6 exact same information that the California Public
7 Utilities Commission in extensive proceedings in
8 which this Commission participated determined was
9 deserving of that kind of treatment. So I wanted
10 to preface my remarks with that.

11 And I realize and I know the
12 Commissioners here realize that the standard is
13 not quite the same between the California Public
14 Utilities Commission and the CEC. However, the
15 end result actually works out to be the same. If
16 anything the standard here is a lesser standard
17 because the Executive Director and Edison were in
18 agreement that the standard is whether Edison can
19 make a reasonable claim that information is
20 protected by a privilege.

21 And the trade secret privilege applies
22 if information derives even a potential,
23 independent, economic value from not being
24 generally known to persons who can obtain economic
25 value from it. And Edison makes reasonable

1 efforts to maintain its secrecy.

2 The California Public Utilities
3 Commission determined just last year that the data
4 that is involved in this proceeding, which was
5 included in a detailed matrix that the California
6 Public Utilities Commission developed, was
7 entitled to confidential treatment. And they said
8 that confidentiality will only be afforded to
9 information that would allow market participants
10 to raise the price of electricity an IOU procures.

11 And we believe that that establishes a
12 reasonable basis for our claim here. Because if
13 market participants could use the information to
14 raise the price of the electricity that Edison
15 procures then it necessarily follows that the
16 first component of the trade secret privilege has
17 been satisfied because the information has at
18 least a potential, independent, economic value
19 from not being generally known to those who could
20 obtain value from it.

21 The second component is not in dispute
22 here. Namely that Edison has made reasonable
23 efforts to maintain the secrecy of this
24 information.

25 Now Commissioner Geesman remarked on the

1 proceedings that were conducted back in 2005. And
2 there are some material differences that I think
3 warrant attention as to why that doesn't just
4 resolve all of the issues that are present here.

5 One of the differences of course is we
6 have the PUC decision which came out in 2006. And
7 back in 2005 before it had the benefit of that
8 decision this Commission expressed wholehearted
9 support for the objective of consistency between
10 the CEC and the CPUC on confidentiality issues.

11 In addition to having that decision a
12 lot more information has been made publicly
13 available since the CEC's original ruling. The
14 Public Utilities Commissions have filed their
15 long-term resource plans. Both the CEC and the
16 PUC have made additional information available,
17 making the remaining information more sensitive.

18 It's important to keep in mind that in
19 creating this matrix what the Public Utilities
20 Commission did is it looked at the whole picture
21 and it decided what should we produce and what
22 must we still keep protected.

23 With respect to the supply data there is
24 another change that has taken place since the IEPR
25 in 2005. That change is that the CEC has changed

1 its position. At least the Executive Director has
2 changed his position on the supply data. Because
3 the data that we are seeking to protect here the
4 Executive Director protected in 2005. He
5 protected the entire forecast period 2006 through
6 2016 for a three year period, which is essentially
7 what we are asking for here.

8 So there has been a departure without
9 explanation from what happened in 2005,
10 notwithstanding the PUC decision and not
11 withstanding the fact that considerable additional
12 information has been made publicly available.

13 With respect to the demand data. Like
14 the supply data we feel that it is necessarily to
15 keep this information confidential because it
16 provides, both of these together provide important
17 critical components to determining Edison's net
18 short position or net long position. And that's
19 what could give market participants the greatest
20 ability to affect the prices that Edison pays for
21 energy.

22 And it is true that in 2005 the
23 Commission determined that certain demand data
24 should be made publicly available. Again
25 circumstances have changed. But I would also like

1 to point out that in a June 3, 2005 decision the
2 Executive Director concluded that annual peak
3 demand data on Form S-1 and annual energy demand
4 data on Form S-2 should be treated as confidential
5 for the first three years because the information
6 would give competitors a competitive edge.

7 And the only difference between that
8 data and the data that we're talking about now,
9 aside from the passage of time, is that the
10 forecasts then were measured at generation and
11 here they're measured at the ISO. And we cannot
12 imagine any reason why there would be a
13 difference.

14 So it is our position that there is
15 really no viable precedent from 2005 on this
16 because it goes both ways. I think the Commission
17 effectively did two different things back in 2005.
18 The most analogous situation to the information we
19 have here is that June 3, 2005 Executive Director
20 decision which was not overturned that said that
21 this kind of information should be afforded
22 treatment.

23 The retail price information is of
24 concern to us because disclosing cost data for
25 purchased power contracts, including committed and

1 uncommitted contracts, would allow a market
2 participant to determine what Edison's average
3 cost is now that it is paying for electricity and
4 what it anticipates it will pay in the future.

5 It's true that that's an average cost.
6 But nevertheless that's the kind of information, a
7 signal, that a market participant would look at in
8 determining what prices it should charge for its
9 electricity. A market participant that believes
10 that it has a particularly good contract, good
11 terms, is certainly not going to bid or offer a
12 price that is below the average that it sees. It
13 is going to attend to affect the prices and drive
14 it up.

15 And this is not an issue that was
16 involved in 2005. It is completely new because in
17 2005 the data that would have been necessary to
18 determine an average annual price was not provided
19 and was not requested.

20 On the nuclear data. Again, this is
21 new. Edison has been afforded treatment for the
22 first three years of outage data, 2007 through
23 2009. And there is no question that the closer
24 term is the most important in every case. But
25 nevertheless it is not unimportant going beyond

1 2009, covering 2010 through 2016.

2 And we fail to see how it really masks
3 the data significantly to simply say that we'll
4 give you the month when these outages occur. And
5 they are not daily outages, an outage of one day
6 here or one day there. We'll give you the month
7 or months when they occur. If they go over two
8 months we'll show you the two months but we won't
9 tell you the exact dates when they start and the
10 exact dates when they end. And I think that that
11 is cutting, drawing a line just too finely.

12 If this information is deserving of
13 treatment, certainly the starting date and the
14 ending date, then when it occurs during the year
15 should also be deserving of treatment.

16 I'd like to just also mention that I
17 listened fairly closely to Mr. DeLeon's
18 explanation of what particular information is in
19 issue and there are a few discrepancies between
20 what he mentioned and what appears on our appeal
21 documents. And we could certainly go over it with
22 him without taking your time with this now but I
23 just wanted to mention it for the record that
24 there are a few things. Just basically fine-
25 tuning the presentation that he had.

1 In addition in terms of a procedure.
2 What we think would be appropriate, especially in
3 light of the fact that since we submitted our
4 briefs there have been amended decisions. There
5 should be additional briefing. There should be an
6 opportunity to present prepared testimony. We
7 have three witnesses, we can identify those
8 witnesses today. And we think that the
9 appropriate time to do this would be in the latter
10 half of July when we'd have an opportunity to
11 present the briefing and present the prepared
12 testimony, which I think will simplify the task
13 for this Commission.

14 So I am open to any questions that you
15 may have concerning our positions, which I have
16 attempted to summarize briefly, or any of the
17 other issues.

18 CHAIRPERSON PFANNENSTIEL: Questions?
19 Commissioner Geesman.

20 COMMISSIONER GEESMAN: Regarding several
21 of your comments about 2005. Isn't it true under
22 our procedures that decisions the Executive
23 Director makes never come before the Commission
24 unless they're appealed?

25 MR. POLISH: That is correct. In one of

1 the decisions I mentioned there was an appeal from
2 another aspect of the decision and it did come
3 before the Commission. And the Commission in
4 upholding the Executive Director's decision
5 concluded that there was protection afforded for
6 the first part. So they acknowledged the
7 protection that was given.

8 COMMISSIONER GEESMAN: Isn't it --

9 MR. POLISH: So it's not like it never
10 came up at all in any context before the
11 Commission.

12 COMMISSIONER GEESMAN: Isn't it also
13 true that I believe in both our decision on the
14 2005 appeal and also our filings with the Superior
15 Court that the Commission specified that there
16 were certain determinations that the Executive
17 Director had made that the Commission took no
18 position on?

19 MR. POLISH: I assume that's true but I
20 don't really know. I will take a look at that.

21 COMMISSIONER GEESMAN: You mentioned
22 with regard to the Executive Director's decision
23 in 2005 that they had not been overturned by the
24 Commission. Are you aware of any confidentiality
25 decision in the entire 32 year history of the

1 Energy Commission where the Executive Director's
2 determination has been overturned by the
3 Commission without an appeal having been filed?

4 MR. POLISH: I wouldn't think it would
5 be overturned by the Commission without an appeal.
6 It stood. I cited as recognition of the fact that
7 the Executive Director made a determination. And
8 he is charged with making these initial
9 determinations that this information warrants
10 protection.

11 And the standard for us is merely to
12 show that we have a reasonable claim. If the
13 Executive Director agrees with us, if the PUC
14 agrees with us, we believe that that provides a
15 basis for making a reasonable claim.

16 COMMISSIONER GEESMAN: Isn't it also
17 true that in the 2005 cycle regarding these
18 confidentiality determinations that there were
19 three separate Executive Directors at the Energy
20 Commission rendering these judgments?

21 MR. POLISH: I don't know how many there
22 were.

23 COMMISSIONER GEESMAN: Thank you.

24 CHAIRPERSON PFANNENSTIEL: I'd like talk
25 about the going forward process. I believe that

1 from the prospective of our staff we want to move
2 this as rapidly as we can. We need this
3 information for the IEPR and the IEPR is moving
4 forward even as we speak. It is now June 6. We
5 have a business meeting scheduled for July 3.
6 Unless I hear otherwise from my fellow
7 Commissioners I would like to do what we can to
8 put the evidentiary hearing on to that day.

9 MR. POLISH: One or more of our
10 witnesses would not be able to make it on that
11 date, already having a planned vacation scheduled
12 for that time. We have -- Pardon? And there is
13 one with jury duty.

14 CHAIRPERSON PFANNENSTIEL: We do have a
15 special business meeting scheduled for June 27
16 which we were attempting to keep very limited
17 because it is an unusual meeting. I have not
18 checked on Commissioners availability. Harriet,
19 do you have that information with you?

20 SECRETARIAT KALLEMEYN: I do not. My
21 understanding is we would at least have a quorum.

22 CHAIRPERSON PFANNENSTIEL: I think that
23 we would have at least a quorum and maybe a full
24 panel on June 27, which is three weeks from today.

25 MR. POLISH: I don't know about the

1 availability of our witnesses on that particular
2 day. I know that there is an important PUC
3 proceeding that is ongoing at this time and will
4 be continuing at that time. But I haven't checked
5 availability on that date.

6 COMMISSIONER GEESMAN: Perhaps we could
7 break and counsel could make the three phone calls
8 necessary to determine that.

9 MR. POLISH: I think that would be
10 helpful.

11 CHAIRPERSON PFANNENSTIEL: But I think
12 you should understand that that is the date that
13 would work for this Commission.

14 Break for ten minutes, thank you.

15 (Whereupon, a recess was taken
16 off the record.)

17 CHAIRPERSON PFANNENSTIEL: We have the
18 minutes of the April 11 business meeting. Is
19 there a motion to approve the minutes.

20 COMMISSIONER BOYD: Move approval.

21 COMMISSIONER GEESMAN: Second.

22 COMMISSIONER BYRON: And Madame Chair,
23 unfortunately I'll be breaking my string of
24 perfect attendance at business meetings, I won't
25 be at the next one. I just thought I'd let you

1 know.

2 CHAIRPERSON PFANNENSTIEL: Thank you,
3 sir. Approval of April 11. All in favor?

4 (Ayes.)

5 CHAIRPERSON PFANNENSTIEL: May 23
6 business meeting.

7 COMMISSIONER BOYD: Move approval.

8 COMMISSIONER ROSENFELD: I abstain.

9 COMMISSIONER BOYD: Second.

10 CHAIRPERSON PFANNENSTIEL: All in favor?

11 (Ayes.)

12 CHAIRPERSON PFANNENSTIEL: Minutes
13 taken.

14 Committee presentations, discussion.
15 Anything to report? Nothing.

16 Chief Counsel report. We have
17 Mr. Blees.

18 MR. BLEES: Nothing today, Madame Chair.

19 CHAIRPERSON PFANNENSTIEL: Executive
20 Director report?

21 MR. BLEVINS: I defer my time to the
22 Legislative Director.

23 CHAIRPERSON PFANNENSTIEL: The Leg
24 Director probably has a very long report.

25 MR. SMITH: I have a very thin folder so

1 that should be indicative. I'm going to keep this
2 very short. I just want to report on a couple of
3 things. We are continuing to analyze our 42
4 bills.

5 CHAIRPERSON PFANNENSTIEL: Mike, can you
6 check.

7 COMMISSIONER BOYD: Is your mic on,
8 Mike?

9 CHAIRPERSON PFANNENSTIEL: Check and see
10 if your mic is on.

11 MR. SMITH: It's on, it's on.

12 COMMISSIONER BOYD: Just get it closer.

13 MR. SMITH: Just closer, okay.

14 We are continuing to analyze our 42 what
15 we call priority one bills that either directly
16 affect the Energy Commission's statutes or direct
17 the Energy Commission in some other agency's
18 statutes to perform some function that will
19 require resources.

20 That 42 has recently grown actually to
21 45 with the addition of three bills dealing with
22 petroleum. One that has been introduced by the
23 speaker, AB 1610, which establishes the California
24 Petroleum Refinery Facilities Standards Board.
25 Which does a number of things including requiring

1 submittal of data relating to capacity and
2 operational status of the facilities, provides
3 authority to inspect petroleum refinery
4 facilities, and would require the Board to produce
5 supply and demand forecasts for petroleum. So
6 this was introduced on June 4, very recent, so we
7 are now adding that to our stable of bills.

8 The second one on petroleum is Assembly
9 Bill 1552 by Assembly Member Feuer. Which
10 actually adopts the recommendations out of our
11 2006 gasoline price spike report, so that ought to
12 look quite familiar to everybody. That was
13 introduced June 1. Actually it was a prior bill,
14 it was amended on June 1.

15 And then thirdly is a bill by Assembly
16 Member Davis, AB 868, which requires the
17 Department of Food and Ag to conduct a study in
18 consultation with us and ARB on this issue of
19 gasoline temperature in pumps. Specifically to
20 conduct a study and cost benefit analysis and to
21 make recommendations to the Legislature regarding
22 future legislation and regulations regarding the
23 reference temperature for fuel dispensation in
24 California. So we will follow those closely and
25 provide analyses for your review and approval.

1 Also just a quick update on the
2 schedule. June 1 was the last date for fiscal
3 committees to hear bills and report them to the
4 respective floors. June 8, this Friday is,
5 according to the schedule, the last day for bills
6 to pass out of the house of origin. However I
7 should caution you that there's always waivers to
8 every rule but that's at least what's published.

9 Very quickly also, of the bills that are
10 of high priority interest to us I just want to
11 give you a sense of bills that have passed out of
12 the house of origin and are on their way to the
13 second house. Very quickly that includes -- It
14 was actually 17 but I am not going to go through
15 each one. Just to highlight though:

16 AB 118, which is the Speaker's bill,
17 establishing the California Alternative and
18 Renewable Fuel Technology, Clean Air and Carbon
19 Reduction program. There's dollars attached now.
20 Thirty million dollars is being grabbed from the
21 Williams settlement and appropriated in this bill,
22 \$6.5 million dollars from the motor vehicle
23 account and \$5 million dollars from our PIER
24 program, the transportation element of our PIER
25 program.

1 Levine's AB 625, which is the Williams
2 settlement bill, is on its way to the Senate as is
3 Ruskin's 662, which adds water efficiency to our
4 appliance standard authority. And Huffman's AB
5 1560, one-five-six-zero, which adds water
6 authority to our building standards.

7 And Simitian's SB 412, which is a bill
8 that affects the oversight and preparation of our
9 Integrated Energy Policy Report and creates a
10 natural gas needs assessment effort is on its way
11 to the Senate. Assembly Member Saldaña's bill --

12 COMMISSIONER GEESMAN: Did you mean to
13 say, on its way to the Assembly?

14 MR. SMITH: Assembly, I beg your pardon,
15 I beg your pardon.

16 And lastly, Assembly Member Saldaña's
17 bill, AB 985, which is the judicial review bill,
18 is still in the Assembly. It failed passage but
19 it was granted reconsideration and we still
20 haven't heard whether it's actually being taken up
21 again. So we'll keep you posted on that.

22 Bills that are scheduled for a third
23 reading in the house of origin, there's ten of
24 them. And very quickly that includes Levine's SB
25 722, which is the incandescent. That actually was

1 amended very recently to eliminate the outright
2 ban and incorporate efficiency standards. The
3 bill actually prescribes the standard that we
4 would, we would implement. AB 1109, which is
5 Huffman's, a similar bill by Huffman is pending in
6 the Assembly.

7 Blakeslee's AB 1613, which is the
8 combined heat and power bill, cogeneration bill,
9 is pending, as is Corbett's 332, which is
10 appliance standards for home entertainment
11 systems, computer networking systems and the like,
12 as is Perata's SB 660, which is a bill that would
13 create the Strategic Research Investment Council
14 within the resources agency largely to coordinate
15 research within state government relating to
16 climate change activities.

17 And then lastly bills that have actually
18 stalled or may either die or become two year
19 bills. Again there's a number of them. But just
20 to highlight, that includes Krekorian's AB 940,
21 which would -- in its current for affects, would
22 have OPR do a study on the Commission's siting --
23 on a process for siting large, solar thermal power
24 plants in California.

25 Lieber's 1065, which would set long-term

1 goals for the Commission's building standards
2 program. And lastly Senator Kehoe's SB 871, which
3 was the expedited power plant siting bill. A six
4 month AFC process for repowering projects may
5 become a two year bill.

6 And the only other thing I want to
7 mention is that there is supplemental language
8 that has been proposed regarding our PIER program
9 that came out of Assembly Member Ruskin's
10 Subcommittee III hearing on our budget, which asks
11 the Energy Commission to prepare a report by
12 September 1 of this year detailing a number of
13 inquiries about the program. How we spend our
14 money, the benefits of the program, et cetera.

15 The list is very detailed, although many
16 of the items in there appear to be doable from our
17 standpoint. There are several that are very
18 troublesome, which we have indicated that we
19 simply can't do or would be very difficult to do
20 within the time frame. So we're still working
21 with the folks over at the Legislature to work out
22 those details.

23 We want to be very responsive to the
24 questions they have asked but we don't want doom
25 ourselves to failure also if some of the items

1 they're asking for just simply can't be done
2 within the time frame or can't be done because of
3 the type of research we do. It doesn't fit into
4 the mold of the question they're asking. So we're
5 still working on those details but I'll keep you
6 posted on that.

7 And that's my five minute update.

8 CHAIRPERSON PFANNENSTIEL: Are there
9 questions, any questions of Mike? It doesn't
10 sound like the picture is getting any clearer.

11 MR. SMITH: No.

12 CHAIRPERSON PFANNENSTIEL: They haven't
13 taken many off the table.

14 MR. SMITH: We were hoping that there
15 would be a culling of the bills as we go through
16 this preparations process.

17 CHAIRPERSON PFANNENSTIEL: Let me see if
18 there is any public comment. I don't see any
19 unfamiliar faces here.

20 Public Adviser. I know that there is no
21 Public Adviser report today, no public comment.

22 Then would somebody check and see if we
23 can go back to Items 5 through 8. Mr. DeLeon.

24 MR. DeLEON: Okay, I think we've reached
25 consensus on the hearing schedule as well as the

1 briefing schedule. If the Commission agrees we
2 would like to schedule the hearing for July 11.
3 Have testimony due July 2. Rebuttal testimony on
4 July 9. First brief following hearing July 18 and
5 then final brief July 25.

6 CHAIRPERSON PFANNENSTIEL: May I just
7 say on the briefing schedule, can we say, if we
8 decide we need them. That's a reasonable
9 schedule.

10 MR. DeLEON: Yes.

11 CHAIRPERSON PFANNENSTIEL: We haven't
12 yet determined that we would need briefs and reply
13 briefs.

14 MR. DeLEON: If necessary.

15 COMMISSIONER GEESMAN: Madame Chair.

16 CHAIRPERSON PFANNENSTIEL: Commissioner
17 Geesman.

18 COMMISSIONER GEESMAN: Can we compress
19 the evidentiary testimony to the first half of the
20 day. I think on the 11th we have an IEPR workshop
21 planned that we could theoretically move to the
22 afternoon.

23 CHAIRPERSON PFANNENSTIEL: I think we
24 should plan to do that. So we'll schedule a
25 business meeting. It will be a specially

1 scheduled business meeting. And I'd suggest that
2 we should try to start at nine such that we can do
3 the testimony in the morning then go on to our
4 scheduled IEPR hearing that afternoon.

5 Any other discussion on this item? Yes,
6 Commissioner Byron.

7 COMMISSIONER BYRON: Not on the schedule
8 but it may be related in some way to the hearings.
9 Mr. Polish, you have indicated in your remarks
10 that the Executive Directors at the Energy
11 Commission and the PUC have the authority to
12 determine confidentiality issues for data. Can
13 you indicate to us, or perhaps Mr. Walsh can, who
14 at Southern California Edison has that authority
15 for the company.

16 MR. POLISH: To designate what is
17 confidential?

18 COMMISSIONER BYRON: Who makes the
19 determination that information is confidential?

20 MR. WALSH: Well it really depends on
21 what area you're talking about.

22 COMMISSIONER BYRON: The specific area
23 that we're talking about.

24 MR. WALSH: For example, you know, the
25 demand forecast winds up in the energy supply

1 management department. You know, I guess in the
2 end when it comes to procurement information it
3 all flows up to Pedro Pizarro who is the senior
4 vice president of power procurement.

5 And obviously senior management. They
6 all have an input into whether they believe stuff
7 is market sensitive or not. I think they really
8 aim at keeping only the information that they
9 believe will have an impact on the market. You
10 know, obviously there's a lot of input but I think
11 the final decision-making is at the hands of
12 senior management.

13 COMMISSIONER BYRON: Thank you.

14 CHAIRPERSON PFANNENSTIEL: Mr. Polish,
15 you intend to put on three witnesses?

16 MR. POLISH: Yes.

17 CHAIRPERSON PFANNENSTIEL: All right,
18 thank you. And Mr. DeLeon, how many?

19 MR. DeLEON: We intend to call at least
20 four witnesses, Jim Woodward, Lynn Marshall, Nancy
21 Tronas and our consultant Greg Brooking from RW
22 Beck. There may be additional staff as well.

23 CHAIRPERSON PFANNENSTIEL: Well
24 everybody should be advised that we are trying to
25 squeeze this into a tight time frame. So without

1 depriving any witness of an opportunity, or
2 anybody an opportunity to cross examine the
3 witness, we would like to really focus the
4 attention on the questions at hand.

5 MR. DeLEON: That's understood.

6 CHAIRPERSON PFANNENSTIEL: Any other
7 discussion on this item? We'll undertake the
8 schedule then.

9 MR. DeLEON: We'll send the notice of
10 hearing as well as the briefing schedule and
11 testimony schedule out to Edison and to all
12 parties within the next few days.

13 CHAIRPERSON PFANNENSTIEL: Fine.
14 Anything else, Commissioners?

15 No public comment. Nobody on the phone,
16 Harriet?

17 In this case we'll be adjourned.

18 (Whereupon, at 11:54 p.m., the
19 business meeting was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of June, 2007.



PETER PETTY