

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the Matter of:)	Docket No. 09-IEP-1K
)	
<i>Preparation of the</i>)	NOTICE OF JOINT COMMITTEE
<i>2009 Integrated Energy Policy Report</i>)	WORKSHOP
<i>(2009 IEPR)</i>)	
)	

Joint Committee Workshop on Transportation Energy Demand and Fuel Infrastructure Requirements

The California Energy Commission (Energy Commission) will conduct a Joint Committee workshop to present draft transportation energy demand forecasts and fuel infrastructure needs assessments for the *2009 Integrated Energy Policy Report (IEPR)*. The workshop is intended to receive comments and input from stakeholders. Two Energy Commission Committees oversee the work on this subject: the *IEPR* Committee, with Commissioner Jeffrey D. Byron as the Presiding Member and Vice Chair James D. Boyd as the Associate Member; and the Transportation Committee, with Vice Chair James D. Boyd as the Presiding Member and Chairman Karen Douglas as the Associate Member. Other Commissioners may attend and participate in this workshop. The workshop will be held:

MONDAY, AUGUST 24, 2009
9 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

DOCKET	
09-IEP-1K	
DATE	_____
RECD	JUL 20 2009

Remote Attendance

Web Conferencing - Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. For details on how to participate via WebEx, please see the "Participation through WebEx" section at the end of this notice.

Purpose

At this workshop, Energy Commission staff will present draft transportation energy forecasts for California and neighboring states, including relevant input assumptions for gasoline, diesel, jet fuel, compressed natural gas, liquefied natural gas, electricity,

hydrogen, liquefied propane gas, ethanol, and biomass-derived diesel fuels; and review their findings and analysis regarding state and regional refinery capacity growth, in-state crude oil production declines, and transportation energy infrastructure requirements. This workshop is designed to receive public input from interested stakeholders on the proposed forecasts, analyses and related policy concerns. The Energy Commission will release staff papers describing current or proposed work and an agenda before the workshop.

On February 10, 2009, staff held a workshop in Sacramento to present proposed methods, inputs, and assumptions to be used for developing long-term (through 2030) transportation energy demand forecasts. At the joint committee workshop held in Sacramento on April 14-15, 2009, participants discussed transportation fuel infrastructure issues confronting California including production, delivery, distribution, and storage as well as the adequacy of California's supply of petroleum and alternative fuels. Documents from the February 10, 2009 and April 14-15, 2009 workshops including the transcript, staff and stakeholder papers, and presentations, are available online at [www.energy.ca.gov/2009_energypolicy/documents/index.html].

Background

As required by Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) the Energy Commission conducts "assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices." The Energy Commission uses these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. Public Resources Code §25301(a) and (d) directs the Energy Commission to adopt the *IEPR* every odd-numbered year and in even-numbered years an energy policy review to update analysis from the previous *IEPR* or to raise energy issues that have emerged since the previous proceeding.

Summary of Proposed Forecasts and Analyses

The Fossil Fuels Office of the Fuels and Transportation Division develops forecasts and analyses of the transportation fuels industry and related markets. Transportation energy demand forecasts support several related energy policy and program activities, including the Alternative and Renewable Fuel and Vehicle Technology Program (AB 118) investment allocation analyses, petroleum use reduction assessments, and transportation fuel infrastructure requirements assessments. Inputs to the demand forecasts include: transportation fuel price forecasts, estimates of base year demand, economic and demographic data and projections, surveys of vehicle purchase and use by residential households and commercial fleets, vehicle registration data, surveys of transit agency fuel demand and fleet composition, and projections of vehicle manufacturer offerings. The Energy Commission develops assessments of future petroleum and renewable fuel import and distribution infrastructure requirements from historical data and projections for transportation fuel demand, refinery distillation and process capacity, and rates of crude oil production decline in California.

Staff will present an overview of the analytic framework and preliminary findings for the transportation fuels demand forecasts, transportation fuel and crude oil import projections, and other transportation energy infrastructure needs assessments. Staff will discuss assumptions, inputs, results, and related issues, such as demand forecasting models or methodologies, household and commercial fleet surveys, vehicle attribute projections, data sources, and other essential information. The Committees invite public comment on the staff methods, inputs, forecasts, and findings. Among the questions on which the Committees will request public input are:

1. At what rates will gasoline, diesel, and jet fuel demand grow in California and in dependent neighboring states such as Nevada and Arizona? What estimates are available for current demand and projected growth rates of off road uses of gasoline and diesel? What are the key drivers that are likely to affect future demand, supply, and price of petroleum transportation fuels and how might those drivers change over time? What uncertainties must be taken into account when evaluating these forecast results and assessments?
2. What are the critical technological and economic factors affecting the growth in consumption of alternative and renewable transportation fuels in transportation and off-road applications? Will adequate supply of fuels and appropriate distribution infrastructure capacity be available? What vehicle technologies will be available and how will these manufacturer offerings affect consumer choice and use of vehicles? What are expectations with regard to public refueling site availability for renewable and alternative fuels and how will these plans affect demand for these fuels? What are expectations for fleet and in-home fueling or recharging for natural gas and electric vehicles and how will the availability of these technologies affect fuel demand? Will the natural gas and electricity supply sectors facilitate or incentivize the use of natural gas and electricity as transportation fuels and, if so, by what means?
3. How will changes in the regulatory environment influence alternative and renewable transportation fuel supply, demand, and prices? How will the consumption of the various conventional and alternative fuels be affected by the Energy Independence and Security Act of 2007, Renewable Fuels Standards II, AB 1493 greenhouse gas rules, Low Carbon Fuel Standards, and other federal and state regulations and policies? What are the key policy concerns revealed by staff transportation energy demand forecasts and assessments? What are the various options available to address these policy concerns and which options are the most preferred to address California's future transportation energy needs?
4. At what rate will California crude oil production decline? What is the potential impact on California crude oil import forecasts of expanded drilling off the coast of California? At what rate will in-state refinery distillation or process capacities increase, if at all? What are the limits or constraints on refinery capacity increases and could capacity possibly decline? Will any out-of-state refinery or pipeline capacity expansions affect California fuels markets?

5. What increases in throughput capacity of crude oil or fuels import and distribution infrastructure are expected to be needed in the state? What are the limits or constraints on such import and distribution capacity increases? What effect will increasing the use of alternative transportation fuels have on import and distribution infrastructure for both traditional petroleum fuels and alternative fuels?
6. In addition to the topics discussed above, what other sources of uncertainty might influence the development and use of transportation energy demand forecasts and infrastructure needs assessments in the *2009 IEPR*? How should the Energy Commission's transportation fuel demand forecasts account for these uncertainties?

Written Comments

Written comments on the workshop topics must be submitted by 5 p.m. on September 4, 2009. Please include the docket number 09-IEP-1K and indicate "2009 IEPR – Transportation Energy Forecasts" in the subject line or first paragraph of your comments. Please hand deliver or mail an original copy to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. **09-IEP-1K**
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Dockets Office.

Participants may also provide an original at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Office and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact Elena Miller, the Public Adviser at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this forum, please contact Gene Strecker at (916) 654-4537, or by e-mail at [gstrecke@energy.state.ca.us]. For general questions regarding the IEPR proceeding, please contact Lynette Esternon-Green, IEPR project manager, by phone at (916) 653-2728 or by e-mail at [lesterno@energy.state.ca.us].

The service list for the 2009 IEPR is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [www.energy.ca.gov/2009_energypolicy/index.html]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website [www.energy.ca.gov/listservers/index.html].

Participation through WebEx, the Energy Commission's on-line meeting service

Computer Log on with a Direct Phone Number:

- Please go to [https://energy.webex.com] and enter the unique meeting number **927 177 690**
- When prompted, enter your information and the following meeting password **09IEPR@9** (Please note that password is case sensitive.)
- After you log in, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

Computer Log on for Callers with an Extension Phone Number, etc.:

- Please go to [https://energy.webex.com] and enter the unique meeting number **927 177 690**
- When prompted, enter your information and the following meeting password **09IEPR@9** (Please note that password is case sensitive.)
- After you log in, a prompt will ask for your phone number. **CLICK CANCEL.**
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number which is listed in the top left area of your screen after you log in. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area of your screen).

Telephone Only (No Computer Access):

Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number above. International callers can select their number from [<https://energy.webex.com/energy/globalcallin.php>]

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

JEFFREY D. BYRON
Commissioner and Presiding Member
Integrated Energy Policy Report Committee

JAMES D. BOYD
Vice Chair and Associate Member
Integrated Energy Policy Report Committee
Presiding Member of Transportation
Committee

KAREN DOUGLAS
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Mail Lists: energy policy, transportation

NOTE: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.