

DOCKETED

Docket Number:	16-ENFORCE-02
Project Title:	Confidential Designation Applications + Miscellaneous Documents
TN #:	221674
Document Title:	Response Application for Confidential Designation for Information Responding to Enforcement Action
Description:	N/A
Filer:	Liza Lopez
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	11/3/2017 10:29:31 AM
Docketed Date:	11/3/2017

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



November 3, 2017

Jacqueline Musinde
Compliance Manager
Pilot Automotive, Inc.
13000 Temple Ave.
City of Industry, CA 91746

RE: **Application for Confidential Designation for Information Responding
to Enforcement Action**
Docket No. 16-ENFORCE-02

Dear Ms. Musinde:

The California Energy Commission is in receipt of an Application for Confidentiality submitted on behalf of Pilot Automotive Inc. (Applicant). The application seeks confidential designation for information submitted in response to Energy Commission Assistant Executive Director Paul Jacobs' letter, dated July 27, 2017 (Confidential Record).

The application states that confidentiality is sought for settlement communications which contain business information. The Applicant states that it is not feasible to aggregate or mask the information contained in the Confidential Record. The Confidential Record has not been disclosed to the public previously.

A properly filed application for Confidentiality shall be granted under the California Code of Regulations, Title 20, Section 2505(a)(3)(A), "If the applicant makes a reasonable claim that the Public Record Act or other provision of law authorizes the [Energy] Commission to keep the record confidential." The California Public Records Act allows for the non-disclosure of trade secrets. (Gov. Code, § 6254(k); Evid. Code, § 1060.) California courts have traditionally used the following definition of trade secret:

A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it....

(*Uribe v. Howe* (1971) 19 Cal.App.3d 194, 207, citing the Restatement of Torts, vol. 4, § 757, comment b, p.5.)

California Code of Regulations, Title 20, Section 2505(a)(1)(D), states that if an applicant for confidential designation believes that the record should not be disclosed because it contains trade secrets, or its disclosure would otherwise cause loss of a competitive advantage, an application shall state: (1) the specific nature of the

advantage; (2) how the advantage would be lost; (3) the value of the information to an applicant; and (4) the ease or difficulty with which the information could be legitimately acquired or duplicated by others.

The application addresses these four elements: (1) the Confidential Record contains details of ongoing settlement discussions between Applicant and the California Energy Commission, which includes customer information; (2) public disclosure of such details could negatively impact ongoing negotiations and harm Applicant's business interests; (3) the Confidential Record facilitates the exchange of information needed for ongoing settlement discussions and for avoiding litigation; and (4) the Confidential Record has only been disclosed to upper management within Pilot Automotive, Inc. and cannot be legitimately obtained by others.

The application is clear that confidentiality is being sought for trade secret information related to ongoing settlement discussions involving information of commercial value. Therefore, Applicant has made a reasonable claim that the law allows the California Energy Commission to keep the Confidential Record from public disclosure.

Applicant requests that the information be kept confidential permanently. Protecting information essential to ongoing negotiations is in the public interest. However, the Confidential Record maintains its trade secret value as long as the information retains validity and market value. Therefore, Applicant has made a reasonable claim that the law allows the California Energy Commission to keep the information from public disclosure indefinitely.

For the reasons stated above, the request for confidential designation for the Confidential Record is granted. The information will remain confidential indefinitely.

Be advised that persons may petition to inspect or copy records that I have designated as confidential. The procedures and criteria for filing, reviewing, and acting upon such petitions are set forth in the California Code of Regulations, Title 20, Section 2506.

If you have any questions concerning this matter, please contact Michelle Chester, Staff Counsel, at (916) 651-2935.

Sincerely,



Drew Bohan
Executive Director

cc: Docket Unit, California Energy Commission
Paul Jacobs, California Energy Commission