

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

California Energy Commission

DOCKETED
13-IEP-1K

TN 71412

JUN 26 2013



In the matter of,

2013 Integrated Energy Policy Report
(2013 IEPR)

) Docket No. 13-IEP-1K
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)
)

WORKSHOP

RE: Natural Gas Issues, Trends,
and Forecast Scenarios

Notice of Lead Commissioner Workshop on 2013 IEPR Natural Gas Issues, Trends, and Forecast Scenarios

The California Energy Commission Lead Commissioner on the *2013 Integrated Energy Policy Report (IEPR)* will conduct a workshop to discuss natural gas issues and trends as well as present draft results of forecast scenarios constructed by staff with input from stakeholders following the April 24, 2013, staff workshop. Draft results from all forecast scenarios will be presented and discussed. Energy Commission staff will also facilitate a discussion with stakeholders regarding the policy implications of the forecasting results.

Commissioner Andrew McAllister is the Lead Commissioner for the *2013 IEPR*. Other commissioners may attend and participate in this workshop. Commissioners and staff from the California Public Utilities Commission may also attend and participate.

July 17, 2013

10 a.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street

First Floor, Hearing Room A

Sacramento, California

(Wheelchair Accessible)

Remote Access Available by Computer or Phone via WebEx™
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Background

Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) mandates the Energy Commission to:

"At least every two years, the commission shall conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices." (Pub. Resources Code, § 25301(a).)

On February 19, 2013, the Natural Gas Unit, along with staff members from the transportation and electricity teams participated in a workshop to outline three common cases for use in the 2013 *IEPR*. On April 24, 2013, the Natural Gas Unit conducted a staff workshop to outline seven additional cases along with the issues those cases were intended to capture. This workshop will present the draft results of all 10 forecast scenarios as well as discuss the issues, trends, and possible policy repercussions associated with these scenarios.

The Natural Gas Unit prepared scenarios describing possible future states of the supply and demand markets for natural gas in North America. These scenarios broadly fit into three categories:

1. **IEPR Common Case Scenarios:** These three cases represent a coordinated set of results illustrating natural gas supply, demand, and price values given a set of shared assumptions across all of the IEPR forecasting units. These common cases include a reference case estimating the most likely trajectory of all input variables, a high energy demand case, and a low energy demand case — each illustrating the impacts of widely diverging energy consumption trajectories on California.
2. **State and National Gas Uncertainty Cases:** These three cases represent a mixture of possible future variables of interest to consumers and policy makers. They include the results of reduced innovation in natural gas extraction, effects of high levels of gas and electric integration, and changes in California policy on gas consumption.
3. **Shale Production Uncertainty Cases:** These four cases explore the results of variations in North American shale gas resources development and productivity. This includes delays in development, increases in prices, unexpected abundance in share resources, and severe restriction in shale development.

In addition to presentation of the model results, several topics will be discussed by a key stakeholder panel in a forum designed to highlight the policy implications of both the model scenarios and the unquantifiable factors at play in the natural gas market. Issues to be explored include the effect of the San Onofre Nuclear Generating Station planned retirement, exploration of shale resources inside California, worldwide trends in natural gas trade through liquefied natural gas, the role of natural gas storage in supporting gas and electric system integration, and the opening of California's greenhouse gas emissions marketplace.

Public Comment

Oral Comments: The *IEPR* Lead Commissioner will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

Written Comments: Written comments should be submitted to the Dockets Unit by **July 31, 2013**. Written comments will also be accepted at the workshop; however, the Energy Commission may not have time to review them before the conclusion of the workshop. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission's website for this proceeding.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 13-IEP-1K and indicate

Natural Gas Market Assessment in the subject line. Send comments to **docket@energy.ca.gov** and copy the technical lead staff at **Ivin.Rhyne@energy.ca.gov**.

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 13-IEP-1K
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, or by e-mail at **PublicAdviser@energy.ca.gov**.

If you have a disability and require assistance to participate, please contact Lou Quiroz at **LQuiroz@energy.ca.gov** or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at (916) 654-4989, or by e-mail at **mediaoffice@energy.ca.gov**.

If you have questions on the technical subject matter of this meeting, please call Ivin Rhyne, at 916-654-4838. For general questions regarding the IEPR proceeding, please contact Lynette Green, IEPR Project Manager, at (916) 653-2728 or by e-mail at **Lynette.Green@energy.ca.gov**.

The service list for the 2013 *IEPR* is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at www.energy.ca.gov/2013_energy policy/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.

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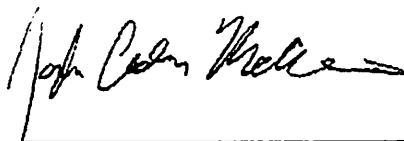
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Availability of Documents

Documents and presentations for this meeting will be available online at:
www.energy.ca.gov/2013_energypolicy/documents/index.html.

Date: June 26, 2013



ANDREW MCALLISTER
Lead Commissioner
2013 Integrated Energy Policy Report

AM:ir/sdf

Mail Lists: energypolicy, natural gas, demand forecast