

STAFF WORKSHOP
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

DOCKET

09-IEP-1B

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In the Matter of:)
)
Preparation of the 2009 Integrated) Docket No.
Energy Policy Report) 09-IEP-1B
) 09-IEP-1C
Electricity Demand Forecast and)
Resource Plan Data Request)
_____)

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

THURSDAY, NOVEMBER 13, 2008

10:06 A.M.

Reported by:
Peter Petty
Contract No. 150-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

STAFF PRESENT

Chris Kavalec

Tom Gorin

Jim Woodward

ALSO PRESENT

Jacqueline Jones

Manuel Alvarez

Southern California Edison Company

Kathy Treleven

Pacific Gas and Electric Company

Andrew B. Brown, Attorney

Ellison, Schneider and Harris, LLP

on behalf of Constellation New Energy

Robert Gomez (via teleconference)

Pacific Gas and Electric Company

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P R O C E E D I N G S

10:06 a.m.

MR. KAVALEC: Welcome to the staff workshop on the electricity demand forecast resource plans, draft forms and instructions. I'm Chris Kavalec from the demand analysis office.

And before I get to the agenda, some housekeeping items. There are restrooms behind you in the atrium to the right-hand side of the exit doors. There's a snack bar/deli up on the second floor. And in the event of a fire alarm, please follow staff out the exists to the far katty-corner from the Commission.

Okay, so on the agenda today we have three presentations. The first is on the demand forms and instructions by Tom Gorin of the demand analysis office. And that will be followed by a period of time for questions and comments for Tom.

Second, we have a presentation on the resource supply of forms and instructions by Jim Woodward. And that will be followed by another period of time for questions and comments.

And third, we will have a discussion on confidentiality considerations by Jim Woodward. We're hoping to finish by around 12:30, but we can

1 go a little bit longer if we have to.

2 We need written comments back, according
3 to the workshop notice written comments are due by
4 tomorrow at 5:00, but we've extended that to
5 November 19th at 5:00.

6 And in your written comments please
7 include the docket number and whether the comments
8 apply to the demand side or the supply side. And
9 all the relevant information that you need is
10 given in the workshop notice.

11 After this workshop, and once we've
12 received comments, we will incorporate those
13 comments, and with input from the IEPR Committee
14 we will produce a final forms and instructions for
15 adoption in early December.

16 And with that I will introduce Tom Gorin
17 to do the demand forms.

18 (Pause.)

19 MR. GORIN: I think that since there's
20 only a few people here, if utilities or
21 stakeholders that have questions want to come up
22 to the table, and we can almost take questions as
23 we go on the demand side forms.

24 (Pause).

25 MR. GORIN: Basically the demand forms

1 are relatively similar to what was issued in 2007.
2 The same requirements for demand forecast and
3 supporting information from LSEs above a 200
4 megawatt annual peak. We're requesting these to
5 be supplied by February 13th.

6 The instructions and procedures are in
7 the draft demand forecast forms and instructions
8 we will -- after comments are received we will
9 issue a final to be adopted by the Commission
10 probably in mid-December.

11 The demand forecast is used for resource
12 adequacy assessments, analysis of impacts of
13 demand side programs, including energy efficiency,
14 demand response and renewables. It's going to be
15 used as a starting point for the PUC 2010 long-
16 term procurement proceeding; and being used in
17 various transmission and planning studies by
18 various parties, including the ISO.

19 The purpose of the forecast request,
20 we'd like utilities to provide their estimates of
21 their forecasts to get alternate views of the
22 demand trends that the utilities are seeing, if
23 they are different from what we're seeing. And
24 actually to support development of our forecast,
25 in particular accounting for energy efficiency,

1 renewable and demand side program plans.
2 Providing, you know, historic data for calibration
3 in support of geographic disaggregation in staff
4 forecast; and to support assessment of potential
5 migrating loads.

6 Changes from -- basically the changes
7 from the 2007 forms and instructions are to have
8 parties submit substantially increased
9 documentation on methods used to quantify impacts
10 of efficiency programs. And we're still keeping
11 committed or uncommitted separate.

12 This was a major issue in -- the impacts
13 of the programs were a major issue in the 2007
14 IEPR, and are anticipated to continue on in being
15 discussed in the 2009 IEPR. So we want more
16 increased documentation on how those impacts are
17 accounted for in forecasts.

18 And in this cycle we've attempted to put
19 in an abbreviated version of the retail
20 electricity price forms included in the demand
21 forms. There will be no additional retail
22 electricity price forms asked for, so this
23 document attempted to merge four documents into
24 one document.

25 Our expected forecast process is to

1 provide a preliminary forecast in February 2009.
2 And receive the forecast from the utilities and
3 LSEs.

4 We're anticipating publishing a
5 comparison report in March, and have hearings or
6 workshops on the differences in the demand
7 forecast. Following those hearings, we will
8 produce a revised staff forecast, following
9 direction from the Committee, in May.

10 And then have a revised forecast
11 available for adoption in the summer of 2009 to
12 feed into the 2010 long-term procurement process
13 that will be starting then at the PUC.

14 The conventions are similar to what they
15 were before. Everything has been moved two years
16 out. The forecasts are through 2020. The adopted
17 forecast is going to be from 2010 to 2020. We're
18 not going to adopt a 2009 number because we will
19 be halfway through the year at least when the
20 adopted forecast is done.

21 The main forecast should include
22 committed energy efficiency, renewable and non-
23 dispatchable demand response impacts. Those are
24 committed programs with approved funding, at least
25 preliminary program plans.

1 We're anticipating the IOUs will have
2 their 2009 to 2011 programs committed by then for
3 the PUC -- from the PUC. If those are actually
4 committed, we would like them included in -- those
5 plans included in the committed part of the
6 forecast.

7 Uncommitted programs are those that are
8 expected or scheduled, but not approved.
9 Dispatchable demand response programs are
10 reported, but not included in the forecast because
11 they're more -- used more as a supply option.

12 So, with that, the form 1 -- 1.1, 1.2,
13 1.3, are basically the same -- and 1.4 are
14 basically the same as they were before. 1.1 sales
15 by sector or customer class, the bundled
16 customers, and also require assumptions about
17 migrating load.

18 1.2 distributionary sales by customer
19 category. Bundled resale direct access, community
20 choice aggregators, et cetera. 1.3 is peak by
21 bundled customers. Also noting assumptions about
22 migrating load.

23 And 1.4 is distributionary peak by
24 customer category. And also with direct access
25 and departing loads. 1.5 are temperature

1 scenarios based on one-in-five, one-in-ten and
2 one-in-20 and one-in-40 of temperature occurrences
3 for peak.

4 1.6a and b are hourly loads for selected
5 years for the last two years, and one forecast
6 year by customer category. And I'm proposing to
7 combine 1.6a and b. The way the pdf file came out
8 didn't exactly show everything that was available
9 in the -- everything that was required in the
10 forms.

11 What I was proposing to do in lieu of
12 form 1.6a and b is record the hourly loads for
13 each of these different -- the bundled load,
14 bundled losses, unbundled load, unbundled losses,
15 other load, which are the original 1.6a, total
16 system load, interruptibles and outages.

17 And then on the last three columns are
18 different footprints that each of the LSEs may
19 have. And so the distribution service area is one
20 footprint; transmission planning area is a
21 separate footprint for some utilities. And then
22 some utilities, some LSEs act as a control area,
23 which would have a completely different footprint
24 if the control area is greater than their service
25 area.

1 If respondents have questions about that
2 we would be happy to talk to them on a one-on-one
3 basis to review the geographic definition, or the
4 geographic definitions of those areas.

5 1.6c is historic forecast hourly
6 loads by sub-area, if they are available. Some of
7 the larger utilities break their regions into
8 different sub-areas which would be useful for
9 transmission planning studies and distribution
10 planning studies that we're undertaking.

11 7a and 7b require private supply
12 forecasts. There's a note in the instructions on
13 1.7c which would refer to uncommitted private
14 supply. That is in the instructions, and it was
15 omitted from the tables. That will be put in the
16 tables.

17 But 1.7c is expectations of uncommitted
18 private supply programs that may be in place in
19 the future. The 1.7a and 1.7b are existing
20 private supply and self generation. And we want
21 energy and expected peak.

22 Actually there was a question from some
23 of the staff that I received this morning about
24 the ability for respondents to list this by
25 generation technology because there's a desire to

1 know that with the various types of programs that
2 are available. So I would ask for comments from
3 the LSEs, the respondents, as to their ability to
4 provide private supply by generation technology.

5 Form 2 are the basic economic and
6 demographic drivers used to develop the forecast.
7 What we want is what the various economic and
8 demographic drivers are that are used to develop
9 the utility forecast, or the LSE forecast.

10 State or national economic or
11 demographic assumptions, service area economic and
12 demographic assumptions. Your assumed electricity
13 and natural gas price forecast. Customer
14 accounts. And the data sources and assumptions
15 that are used should be documented in form 4.

16 I think it would be helpful in the
17 documentation if you could note the date of the
18 economic forecasts that you're using, because I'm
19 of the opinion that the economic forecast may be
20 changing between now and the near future. So we
21 would like to put a vintage on the assumptions
22 that were made.

23 Form 3 is a recording of committed and
24 uncommitted efficiency impacts. Form 3.1 is
25 efficiency program and first-year cost and

1 impacts. 3.2 are efficiency program cumulative
2 impacts, savings from the current year plus
3 decayed savings from previous years.

4 And 3.3 is renewable and distributed
5 generation program cost and impacts including
6 those programs which comply with CSI. There's
7 also a desire to break that up by generation
8 technology if at all possible.

9 And 3.4 is demand response program costs
10 and impacts.

11 The methodology and assumptions for the
12 data sources for these are documented in form 4 --
13 form 5 of the report. And we're especially
14 interested in points in peak impacts of renewable
15 programs and how they were developed.

16 Form 4 is a narrative form talking about
17 demand forecast methodology including definition
18 of areas that -- sub-areas that would be reported
19 in 1.6, if you use them. How migrating loads
20 accounted for. What weather adjustments are made,
21 what weather stations you use, and how the
22 sensitivities are developed. And discuss the
23 forecast performance and summary statistics which
24 refer to calibration of the models.

25 Form 5 and 6. Form 6 is a new form.

1 Describes the methodology of demand side programs.
2 Form 5 is the data sources for committed demand
3 side program impacts and how those are
4 incorporated in the forecast.

5 Form 6 is methodology assumptions and
6 data sources for uncommitted demand side program
7 impacts. And what we're interested in is how
8 uncommitted demand side impacts are incorporated
9 in the forecast in the absence of specific program
10 plans, and how those impacts are derived. That's
11 probably going to be a major focus on this IEPR.

12 And we also want to focus on peak impacts of
13 both of those committed and uncommitted programs.

14 Form 7 is aimed -- are the ESP
15 forecasts. And what we're looking for is to
16 submit at least the forecast of contracted load by
17 IOU service area, and any expected load, if there
18 is one. Our desire is to figure out what the
19 entire load of the state that needs to be served
20 is. And include an explanation of the basis of
21 the forecast.

22 The price forms were essentially taken
23 from the price forms that were developed last
24 year. And I tried to consolidate some of those.
25 Form 8.1a for the IOUs is revenue requirements by

1 cost category. And we would like that data from
2 2006 through the forecast period.

3 And I'm not sure about the best way to
4 report it. 2006 to 2008 should be in nominal
5 dollars because they're the actual revenue
6 requirements that were spent.

7 2009 into the future I would like in
8 real 2008 dollars, based on current and
9 anticipated authorization levels, or your best
10 forecast of those.

11 These are essentially the same
12 requirements for POUs, although the words are a
13 little bit different. We would like revenue
14 requirements by expense category. Same definition
15 of dates requested. These dates are slightly
16 different than what you'll find in the forms. The
17 forms go back to 2004. I'm going to take 2004 and
18 2005 out of them for all the requirements, for
19 price information.

20 ESPs, we'd like estimated power supply
21 costs. And same period, would probably be through
22 the end of the existing contract periods. And
23 those will be aggregated at the IOU level.

24 This is a duplicate slide. This is not
25 in your -- this is revenue allocation by bundled

1 customers. It's not in your handout. And we
2 would like the allocation by customer or rate
3 class because we're trying to figure out how
4 revenue is allocated amongst the rate classes.

5 And the purpose of these requests is
6 trying to, you know, reconcile the revenue
7 requirements with the price forecasts that were
8 used in the utility forecasts.

9 And this is a revenue allocation for
10 direct access customers by rate class. For the
11 direct access -- for the direct access part
12 service from the IOUs.

13 Form 8.2 is more detail than was asked
14 for last time. We're asking for residential
15 electricity sales by baseline percentages for each
16 baseline territory. This only needs to be
17 reported by utilities that have tiered rates.

18 We're asking for monthly kilowatt hours
19 and number of customers by 10 percent increments
20 of baseline consumption up to 300 percent plus
21 baseline consumption for the years 2006 to 2008.

22 The reason we're asking for this is that
23 there's a lot of interest in the impacts of AB-1X
24 on consumers and consumption. And this is
25 probably the best level of disaggregation that we

1 can look at this information of sales and
2 consumption. And it's a way to actually ascertain
3 the impact and how many customers AB-1X impacts.

4 We received data at this level of detail
5 in, I believe it was 2001 for the initial
6 examination of AB-1X and the development of tiered
7 rates. For those utilities that submitted that
8 data I would be happy to send them the template
9 that we received from them, the data that we
10 received from them in 2001, so they can see the
11 level of detail that we have.

12 What we're interested in is defining the
13 distribution of residential consumption. And in
14 that way we can define how many people are
15 impacted by various programs based on consumption
16 levels.

17 There's a slightly urban myth that or
18 assumption that consumption in residential classes
19 is normally distributed and from all of my
20 previous analysis it's definitely not normally
21 distributed.

22 Form 8.3 are pricing factors that are
23 used to develop purchased power. And we want 2006
24 through the end of the forecast period and the
25 actual series of pricing factors that are used for

1 each of the components. We realize that these are
2 just forecasts of natural gas prices, or other
3 forecasts. But we would like to see what those
4 are.

5 So essentially, I think Jim is going to
6 cover the confidentiality part. If there are any
7 questions, or we can take questions afterwards,
8 too.

9 MS. JONES: Well, I've got a lot of
10 questions.

11 MS. TRELEVEN: Me, too.

12 MS. JONES: Okay. I guess --

13 THE REPORTER: Please identify yourself.

14 MS. JONES: Jacqueline Jones from
15 Southern California Edison. And I guess the
16 largest looming issue for us is with respect to
17 the definition of committed and uncommitted for
18 the demand side. Because right now they're going
19 through the process of evaluating and re-
20 evaluating their program plans, as well as with
21 respect to the demand forecast.

22 How those categories of savings, like
23 total market gross goals and things like that are
24 going to be incorporated into the demand forecast.

25 It's a really large issue that basically

1 is going to impact everything that goes into these
2 forms because it's built into the very beginning
3 at the lower levels. So once it's incorporated,
4 if things change, then it will end up changing
5 everything that we would have compiled.

6 The process at the PUC, I believe, is
7 not slated to even begin the approval process
8 until January 15th for the EE side, anyway. And
9 I'm not sure how they're planning to do the
10 incorporation into the demand forecast for the
11 total market gross goals or whatever it is they
12 decide that they're going to incorporate.

13 So there's a lot of pending issues. And
14 having a due date for February 13th for all of
15 this data means that we would have to turn in data
16 that's very much in flux.

17 MR. GORIN: I understand the problem.

18 MS. JONES: I figured you would.

19 (Laughter.)

20 MR. GORIN: And that's why we wanted to
21 keep our old definition of committed and
22 uncommitted. We -- whereas if the programs are
23 not -- are you saying that -- does this involve
24 the 2009 to 2011 programs, and you're not going to
25 know what those are going to be until some time in

1 2009?

2 MS. JONES: Yes, basically they have
3 applied for bridge funding. And they don't expect
4 the final decisions to be made until after 2009.
5 So if you continue with the definition of approved
6 and not approved for committed and uncommitted,
7 then there will be no committed demand side
8 management program.

9 MR. GORIN: Past 2008?

10 MS. JONES: Correct.

11 MR. GORIN: I'm not quite sure how to
12 answer that right now.

13 (Laughter.)

14 MR. GORIN: I'm sure we will formulate
15 an answer for that.

16 MS. JONES: Okay.

17 MR. GORIN: We have the expectation that
18 those may be actually approved before 2009.

19 MS. JONES: Welcome to the world of the
20 utilities.

21 (Laughter.)

22 MS. TRELEVEN: Jacqueline, maybe give
23 the appropriate --

24 MR. KAVALEC: You've got to identify
25 yourself.

1 MS. TRELEVEN: Sure. I'm Kathy Treleven
2 from PG&E, from state agency relations there. And
3 our energy efficiency folks and our demand
4 response folks have similar timing issues. In
5 particular, on demand response, we have a brand
6 new look due to the Energy Commission on April 1st
7 that's going to be incorporating just about
8 everything we thought of that goes past 2011, plus
9 the brand new dynamic pricing regime that we're
10 moving toward.

11 And the folks there said, I don't know
12 what I could give you before mid-March that would
13 be a meaningful movement toward those new numbers.

14 In addition, for our energy efficiency
15 folks, especially those that work with the ARB and
16 on greenhouse gas goals, the whole question of all
17 of us coming up with different forecasts of energy
18 efficiency is very troubling. PG&E would like to
19 work toward consensus on --

20 MS. JONES: Um-hum, SCE, also.

21 MS. TRELEVEN: -- what our goals are.
22 And in particular, not only on consensus, but on
23 sort of a good, solid baseline about where we're
24 beginning and where we're ending. So that I mean
25 you can't talk about a 2007 to 2018 forecast and

1 then use ee numbers built on 2009. There's some
2 real mismatch.

3 And I recognize that this is part of
4 what I think Mike Jaske called the Manhattan
5 Project --

6 (Laughter.)

7 MS. TRELEVEN: -- of dealing with our
8 different types of demand models as we figure out
9 what's in energy efficiency. And we're committed
10 to working, as part of the working group, on
11 figuring that out.

12 So, best efforts, if we can't change the
13 deadlines. But there's a lot of data being
14 developed over the winter and the spring that
15 would be of use for this effort.

16 MR. GORIN: Well, it may be, and I
17 believe an email went out yesterday about the
18 efficiency working group with us and the PUC and
19 Itron for a kickoff meeting in early December.

20 This may be -- these forms may be best
21 handled not in that arena, but, I mean, they may
22 be something that we put off until a forecast
23 revision.

24 The primary -- not the primary, but one
25 of the major objectives is to have what we feel is

1 the best demand forecast available with all the
2 assumptions, try to be outlined, on efficiency
3 assumptions for use in the long-term procurement
4 proceeding that's undergoing at the PUC.

5 And, you know, there are various changes
6 in definitions of what is going on there. We're
7 going to have to take those into account here at
8 some time before the forecast is adopted.

9 So there may be some leeway in turning
10 in those forms and the interpretations of those
11 forms. But we will still like to keep our basic
12 definition of committed and uncommitted because
13 there are other agencies that use our forecast
14 that are not comfortable with having uncommitted
15 savings placed into the demand forecast for
16 future.

17 I would not think the ISO would be
18 interested in hoping-we-met goal in their planning
19 for how to operate the grid in the next five
20 years. They have a more conservative approach, I
21 would guess, to that.

22 MS. JONES: Well, the only option that
23 we would have with respect to that would be to
24 provide an unmanaged forecast. And I don't know
25 if that's useful to them or not.

1 MR. GORIN: Yeah, that's probably not
2 useful to them. So I would suggest that we -- I
3 will take this up with Mr. Jaske to see if we can
4 come to some kind of resolution. Because this is
5 going to be an ongoing question for this entire
6 IEPR process.

7 MS. JONES: Well, I guess that is the
8 major over-arching issue. I don't know if you
9 want to go through the individual things or not.

10 MR. GORIN: Would you want to provide
11 those in written comments or --

12 MS. JONES: Yes, we can do that.

13 MR. GORIN: Okay.

14 MS. TRELEVEN: I have one more short
15 comment, and that's in the area of private supply.

16 MR. GORIN: Yes.

17 MS. TRELEVEN: Searching out the folks
18 who could gather that information it sort of
19 became clear we don't really have this by self-gen
20 versus those who do self-gen and then sells an
21 excess.

22 And if we go program by program,
23 historically, or forecast, we can miss some
24 entities. So I'm just letting you know this is a
25 bit of a challenge. And, you know, even down in

1 the residential level there are folks who are just
2 serving their own load, they're sending a little
3 power to the grid.

4 So, it's a funny way to cut the data, to
5 put private supply in the demand forms.

6 MR. GORIN: Okay.

7 MS. JONES: Actually, if I could clarify
8 the discussion about the form 1.6b, the new form.
9 You have provided a revised 1.6a.

10 MR. GORIN: Oh, okay. Yes.

11 MS. JONES: Will that eliminate 1.6b?

12 MR. GORIN: That will eliminate 1.6b.

13 MS. JONES: Okay.

14 MR. GORIN: If you have a control area
15 that's different than your transmission area, we
16 would like the hourly loads for that control area,
17 also.

18 MS. JONES: Okay. Edison,
19 unfortunately, is still working through that
20 issue; having a little trouble identifying who's
21 responsible for this type of data. But we're
22 still working on it.

23 MR. GORIN: I've been here a little
24 while, and it was a lot easier when geography was
25 geography.

1 (Laughter.)

2 MR. GORIN: And geography has changed in
3 the utility industry business substantially in the
4 last 20 years.

5 MR. BROWN: Tom, my name's Andy Brown.
6 I'm with Ellison, Schneider and Harris. I'm here
7 this morning for Constellation New Energy and I
8 have a couple of comments this morning.

9 MR. GORIN: Um-hum.

10 MR. BROWN: First, thank you for
11 extending the date for written comments. That's a
12 help. I think we're going to try to work with
13 some other folks and give you a set of comments
14 from the ESP perspective. At least that's my
15 expectation.

16 A couple of pragmatic comments first,
17 both for your forms, but also on the supply forms.
18 I think it would be helpful if we could have
19 upfront in the instructions a table that lists the
20 forms, and then all the different types of
21 entities to be clear on which ones need to be
22 submitted, because --

23 MR. GORIN: Right.

24 MR. BROWN: -- working through the
25 instructions versus what's marked on the heading

1 of some of the table, there's a little
2 disconnection sometimes.

3 Another somewhat pragmatic issue --
4 well, two. One is that the February submission
5 date has raised some consternation, both because
6 of how soon it will be relative to when the forms
7 are finalized; but also because my understanding
8 for some of the folks that would be looking to
9 gather this information are also folks that are
10 involved with systems that are in the process of
11 getting changed because of MRTU.

12 And MRTU has a Feb 1 target kickoff
13 date, but there's a lot of consternation about
14 when that'll get finalized, and sort of bugs post-
15 kickoff.

16 And so I wanted to raise that. I don't
17 know the degree of problems that might come up, or
18 how much we can get done beforehand. But it is an
19 area focus of a lot of folks that interacts with
20 the vendors that are working with ISO on the
21 systems. That they would then interface to do
22 some data mining in terms of the forms you've
23 asked for. So that was brought up to me
24 relatively recently.

25 Also, it's my understanding from a quick

1 calendar check that last year the two forms
2 weren't due on the exact same date. There was a
3 little lag. So when folks said, we have to get it
4 all due on one day there was a little concern
5 there in terms of getting it all pulled together.

6 So I was wondering if the timing could
7 be staggered to some degree.

8 MR. GORIN: You're referring to the
9 demand and supply forms?

10 MR. BROWN: Right. Exactly.

11 On the ESP-related forms, on a couple of
12 them it's noted that you're asking for data
13 relative to customers we have under contract.

14 And there's a little bit of a lack of
15 consistency. We're assuming that for forecasting
16 you're only really asking for forecast out to that
17 point in time. But I think we need a little
18 clarity on that issue.

19 MR. GORIN: For forecasts that are just
20 through the length of the contract?

21 MR. BROWN: Right. Because that's stuff
22 we have certainty about. And forecasting past
23 that becomes pretty speculative as to the
24 individual entities, --

25 MR. GORIN: Right.

1 MR. BROWN: -- individual customer
2 entities.

3 We appreciate dropping off the 04 and 05
4 dates. There is still, however, some concern to
5 the extent we're looking back historical and have
6 to do data mining issues there. I'm going to try
7 to get more feedback about those specific
8 concerns, but I just wanted to highlight that
9 again.

10 And then on the last issue I think we
11 spoke about this a little bit before, and we're
12 looking at it again. I need clarity on whether or
13 not you're looking for ESPs to provide form 8.3.

14 And then also on the pricing
15 information, we're still looking at the manner of
16 developing that. Talking about revenue
17 requirements is a little bit of a term that
18 doesn't quite square with the ESP model.

19 MR. GORIN: Right.

20 MR. BROWN: But we'll touch base with
21 you on that.

22 MR. GORIN: Okay.

23 MR. BROWN: Thank you.

24 MR. GORIN: Any other questions?

25 Comments?

1 With that, I'll turn it over to Jim
2 Woodward.

3 MR. WOODWARD: Thank you, Tom, and good
4 job. I'm Jim Woodward with the electricity
5 analysis office, California Energy Commission.
6 Glad to be here with you. Thank you for coming to
7 the workshop, for you here and for those listening
8 on the web.

9 Appreciate the efforts of working with
10 us in the past years in providing the data that we
11 requested, starting with 2005 and 2007 IEPR. And
12 for those of you who have had longer careers than
13 that in the CFM processes back in the 80s and 90s,
14 last done in 1996.

15 So we hope that this process on the
16 supply side has reached a level of maturity now
17 with the 2009 forms and instructions where there
18 is a lot more reasonable expectations involved on
19 both sides of what kind of information we're
20 requesting, when it might be due, the kind of
21 formats we're looking for, and the kind of quality
22 of dialogue about that data and the usefulness of
23 it.

24 Let me begin with the last slide here to
25 note the same changes that we had earlier. We're

1 now looking for a December 17th date for adoption
2 by our Commission at a business meeting. And
3 comments will be due, formal comments, on the 19th
4 not the 14th. And informal comments also still
5 welcome that way.

6 I prefer not to have to explain why we
7 had to make these changes with no ad hominem
8 arguments. All that I would offer is that while
9 we have real good instructions, I think, for the
10 supply and demand data we'd like to file, we don't
11 have a similar set of instructions for Energy
12 Commission Staff about how we're to go about this
13 long process. And I'm not sure who would write
14 that instruction manual. We're getting there.

15 Anyway, welcome. And this will be a
16 brief presentation. I think it can be more
17 informal, so if you have questions or comments at
18 any particular point, please speak up; don't have
19 to wait till the end if there's something you want
20 to say, or clarify.

21 This is a staff workshop, we've tried to
22 keep this informal so far so that the interaction
23 can be greater, for the sake of improving the data
24 that we're collecting and how we'll use it.

25 Again, we're asking for information from

1 all the load-serving entities that had an annual
2 peak demand noncoincident peak of at least 200
3 megawatts in either 2007 or 2008, this year.

4 The filings are proposed to be due
5 February 13th. There is a procedure for asking
6 for an extension on the delay. And that can be
7 done -- there's a way to do that in advance.

8 We did try to consolidate the demand and
9 supply form filing dates partly so that there's a
10 better match between the two in the data that is
11 prepared, in some cases, by the same staff. But
12 there was an interest in making sure they're
13 aligned and matched with the same terms, same data
14 in some cases.

15 And, Andy, the only real good suggestion
16 I have, no matter what the data is, if you want
17 different dates, just to file one set of forms
18 earlier.

19 (Laughter.)

20 MR. BROWN: Noted.

21 MR. WOODWARD: It's not something I
22 usually did, but it's possible. And we do get
23 people that file early. Asuza will probably be
24 the first one to file again, I thank Bob Tang for
25 that leading indicator of how the data's going to

1 look.

2 The electricity resource plans data have
3 a lot of value. We are asking for a great many
4 datapoints on these forms. And some of these are
5 your best estimates or median value central
6 tendencies of a forecast or estimate. You'll ask
7 us to connect the dots, of course.

8 But in some cases we'll actually pull
9 back even farther in the assessments that we do,
10 much like when we were young and we got real close
11 to the tv and we saw a lot of dots. Sometimes
12 it's not about connecting the dots, but pulling
13 back far enough to see the big picture.

14 And we hope to do that for electricity
15 supply patterns, trends, generation, resources and
16 needs for the ten-year forecast period based on
17 what we get from mid-sized and large LSEs. Five
18 years forecast period in the case of ESPs.

19 And a big part of that will be to see
20 what the trends are in meeting energy efficiency
21 targets, demand response programs, and renewable
22 energy goals that utilities and other load-serving
23 entities expect to meet.

24 And especially to be able to track an
25 emissions profile as it's expected. And there

1 would be assumptions involved for that for generic
2 resources. And there's uncertainties even for
3 specific planned resources when they come online.

4 But we're only giving an estimate and a
5 trend that we expect to do, much like the 2005
6 trends and assessment reports that we did.

7 And we'll be gaining insights, we
8 expect, on system reliability. Looking again
9 closely at POU resource adequacy, the rules and
10 protocols. We're looking a little farther out,
11 for 2010 for monthly data, but in other respects
12 we're looking to collect less data in general.

13 One other pattern we'll look for and
14 expect to see in some of these data filings are
15 LSE plans for repowering or retirement potential.
16 So, as it showed up last cycle, for example, where
17 LADWP showed a period of time where Haynes or
18 Scattergood would be repowered in their long-term
19 resource plans. Or not.

20 There are many assumptions, of course,
21 that we make and the LSEs make in the data that
22 they're being asked to provide. One of those key
23 assumptions that we put in the instructions are on
24 the - about the loading order.

25 And on page 13 of the instructions we do

1 ask LSEs to provide realistic estimates of the
2 capacity and energy to be achieved from loading
3 order programs. And not to assume that officially
4 prescribed or formally adopted targets could be
5 met precisely on schedule.

6 So, if there's a deficiency or a
7 contract problem that affects preferred resources,
8 that should become apparent in the resource plans.
9 And then there's a need to fill that. That need
10 must be filled by other resources farther down in
11 the loading order.

12 But we've aimed to put those adjustments
13 to load in the top of the form on the S1 and S2
14 forms, including energy efficiency, demand
15 response programs, self generation and DG, so that
16 they're accounted for first in looking at the load
17 obligations for energy demand for customers before
18 looking at the generation resources needed to meet
19 that load.

20 So, anyway, about the assumptions. LSEs
21 are expected to use what they know in providing
22 these resource plans, which can serve as a
23 benchmark in some ways for how these programs are
24 developing and expected to be implemented.

25 Those assumptions include everything

1 currently known about technical capabilities,
2 market incentives, regulatory constraints,
3 statutory mandates, policy guidance and other
4 requirements that are part of infrastructure and
5 markets in which they operate.

6 And in this regard I'd remind people
7 again that beyond the resource plan filings there
8 may be a request to -- probably will be other
9 requests to LSEs for data and analysis about
10 specific topics more closely matched to those in
11 the scope of the 2009 IEPR for which LSE
12 assessments, comments and analysis are requested.

13 But this is the kind of information we
14 expect will be basic, and a basis, a springboard
15 for other considerations and comparisons.

16 One of the alternate filing
17 possibilities we allow for this year is for LSEs
18 to use the forms for loads and resources that WECC
19 develops and approves for balancing authorities to
20 report to the WECC.

21 And this came at the good suggestion of
22 Nick Zettel of Redding. And he says that the
23 forms for next year will probably be available
24 December 1st and will be due from the balancing
25 authority to WECC on March 1st. So that would be

1 very close in time to our February 13th date.

2 Now, most LSEs in California are not
3 using those forms, the loads and resources forms.
4 But I did hear some appreciation from LADWP about
5 that alternate filing possibility, to use the
6 forms they're already providing. And I expect
7 there are some other entities outside of Cal-ISO
8 that are using those forms from the WECC.

9 If that's the choice of the LSE, we want
10 to work with you closely to make sure that the
11 data matches what we're asking for here. And one
12 of these supplemental requirements will still be
13 for the S5 form on bilateral contracts or energy
14 agreements, procurement purchase agreements we'll
15 talk about later.

16 The last bullet point here about
17 assumptions and expectations. We say in our
18 instructions, of course, that specific existing
19 and planned resources are expected to be
20 deliverable to load.

21 But farther out in the resource plan
22 horizon there's most LSEs have a generic resource
23 need for capacity and energy. And assumptions
24 need to be made about how that energy would be
25 deliverable to load involving new transmission

1 perhaps, or repowering.

2 And so those assumptions here are not
3 necessarily specified for all LSEs. If there's a
4 renewable energy requirement it may be that that
5 can be met through renewable energy credits that
6 are create-able. And so that component of the
7 need may not necessarily be deliverable to load.

8 This slide just highlights some of the
9 areas where data aggregation is appropriate,
10 acceptable and even preferred. None of these are
11 a change from 2007 in that respect. The
12 adjustments to load in the top of the forms,
13 aggregate that effect from many different energy
14 efficiency programs or load migration.

15 Utility-owned hydro that's greater than
16 30 megawatts can all be grouped together.
17 Likewise what counts is eligible renewable energy
18 resources for 30 megawatts or less is grouped in
19 another category.

20 And, as a reminder, as the IOUs
21 certainly know, the renewable energy from small
22 hydro is usually not expected to be confidential,
23 whereas there may be a reasonable case to be made
24 for keeping the nonrenewable energy from large
25 hydro confidential.

1 QF resources by technology types.

2 Again, no change here in what we've aggregated
3 before. Generic resource needs. We've just asked
4 for two distinctions on the form between renewable
5 and non.

6 And, again, the contractual resources,
7 on the S1 and S2 forms, can be aggregated.
8 Probably should be aggregated if they're less than
9 one megawatt, or if there are many contracts from
10 one supplier. This especially applies to the
11 wholesale procurement by ESPs. And they've done a
12 fine job in that area in the past.

13 The major changes on the forms since
14 2007. I hope a lot of this is positive and
15 beneficial. And the first thing that's I think
16 noteworthy is the collaboration we had with staff
17 at the PUC and the IOUs last spring as part of
18 working groups in the long-term procurement
19 proceeding.

20 And we've incorporated all of those
21 changes, I believe, that were suggested at that
22 time. So the PUC can use this form or something
23 like it, or use it as a springboard for something
24 else. But it helped to have discussions with
25 resource planners at the time about how to make

1 these forms more consistent, just from one to
2 another, for comparison purposes and just in ease
3 of making that complete.

4 Our big suggestion was to make the --
5 only ask for annual data. And let's see if I can
6 bring that up. On the S1 form, as you see, we're
7 only asking for annual data rather than monthly
8 data. Previously we were asking for 120 different
9 months in a ten-year forecast period, or 60 months
10 if you're an ESP. So that's a significant
11 reduction in the number of data points and cells.

12 And especially for the monthly energy
13 forecasts, resource planners said that was often
14 the most expensive, most burdensome and least
15 useful forecast to do. WECC still requires that
16 out four years, but we're asking for only annual
17 energy forecasts ten years ahead. And also
18 historical one year back, as you see.

19 On this template the blue font indicates
20 changes from the previous IEPR cycle. Mostly
21 suggestions from other users. These numbers are
22 entered for illustrative purposes. People will
23 have to delete them, please, before filling them
24 out.

25 But one of the suggestions, a very

1 simple one for just keeping annual data on one
2 form, is that many of the people will copy the
3 formulas and paste them across the rest of the
4 form. So it helps to have just annual data there.

5 One of the new things we're asking for,
6 it's on the S1 form, is this report of
7 noncoincident peak load and adjusted noncoincident
8 peak load for 2007 and '8. And that's here at the
9 bottom of the S1 form, this new little section
10 here. I can make that larger.

11 And this is, I think, fairly do-able. I
12 haven 't heard any resistance about this from any
13 LSEs, but it's asking for what the metered
14 deliveries were, and when that occurred. Plus any
15 emergency response for interruptible load that was
16 called on in that hour, for a total of what would
17 be the adjusted annual peak load.

18 And what most LSEs use that number of
19 actual peak hour deliveries, we're suggesting that
20 it's the peak hour deliveries plus the
21 interruptible load that was called on that really
22 should be the number used in the forecast for
23 planning purposes going forward.

24 And we are asking for monthly energy and
25 supply for one year. I'll get to that in a bit.

1 Minor changes that you've already seen on the form
2 and on the slides here.

3 At the suggestion of PG&E last cycle
4 there's a line for coincident peak hour adjustment
5 that's added to the form. And that's up here,
6 line 11 on this form. Not everyone uses that, but
7 some do.

8 Also a suggestion that came from SMUD
9 was to include a credit for imports that carry
10 their own reserves. Like a firm LD contract that
11 some utilities have, more firm supply. But, if it
12 carries its own reserves, you therefore don't need
13 to have a planning reserve margin component
14 percentage if an LSE is using a percentage.

15 Anything that an LSE staff is asked to
16 provide is either in dark green font, not
17 necessarily bold, but it'll be in dark green. Or
18 if it's a minus number it'll be in red so it shows
19 up real well.

20 If it's a number that self-calculates on
21 the form, it'll be in bold, like this line 9 here.
22 I think that makes it a little easier, reduces
23 some of the errors that are bound to creep in
24 anyway.

25 And the resource need typology is much

1 simplified from S1. PG&E Staff noticed that.
2 Appreciate that. We had previous categories or
3 baseload, load following, peaking, year-round load
4 following, seasonal peaking. It was difficult to
5 aggregate all of that. We weren't using that
6 data, but if utilities see that that's a benefit
7 to be showing here, let us know and it can be
8 added back to the form. But at this point we
9 weren't expected to require that on the form.

10 Already covered some of this. On the S1
11 form we are asking something new that maybe a
12 burden, unexpected to some, for the annual peak
13 load for 2007 and '8, and how it was supplied, by
14 specific supply resources. So not just this peak
15 hour demand in 2007, but the columns here about
16 where that came from.

17 I understand from the ESPs that's not
18 something that they have been tracking, but this
19 may be a case where we simply need to say this is
20 something that's expected to be collected starting
21 in 2009. That's a possibility.

22 Some of the utilities have said this is
23 something they track already. A couple have said,
24 no, it would be a burden. We would like to hear
25 from you on this to know to what extent this is

1 do-able and appropriate as an early measure for
2 assessing the existing conditions as they are now.
3 Not just the forecast, but connecting that up to
4 the kinds of things we're saying about emissions,
5 about renewable energy and about other generation
6 sources for the mix. It's part of our statewide
7 supplies.

8 S2, energy balance table. Just have a
9 couple new changes there. We do have a new line
10 asking for total retail sales. This should match
11 what's on another report that's usually filed
12 later. That should be the actual number for 2007.
13 And if there is a true-up still needed for 2008,
14 that should be just noted with a footnote.

15 Again, if there is a difficulty in
16 tracking annual energy supplies by the volume,
17 just annual volume, not monthly, that would be
18 something we'd like to hear in informal comments
19 here in the workshop or later. But this is
20 something we expect to begin tracking before long.

21 The S3 form is a new one, and that's
22 strictly for small publicly owned utilities to
23 report hourly metered load deliveries in 2008.
24 And that's the average energy in each hour, 8784
25 hours in 2008. If you're wondering why that's not

1 8760, it's because this was a leap year. That's
2 usually the measured months of energy at the
3 balancing area take-out points. So if there's DG
4 or self-supply behind that take-out point, that
5 wouldn't be shown.

6 The S5 bilateral contract form is almost
7 exactly the same that we've used in previous
8 years. You see the blue font shows a couple
9 changes. We do want to make sure it specifically
10 includes power purchase agreements or energy
11 exchange agreements that may not formally meet an
12 EIA definition of a bilateral contract.

13 This is simply for those supplies of
14 capacity or energy that are three months duration
15 or longer, that are in existence now or expected
16 to be in existence during the resource plan
17 horizon.

18 We've split a couple things like
19 delivery points and locational attributes so that
20 if there's a request for confidentiality, the more
21 specific data can be so designated with a request,
22 whereas the more general information would be
23 disclosable.

24 And the categories have simply been
25 rearranged so that those topics that have had

1 confidentiality requests before are located at the
2 bottom half of the form generally. It makes the
3 scanning easier.

4 And one other small request we have, but
5 it just makes the processing a lot easier, is to
6 use a separate tab for each bilateral contract,
7 rather than a separate form, or putting them all
8 on one tab in endless rows.

9 So the S1 monthly we've talked about a
10 bit before. I think we've covered that with
11 comments and the S2 monthly.

12 We do have a new narrative request to
13 the investor-owned utilities, and that is to
14 invite them to provide some explanations for the
15 assumptions and expectations involved in the
16 contractual procurement process. Whether that
17 leads to utility-owned generation or a power
18 purchase agreement, or options in between
19 renewable or nonrenewable generation.

20 I hope the instructions speak for
21 themselves on this point. And they are on pages 7
22 and 8. Where we ask on page 7, IOUs to provide
23 narrative explanation so the assumptions and
24 expectations employed for the listing of all new
25 contractual resources and future generic resources

1 as shown on their ten-year resource plans.

2 Include timelines and benchmarks as part of these
3 assumptions.

4 And on page 8, it says the review should
5 include descriptions and assessments about the
6 risks of failures and delays at various stages of
7 completion, along with some efforts for both
8 failures and delays.

9 What I have in mind is if something --
10 and I'll sum this up quick -- but at State Parks,
11 where I worked for 20 years, there was an
12 assumption that a general plan for a park like Big
13 Basin, Emerald Bay, or Will Rogers and Pacific
14 Palisades, could be done in 24 months.

15 And when I collected the data of the 180
16 general plans we had, to my shock and surprise
17 found the average time was 50 months to produce a
18 general plan to approval.

19 And even those that had gone out for
20 CEQA review had a 20 percent failure rate. And
21 this was very humbling, as we're trying to improve
22 that process.

23 To the extent that we have assumptions
24 about the procurement process internally or
25 shared, I think this is an opportunity to provide

1 an understanding about the patterns of success,
2 the time it takes for procurement process to work,
3 whether it's through an RFO or a bilateral
4 negotiated agreement.

5 So that we see the amount of lead time
6 necessary for new resource additions that allow
7 for things like aging power plant retirements,
8 that allow for other resource choices and
9 additions. And that's the kind of thing we're
10 looking for. But if there's a need for
11 clarification for this, or addition, this is a
12 very open topic.

13 For the POU's the information requests
14 are pretty much identical to what was requested
15 two years ago about resource adequacy narratives,
16 about their protocols. We're looking for newly
17 adopted policies, if they have some by their
18 governing authorities, city councils and the like.

19 And we'd like to know a little more
20 about the relationship with balancing authority
21 areas now that the reliability requirements
22 nationally have been delegated to NERC, to WECC,
23 and in large measure down to balancing authority
24 areas.

25 That concludes this part of the

1 presentation. Since Chris Kavalec mentioned we'd
2 talk about confidentiality separately, let's open
3 this up to topics questions and comments. I think
4 we have Robert Gomez on the phone with PG&E. Are
5 you still there, Robert?

6 MR. GOMEZ: Hello? Hello?

7 MR. WOODWARD: Yes. We hear you.

8 MR. GOMEZ: (inaudible).

9 MR. WOODWARD: We sure can. Welcome.

10 MR. GOMEZ: Oh, great, thank you. I
11 guess I'll -- I have a couple of comments. First,
12 thank you to both presenters. And I think I'll
13 start with a couple of questions on the supply
14 forms which you just finished them.

15 A quick thank you to the CEC, in
16 particular Jim. As Jim mentioned, I'm part of the
17 long-term planning group. And back in the spring
18 we had a number of coordination meetings with the
19 IOUs and the PUC and the CEC, coordinating the
20 IEPR process and the long-term planning process.
21 And it's very nice to see that a lot of the things
22 that we talked about in those meetings a number of
23 months ago are coming to fruition.

24 In particular with these supply forms
25 and demand response, coincident peak adjustments

1 and things of that nature. So, thank you to the
2 CEC and Jim in particular for that.

3 MR. WOODWARD: Thank you.

4 MR. GOMEZ: A couple of notes on the
5 supply forms. One in particular would be the
6 credit for imports that carry their own reserves.

7 As I understand it, just because
8 something may carry its own reserves or even
9 regardless of its firmness, it really depends
10 whether it has counting rights from the ISO, if I
11 understand it. And so that might be one precursor
12 to whether something can count to that particular
13 credit.

14 MR. WOODWARD: Indeed.

15 MR. GOMEZ: Yeah.

16 MR. WOODWARD: I would agree with that.
17 If there's a deliverability restriction or
18 counting criteria for the ISO, that would apply
19 here, too.

20 MR. GOMEZ: Okay. I didn't see it in
21 the instructions, and so I just wanted to clarify
22 that. Okay.

23 Let me see, another one would be on the
24 supply forms with regard to the, on the S1 form, I
25 know that you have in there the generic renewable

1 energy and generic nonrenewable energy. And it's
2 not in the S -- I'm sorry, that's the S2 forms,
3 the energy forms. But there's no corresponding
4 lines in the capacity -- of the S1 form.

5 And I think you touched on this really
6 quickly before in slide -- what I have as slide 7
7 for the typology. We're certainly not advocating
8 that we go back to the -- load, load following and
9 peaking and all of that. That level of detail was
10 certainly, you know, -- we're happy that that's
11 not here.

12 But we still think it would be useful to
13 have those two categories, renewable and
14 nonrenewable, in the S1 table, as well, so that
15 there's consistency if someone's comparing energy
16 open positions to capacity open positions, it
17 could be just maybe a little bit misleading.

18 MR. WOODWARD: Very good. I will take
19 that suggestion unless I hear something to the
20 contrary.

21 MR. GOMEZ: Okay. Let's see. The other
22 item would be so the monthly data for the S1 and
23 S2 is now only for 2010, correct?

24 MR. WOODWARD: Correct.

25 MR. GOMEZ: And is not 2009. It would

1 be nice if it was 2009, because we certainly have
2 some filings out there, and probably other
3 utilities, as well, as far as utilities are
4 concerned, have their --

5 MR. WOODWARD: That's true.

6 MR. GOMEZ: Have their -- filings out
7 there already. And so just maybe given
8 consideration of the fact that for 2009 that we
9 have a monthly one. Also that long-term planning,
10 the earliest year is always the most -- the best
11 year. As you go further out it gets a little bit
12 more wishy-washy. So I would suggest maybe 2009.

13 MR. WOODWARD: Well, that data is
14 largely available to us for those filing year-
15 ahead resource adequacy plans with the ISO. At
16 least that's available for the summer months and
17 month-ahead.

18 We're hoping to look a little farther
19 ahead than just next summer here.

20 MR. GOMEZ: Um-hum, okay.

21 MR. WOODWARD: But to the extent that
22 that's a burden, or to the extent that it
23 displaces useful modeling for other more important
24 areas of consideration, that's worth noting.

25 MR. GOMEZ: Okay. I'll let other

1 speakers, if they want to talk about the supply
2 forms. I have one question on the demand forms,
3 but I can wait.

4 MR. WOODWARD: Thank you, Robert.

5 MS. TRELEVEN: No, I have no additions.

6 MR. WOODWARD: Do you want to have Tom
7 come up here for questions on the demand forms,
8 Robert? I think he's off the line.

9 We'll stick with supply forms. Andrea?
10 Is somebody else on the line?

11 Okay, we'll take another question or
12 comment. Kathy.

13 MS. TRELEVEN: I -- Robert did it for me
14 for supply.

15 MR. WOODWARD: Jacqueline?

16 MS. JONES: Yeah, from Edison we have a
17 couple of questions related to --

18 MR. WOODWARD: Could you speak into the
19 microphone --

20 MS. JONES: I'm sorry, -- related to --

21 MR. WOODWARD: It will help me as well
22 as those listening. Thank you.

23 MS. JONES: This is Jacqueline Jones
24 from Edison. And my question is related to the
25 analysis period for the demand forms, the analysis

1 period goes through 2020. And that's also a
2 requirement for the retail price forms.

3 Because in developing the revenue
4 requirement information we would have to do this
5 analysis through 2020 to be able to complete the
6 retail price forms, it seems reasonable that would
7 it be a problem if we went ahead and extended it
8 to 2020?

9 MR. WOODWARD: Oh, I think that'd be
10 great. You can add two more columns to the forms
11 to take your data.

12 MS. JONES: Yeah, you know, since we
13 have to do it anyway.

14 MR. WOODWARD: Thank you.

15 (Laughter.)

16 MS. JONES: I feel strange asking for
17 extra work, you know, but --

18 MR. WOODWARD: We can negotiate on this.

19 (Laughter.)

20 MS. JONES: And also one other question
21 with respect to the planned contractual resources
22 and the definitions.

23 We have kind of a standard set that we
24 generally use in defining what's planned based on
25 whether it's signed and approved or online, those

1 kind of things. We can include that in our
2 detailed comments, but in order to kind of
3 standardize the information.

4 Under planned we assume that it's
5 signed, not necessarily approved and not online,
6 as opposed to an existing resource would be signed
7 and approved and online.

8 I don't know if that makes sense, if you
9 followed that.

10 MR. WOODWARD: I think I follow that,
11 and there's still probably some gray areas for a
12 repowering --

13 MS. JONES: Yes.

14 MR. WOODWARD: -- of an existing
15 resource or an expansion of existing resource in
16 some ways that has incremental capacity additions.

17 The definitions that we have here I
18 don't think are changed from two years ago. And
19 many of them carried over from the early 1990s.

20 So, if it's appropriate to update those
21 with things that are more standard in the
22 industry, we want to do that --

23 MS. JONES: Okay.

24 MR. WOODWARD: -- in ways that are
25 appropriate. It may not match the procurement

1 processes for all LSEs, you know. The POUs, their
2 definition of a planned resource is probably going
3 to be different based on their regulatory approval
4 self-governing process.

5 But I don't want to commit to the exact
6 wording, but we do want to align that to the terms
7 that are standard in use in the industry.

8 MS. JONES: Sounds good.

9 MR. WOODWARD: Thank you. Any other
10 comments, suggestions? Complaints?

11 (Laughter.)

12 MR. WOODWARD: If not, I will return to
13 the always popular subject of confidentiality. At
14 Mike Jaske's good suggestions we have moved our
15 instructions to the appendix of the instructions
16 for supply and demand. Hopefully they're more
17 useful as a location for reference.

18 I'm sorry, what's that?

19 MR. SPEAKER: A question for Tom.

20 MR. WOODWARD: Oh, I'm sorry. We'll
21 pause on that and come back to Tom Gorin for a
22 question on demand.

23 MR. GORIN: Mr. Gomez, are you there?

24 MR. GOMEZ: I am, can you hear me?

25 MR. GORIN: Yes.

1 MR. GOMEZ: Thank you very much. I do
2 have a quick question, I guess it mainly relates
3 to form 8.2 -- 8.3, I believe.

4 One comment I saw in your PowerPoint was
5 that actual through 2008, correct?

6 MR. GORIN: Yes.

7 MR. GOMEZ: And I'm not -- my
8 understanding would be that I'm not sure that, if
9 we're filing on February, mid-February, that means
10 that we have to have these done before that
11 really, internally. And that I'm not sure if
12 actual information for all of it would be in. So,
13 one thing to consider. I know there's lags and --

14 MR. GORIN: Right.

15 MR. GOMEZ: -- long it takes actuals to
16 come in.

17 MR. GORIN: Right. We can make
18 allowances for that.

19 MR. GOMEZ: Okay. But the other, I
20 guess really the over-arching question would be
21 I'm not sure -- for form 8.3, it's very likely
22 that we do not carry that type of detailed
23 information.

24 And I believe two years ago we also had,
25 I think, concern. I don't believe we were able to

1 do this form. I'm not certain of that. But
2 there's certainly an issue with, as one other
3 gentleman mentioned, just the data mining issue
4 regarding going back to the historical, and then
5 also trying to get the information in these types
6 of buckets might cause problematic and very time
7 consuming.

8 It's also unclear, for instance, when we
9 have multiple contracts and one of the lines may
10 ask for natural gas price index used on a
11 historical basis. It's unclear to me what that
12 number is. That's a major concern that we have.

13 And I'm also wondering, it seems like
14 that this information is -- for this form is so
15 that the staff can analyze the sensitivity of gas
16 prices, right. And so I'm wondering if this can't
17 be somehow answered through form, I guess, 8.1?
18 There's similar information in that form with
19 regard to cost for fuel and things like that.

20 MR. GORIN: Okay. We'll take that into
21 consideration in our revisions.

22 MR. GOMEZ: Okay.

23 MR. GORIN: Okay?

24 MR. GOMEZ: That's all I had.

25 MR. GORIN: That it?

1 MR. GOMEZ: Thank you.

2 MR. WOODWARD: Thank you, Robert. Thank
3 you, Tom.

4 Now hopefully just a few closing words
5 about confidentiality. I don't have too much to
6 add beyond what's in the instructions in the
7 appendix 1 on pages 57 to 59. We've tried to make
8 them clear, succinct, describing our process and
9 what's required.

10 And I would highlight a couple things in
11 comments here. A designation, parties who seek
12 such a designation for data they submit must make
13 a separate written request that identifies the
14 specific information, and provides a discussion of
15 why the information should be protected from
16 release.

17 And the length of time such protection
18 is sought. And whether the information can be
19 released in aggregated form. Of course, there are
20 many ways to aggregate data.

21 The requirements on page 58 say a hard
22 copy of the application must go to our Executive
23 Director. If you give supply or demand staff an
24 email that that's been submitted, that would help
25 us track that and know that it's in the works.

1 But shouldn't be necessary.

2 Along with the hard copy of the
3 application that's physically delivered, the
4 information that we're requesting must be
5 submitted in an electronic format, Word, Excel,
6 Adobe files, and on a common media format such as
7 CDROM or DVDROM.

8 Try to make those words generic enough
9 so as the technology changes, in the future we'll
10 still have something useful here.

11 We did, by the way, specifically want
12 information in Excel this year, not something
13 comparable. And with the Excel data, in
14 particular, a key thing that will help us identify
15 the specific information that LSEs want to be
16 confidential, is to use the yellow fill on the
17 form, paint the cell that is -- for which your
18 confidentiality request covers. Okay?

19 And that makes it clear, which years,
20 which supply source. In rare occasion, it even
21 included a plant name. But, that will help
22 clarify what's in the narrative application, which
23 isn't -- the application, itself, is not a
24 confidential document. But the data that is
25 confidential has to be attached, included to that.

1 Included with the application must be a
2 signed, penalty-of-perjury certification. That
3 can be written or electronic. And also a clear
4 description of the length of the time the data
5 series and the time period for which
6 confidentiality is being sought.

7 It's not enough to say we want Four
8 Corners Energy to be confidential for the first
9 three years. Does that mean the first three years
10 of the forecast period or for three years in
11 the -- we want it to be real clear in that
12 respect.

13 And although it's not in the
14 instructions or standard, there is one pattern
15 that did evolve in 2007 that proved to be fairly
16 helpful, especially here in preparing letters for
17 the Executive Director. And that was the length
18 of time. The most common length of time for the
19 grants of confidentiality was to December 31,
20 2009.

21 That was a period of usually slightly
22 less than three years when they were submitted in
23 early 2007. But, for -- that kind of consistency
24 helped in different letters that it was to
25 December 31, 2009. So that we're able to track

1 things, as well, about how long that data will be
2 protected from public disclosure.

3 But, of course, there are other cases
4 where a longer period of time may be necessary.
5 Specifically for a particular contract.

6 A key thing for applicants here is to
7 make sure both the application is complete, and
8 that the information on the forms is complete.
9 And if not, we'll get back to you in multiple
10 ways, by phone, email and letter. And the
11 applicant then has 14 calendar days to correct the
12 defect. We put it in a suspense file until then.

13 You want to get that completed and
14 corrected. Now, a complete application that
15 doesn't have the complete data on the forms is not
16 all together complete in that respect.

17 And lastly, I wanted to point out that
18 something in our regulations, section 2505, that
19 allows applicants to simply identify information
20 that is substantially similar to information that
21 was previously deemed confidential. If the
22 relevant facts and circumstances remained
23 unchanged.

24 I don't know how that's been defined or
25 litigated elsewhere, but that's one way to begin

1 establishing some useful precedents for making the
2 arguments stronger where they need to be stronger.
3 And referring to previous grants of
4 confidentiality where the claim has been well
5 supported and granted by our Executive Director.
6 But staff cannot make a prediction or judgment or
7 preclude a determination by our Executive Director
8 in that respect.

9 But on that, I wish to conclude on a
10 much happier note, and that is to introduce Kerry
11 Willis, who is here; an attorney who will be much
12 more of an expert on this subject than me and
13 helping all parties work through this process
14 appropriately.

15 Question from Andy Brown.

16 MR. BROWN: Hi, Jim. Andy Brown here
17 for Constellation New Energy. A couple of, I
18 guess I think of it more as housekeeping kind of
19 questions.

20 In the application we're to refer to the
21 specifics in the data that gets submitted. And
22 just practically speaking, we're trying to, you
23 know, work up that application ahead of time.

24 I'm wondering if we're yellow
25 highlighting in the Excel sheets, if in the

1 application we can point to that fact. Or do we
2 need to make all the cell references?

3 MR. WOODWARD: Refer to the lines. You
4 don't have to say Excel sheet 3, but this line is
5 what we're looking for.

6 MR. BROWN: Okay.

7 MR. WOODWARD: And use line numbers
8 rather than the row numbers that are on the Excel
9 template, itself. The line numbers match those in
10 the instructions.

11 MR. BROWN: Okay.

12 MR. WOODWARD: Is what I would look for.

13 MR. ALVAREZ: Jim. This is Manuel
14 Alvarez, Southern California Edison. I guess
15 along those lines this issue of confidentiality
16 has been with us for a number of cycles here.

17 I guess I'm just wondering in your
18 yellow highlighting of the cells, would it be
19 helpful when we file our comments perhaps if we
20 highlight those cells for you now? And give you
21 some indication of what those categories might be,
22 and have some discussion with you about that? As
23 opposed to waiting for the application -- when the
24 forms are actually due.

25 MR. WOODWARD: You'd like to highlight

1 the cells what you'd like to request?

2 MR. ALVAREZ: Yes.

3 MR. WOODWARD: We could look at that.

4 MR. ALVAREZ: Okay.

5 MR. WOODWARD: That would probably be
6 useful. But, I mean, that wouldn't, itself, be an
7 application.

8 MR. ALVAREZ: Right, I understand that
9 wouldn't be an application, but at least we could
10 get some early indication of any possible issues
11 that would develop under the confidentiality
12 umbrella issues.

13 MR. WOODWARD: That might help us
14 understand and clarify the application that would
15 be filed later. Sometimes, I mean, we are in a
16 crunch to process these applications as a first
17 priority when they come in. And it's sometimes a
18 challenge to understand what's being applied for.

19 MR. ALVAREZ: Okay, --

20 MR. WOODWARD: Appreciate that. In past
21 cycles we've, especially from counsel, will get an
22 email attachment providing, it says everything
23 here is confidential. Well, that's their
24 boilerplate, like their signature line. So, you
25 know, that doesn't count.

1 MS. TRELEVEN: If I can add a related
2 question. Kathy Treleven, PG&E.

3 On page 4 of the demand forms there's
4 this very nice offer given -- nice in terms of
5 what we all went through two years ago -- a nice
6 offer to compile a guide to confidentiality
7 designations.

8 MR. WOODWARD: Yes.

9 MS. TRELEVEN: And, you know, we've all
10 got the paper in our office with the various
11 things we worked out two years ago, but is this
12 still something on target? I'm looking forward to
13 seeing --

14 MR. WOODWARD: Could you say that --

15 MS. TRELEVEN: -- this compilation.

16 MR. WOODWARD: -- one more time, Kathy?

17 MS. TRELEVEN: When do you expect, and
18 do you still expect, to produce a guide to
19 confidentiality designations that will cover what
20 was eventually deemed confidential in prior IEPR
21 cycles?

22 MR. WOODWARD: But this is a question
23 about demand?

24 (Laughter.)

25 MS. TRELEVEN: Only in the --

1 MR. WOODWARD: I think it was -- it may
2 cover both demand and supply. And it's our
3 version of data mining right at the moment, to go
4 through the piles of applications and re-
5 applications and letters and find out what the
6 actual determination of each of the requests was.

7 And we would intend to send that,
8 provide that to the parties. Is that what you're
9 asking?

10 MS. TRELEVEN: Yes, I am asking --

11 MR. WOODWARD: It's still in the
12 process.

13 MS. TRELEVEN: Okay, thank you.

14 MR. WOODWARD: Yes?

15 MR. SPEAKER: I second that, Tom, thank
16 you. Very soon.

17 MR. BROWN: The other housekeeping or
18 mechanics-type issues that we've run across. I
19 know that you requested that a heads-up email to
20 staff, if we have submitted the application.

21 Similarly, when we get the letters back
22 from the Executive Director, they've always only
23 been in hard copy. And we've experienced
24 circumstances where the date the letter was let
25 out was, you know, five days before it was

1 actually physically mailed or received.

2 And so, if it's possible to similarly
3 get an electronic copy, I know that's not really
4 set out in the regs, as well as the paper copy, it
5 can help save some of the panic that I've
6 personally experienced when the letters show up
7 and that window of time had been eroded.

8 And then finally I'm confirming that
9 the --

10 MR. WOODWARD: We'll look into that,
11 Andy.

12 MR. BROWN: Okay. Thank you. And then
13 I'm also confirming that the time we're going to
14 submit this package to the Executive Director, you
15 know, with the letter, the hard copy and the CD,
16 we'd also similarly be dropping off a copy of the
17 CD for staff separately? Or just that single
18 package to the Executive Director?

19 MR. WOODWARD: Just that single package.

20 MR. BROWN: Okay, great, thank you.

21 MR. WOODWARD: Any other questions,
22 comments?

23 MS. TRELEVEN: One more housekeeping
24 question.

25 MR. WOODWARD: Please.

1 MS. TRELEVEN: And it's again in the
2 nature of making more work for us. But I think
3 our prior practice has been to file the
4 confidential data with the Executive Director, and
5 then to make a clean version on the same related
6 Excel files, so that the staff could get to work
7 on the data that we weren't seeking
8 confidentiality for.

9 So, we'll probably continue that
10 practice unless you have any concerns with that.

11 MR. WOODWARD: That's appreciated.
12 That's, in fact, a very perhaps useful way of
13 giving us a heads-up that the confidential version
14 has been filed. Although recognizing that not
15 everything that the LSE indicates on the
16 disclosable file. I mean there may be other data
17 besides what's shown on that LSE-indicated
18 disclosable file.

19 Thank you. That's a good idea, but at
20 your option.

21 MS. TRELEVEN: Thank you.

22 MR. WOODWARD: Do we have any other
23 comments from people on the line?

24 MS. JONES: This is Jacqueline Jones
25 from Edison. I just have one final, I guess,

1 housekeeping issue.

2 With respect to identifying confidential
3 information, you say use the yellow fill. If it's
4 something that's been previously requested, well,
5 not requested, but previously granted, would it be
6 appropriate to highlight it in say green or
7 something?

8 MR. WOODWARD: Sure.

9 MS. JONES: Just, you know, to make it
10 easier, and the yellow stuff we haven't talked
11 about before. The green stuff we talked about, we
12 got.

13 MR. WOODWARD: All right. Yes.

14 (Laughter.)

15 MS. JONES: Thank you.

16 MR. WOODWARD: It's like getting into
17 the deeper scenes of the movie "Pleasantville"
18 where colors start to materialize.

19 (Laughter.)

20 MR. WOODWARD: It's a wonderful world.
21 Thank you, all. Are there any concluding comments
22 from others here?

23 I, again, appreciate your good will;
24 look forward to your good work by you and your
25 staff in providing this data insight information

1 that really is of great value and great
2 importance.

3 With that, we'll conclude this workshop.
4 Thank you.

5 (Whereupon, at 11:54 a.m., the workshop
6 was adjourned.)

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