

From: Jan Smutny-Jones
Sent: 2/1/2013 12:09:06 PM
To: Carter, Sheryl (scarter@nrdc.org); Beth Vaughan (beth@beth411.com); Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3); Florio, Michel Peter (MichelPeter.Florio@cpuc.ca.gov); Dan Skopec (dskopec@semprautilities.com); 'Ryan, Nancy' (nancy.ryan@cpuc.ca.gov); 'Pat Mason' (pat@cfee.net); Karen Edson (kedson@caiso.com); 'Nora Traugher' (Nora@cfee.net); Robert Weisenmiller (RWeisenm@energy.state.ca.us)
Cc:
Bcc:
Subject: Re: RESENT: CFEE draft 2013 energy agenda - please review and comment

This is coming along quite well. Several observations:

1. There is no discussion of Reliability, which should be the cornerstone of the electric system. The existing generation infrastructure is facing some real challenges, OTC (a law not a policy), SONGs Outage (Uncertainty), which we can address on the first panel. In addition, integrating intermittent generation, particularly DG, is a real issue. There is an interesting Caltech Report by the Resnick Institute which does a good job framing the issue. I think Sheryl did a good job of tying some issues together on the "Evolving Industry Structure", where this issue could fit. DG, electric vehicles, demand response, etc., all present new opportunities on the distribution level. How does that interface with the whole markets and the wholesale transmission system that the CAISO and other BAs need to keep at 60 hertz? What kind of rate structure or regulatory alternation needs to occur? Is there any cost/benefit analysis going on as we add these new programs (I don't think so). Who's job is it to "connect the dots"? (Quinn the Eskimo?). I thought DiStasio did a great job on this topic at the meeting a year ago.
2. Tom raises a very legitimate issue of costs with regard to policy decisions that have been made in large part by the legislature. I don't think this is well understood. Part of the problem is many of these policy initiatives are "siload", as a good idea without reference to how they interact with other good idea policy initiatives. Often, these policy ideas then lead to additional investments needs in transmission and distribution which are equally opaque to the Legislature. All of this may be essential and a good long term investment, but it needs to be done with our eyes open. The state has spent over \$4billion on Smart meters, which might be a good investment as long as there is rate policy and technology that makes them useful to customers. In addition, there are more mundane investments that need to occur as we change out "Eisenhower Era" infrastructure with new modern infrastructure. These also come with a cost, but are necessary to keep the system reliable and safe. How this all gets managed over the next decade will be the big challenge.
3. I would suggest that Panel 6 be expanded. We seem to be very insular in our approach to meeting our future energy needs in a carbon constrained economy. Meeting existing 2020-2050 GHG goals, will result in increased electrification of the transportation sector. We are backing down coal imports in the west, where we also have great opportunities to access cost effective renewables. In addition, we are not going to get very far with a California only C&T market. Do our policies and structures recognize this new reality? (anybody seen Quinn the Eskimo?).

I look forward to the meeting. Smutny

-----Original Message-----

From: Carter, Sheryl [<mailto:scarter@nrdc.org>]

Sent: Wednesday, January 30, 2013 1:51 AM

To: Beth Vaughan; 'Pat Mason'; 'Nora Traugher'; Jan Smutny-Jones; Tom Bottorff; 'Ryan, Nancy'; Karen Edson; Robert Weisenmiller; Florio, Michel Peter; Dan Skopec

Subject: Re: RESENT: CFEE draft 2013 energy agenda - please review and comment

Thanks Beth!

You constantly amaze me with your ability to take our rambling, sometimes incoherent, brainstorming and fashion it into something we can actually work from. I continue to think that the focus we discussed on making this a 101 education forum is a good one. It allows us to tee up the challenges we face moving forward in their context, since raising those issues without context can be fraught with peril for folks that don't already have the background/history.

I am still thinking this draft agenda through, but I like the positive tone you have so far. I agree that we are going to want to think about assigning specific topics to speakers in each category since they are so large and we want to make sure we hit upon the central issues in the discussion, but I like the simple organization you have laid out because it is easy to grasp and provides a good framework the participants can use to think through the issues.

I suggested one new session on the last day in an attempt to pull the topics together in an integrated, more big picture, forward thinking way. (For some reason, when I saved the document, not all of the comments were identified as coming from me, but note that "author" also refers to my comments.) I do not think we should try to squeeze any more than one additional session on top of what you have already suggested or it will get too tight (may already be).

I finally got a chance to watch the IEP video and agree that an updated version would be a good thing to show at the beginning. It was really well done and addressed the issues in a fair way. One note, however, is that it largely ignores the demand-side (understandable since the purpose I believe was to address the supply and delivery side). I am less troubled by this given the focus on the loading order and the fact that we will be addressing the demand-side in a separate session, but we may want to note the fact somehow.

I look forward to the continued discussion and will give some thought to potential speakers.

Thanks much!
Sheryl

From: Beth Vaughan <beth@beth411.com<<mailto:beth@beth411.com>>>
Date: Sunday, January 27, 2013 2:33 PM
To: 'Pat Mason' <pat@cfec.net<<mailto:pat@cfec.net>>>, 'Nora Traugher' <Nora@cfec.net<<mailto:Nora@cfec.net>>>, Sheryl Carter <scarter@nrdc.org<<mailto:scarter@nrdc.org>>>, Jan Smutny-Jones <smutny@iepa.com<<mailto:smutny@iepa.com>>>, Tom Botthorff <TEB3@pge.com<<mailto:TEB3@pge.com>>>, "Ryan, Nancy" <nancy.ryan@cpuc.ca.gov<<mailto:nancy.ryan@cpuc.ca.gov>>>, Karen Edson <kedson@caiso.com<<mailto:kedson@caiso.com>>>, Robert Weisenmiller <RWeisenm@energy.state.ca.us<<mailto:RWeisenm@energy.state.ca.us>>>, "Florio, Michel Peter" <MichelPeter.Florio@cpuc.ca.gov<<mailto:MichelPeter.Florio@cpuc.ca.gov>>>, Dan Skopec <dskopec@semprautilities.com<<mailto:dskopec@semprautilities.com>>>

Subject: RESENT: CFEE draft 2013 energy agenda - please review and comment

Shoot - I hit "send" before adding Pat and Nora. Please 'reply all' to this email, with your comments.

From: Beth Vaughan [<mailto:beth@beth411.com>]
Sent: Sunday, January 27, 2013 2:31 PM

To: Sheryl Carter (scarter@nrdc.org<<mailto:scarter@nrdc.org>>); 'Jan Smutny-Jones'; Tom Bottorff (teb3@pge.com<<mailto:teb3@pge.com>>); 'Ryan, Nancy' (nancy.ryan@cpuc.ca.gov<<mailto:nancy.ryan@cpuc.ca.gov>>); Karen Edson (kedson@caiso.com<<mailto:kedson@caiso.com>>); Robert Weisenmiller (RWeisenm@energy.state.ca.us<<mailto:RWeisenm@energy.state.ca.us>>); Florio, Michel Peter (MichelPeter.Florio@cpuc.ca.gov<<mailto:MichelPeter.Florio@cpuc.ca.gov>>); Dan Skopec (dskopec@semprautilities.com<<mailto:dskopec@semprautilities.com>>)

Subject: CFEE draft 2013 energy agenda - please review and comment

CFEE Energy Steering Committee Members -

I know it's been a long time since the September 2012 steering committee, but to refresh your memories, we decided to hold the CFEE Energy Roundtable April 25-26 at the Silverado conference center in Napa. Consensus around the table was that the objective of this conference should be to educate the new legislators on current energy policies and priority issues. To do this we would explain what has been done since the energy crisis, the complexities and interdependencies of policies, and what is in the pipeline. Essentially, California Energy Sector 101 - Smutny is updating his 2008 video that we showed in Monterey back in the fall of 2007, and we think that might be a good way to start this conference (it's under 10 minutes).

In discussing the conference with a few of you, the suggestion was made that we design the agenda around the loading order, i.e. explain the genesis of the loading order, then walk thru state policies by discussing Energy Efficiency, RPS and DG, and Role of Fossil Generation. Under each of these topics we would have a speaker lay out the policy, current status, the challenges, and where to next. That way we could get to some of the stickier issues of renewable integration, transmission and distribution system challenges (and even just the basics of how the system works), long term procurement policy and the CAISO market. At the steering committee meeting we also talked about both the challenges and the impact of aligning energy and climate policies, and the suggestion was made that we have a session reviewing the impact of cap and trade on the energy sector, and the recent auctions. The attached draft agenda attempts to layout this framework. Please review and let me know if this approach makes sense. There is room to add a couple of additional sessions so think about what else needs to be covered, particularly by April.

Please provide your thoughts by hitting "reply all" so our small group of experts can provide feedback. I'd like to get comments by Wednesday noon, so that I can make changes and circulate an updated version to the larger steering committee. Pat would also like to have an agenda to send out to invited participants as soon as possible.

Thanks,

Beth

Beth Vaughan
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