

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39), San Diego Gas & Electric Company (U902E) and Southern California Edison Company (U338E) for Authority to Increase Rates and Charges to Recover costs of Research and Development Agreement with Lawrence Livermore National Laboratoryst for 21 Century Energy Systems. (Application 11-07-008 Filed July 18, 2011)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4(a) of the Commission's Rules of Practice and Procedure, Lawrence Livermore National Laboratory (LLNL) hereby gives notice of the following ex parte communication. The communication occurred on Tuesday, September 18, 2012, at approximately 4:00 p.m., at the offices of LLNL in Livermore, California. The communications were oral and included handouts which are attached to this notice. [Rule 8.4(a)(c)]

The California Public Utilities Commission requested the meeting with LLNL. In attendance from the CPUC were Commissioner Mark Ferron; and Commissioner Ferron's staff: Charlotte TerKeurst (Chief of Staff), Charlyn Hook (Legal Advisor), and Sara Kamins (Energy Advisor). In attendance from LLNL were Patrick Dempsey (Manager, Strategic Engagements), Julio Friedmann (Chief Energy Technologist), Dona Crawshaw (Associate Director for Computation),

Doug Rotman (Program Director, Energy and Environmental Security), Bob Burleson (Energy Security - Non-Public Program Manager), Betsy Cantwell (Director Mission Development, Engineering), John Grosh (Mission Development Deputy Associate Director, Computation), Jeff Roberts (Program Leader for Alternative Resource Cycles), Jeff Stewart (Director, Energy Business Development Engineering), Ron Cochran (Executive Staff), and Denise Steele (Economic Development Executive Secretary). [Rule 8.4(b)]

Dr. Julio Friedmann's presentation, CES-21 Overview, began by describing the state of change in the California power sector as revolutionary including integration of renewables, challenging complexity, explosive growth in electric transportation, increase and changes in demand patterns, aging infrastructure, and cyber vulnerabilities. He introduced the California Energy Systems for the 21st Century (CES-21) as a Partnership between Investor-Owned Utilities (IOUs) and Lawrence Livermore National Laboratory (LLNL) that would leverage experts at the IOU's with the capabilities and tools at LLNL to create transformative solutions in the areas of Planning, Operations, and Security, and ensuring those solutions are integrated into the current and future workforce of IOUs.

A governance process was described that would use a technical advisory committee to help identify projects that would be presented to a Board of Directors for consideration and approval. The projects would be selected based on what was most important to the utilities and could best leverage the resources of

the partnership. The projects would fall into any of the four “theme areas” of planning, operations, security, and workforce preparedness.

High performance computing resources are being leveraged on this project. The resources are made available through the High Performance Computing Innovation Center (HPCIC) at Livermore, the only known center in the US dedicated to provision of the most capable computers in the world to solving challenges in US industry. This capability will help Scale investments in pilot initiatives, improve safety and emergency response tools, creation of real-time operations and grid design tools, integration of demand response, couple gas and electric system models, and help inform decision makers in a transparent way.

It was pointed out that LLNL brings this partnership not only the capability to inform utility system managers and regulators, but to do so from an unbiased and technical sound basis.

LLNL is a Federally Funded Research and Development Center, and in this role is not positioned to compete with industry, but to support industry with its unique capabilities. It is expected that formative solutions developed at LLNL will be done so in collaboration with industry and academia. Where appropriate, elements of projects will competitively bid such that the work will be performed by multiple potential resources. LLNL also expects to bring to bear the full suite of capabilities offered by other National Laboratories. To help integrate these tools into the utilities, LLNL will work with academia, particularly

the community colleges, state universities, University of California, and private universities in the state of California.

LLNL believes CES-21 will directly benefit the California economy and the environment by reducing rates and the risk associated with changing infrastructure, improving reliability and safety, and maximizing the use of renewable resources. [Rule 8.4 (c)]

Respectfully submitted,

/s/ Patrick Dempsey

Patrick Dempsey

Lawrence Livermore National Laboratory

7000 East Ave., Livermore, CA, 94550

Phone: 925-423-1868

Fax: 925-422-2932

E-mail: dempsey4@llnl.gov

Attachment

Dated: September 21, 2012