

ENERGY ACTION PLAN IMPLEMENTATION PROCESS

Overall Goal: *Ensure adequate, reliable, and reasonably-priced electrical power and natural gas supplies, including prudent reserves, are provided through policies, strategies, and actions that are cost-effective and environmentally sound for California’s consumers and taxpayers.*

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
Implement, monitor and revise as necessary the Energy Action Plan.	Interagency Subcommittee Peevey Keese Freeman Kennedy Geesman McPeak	Ahern Hale Doll Therkelsen Kelly	a. Engage Legislature in discussion of Energy Action Plan and proposed direction. (Joint)	Action Plan transmitted to Legislature 05/28/03
			b. Prepare Implementation Plan, identify assigned and responsible agency staff responsibilities, and timeframes for action. (Joint)	
			c. Identify additional agencies with whom to consult on specific goals. (Joint)	
			d. Call Public Meeting at least quarterly to ensure active cooperation, guide the implementation of the Action Plan, discuss critical energy issues, share information, and develop joint policy proposals as needed. (Joint)	Next joint meeting scheduled in San Francisco on 07/17/03
			e. Assist and advise the Governor’s Office as appropriate on his report, required by Public Resources Code § 25307. (Joint)	

I. Optimize Energy Conservation and Resource Efficiency

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
California should decrease its per capita energy use and reduce toxic emissions and greenhouse gases through increased energy conservation and efficiency measures.	Rosenfeld Kennedy Freeman	Hall (CEC) Tapawan-Conway (CPUC)	a. Annually evaluate quantitative progress toward meeting overall goal (Joint)	
		Motamedi (CPUC)	b. Share and discuss "untapped" opportunities for energy efficiency programs. (Joint) (June 03)	
		Clinton (CPA) Motamedi (CPUC)	c. Identify additional activities needed to meet overall goal. (Joint)	
			d. Establish methods to coordinate with the interagency subcommittee. (Joint)	
1. Implement a voluntary dynamic pricing system to reduce peak demand by 1,500-2,000 MW by 2007.	Peevey Rosenfeld McPeak	Kaneshiro (CPUC)	a. CPUC adopt decision for demand response programs for 200kW+ customers, along with implementing tariffs (adopted pilots for residential and small commercial customers <200kW). (CPUC) (March 2003)	50% of 20,000 new interval meters installed;pilot will start on 7/1/03.
		Kaneshiro (CPUC) Jaske (CEC)	b. Manage 200+ kW customer rollout program and evaluation ('03/'04) (CPUC)	Decision adopted 6/19/2003, approves budgets for four demand response programs/tariffs and budgets of \$23.3 million for 2003 and \$9.3 million for 2004.
		Jaske (CEC) Kaneshiro (CPUC)	c. Meet with municipals to extend dynamic tariffs/programs (summer 03), begin pilot testing (CEC) (March 04)	
		Kaneshiro (CPUC) Fluckiger (CPA)	d. Allocate Demand Reserves Partnership Program to IOUs to increase participation to 200+MW in 2003 (CPA) (Sept 03)	Program under way through DWR as of 6/1/03
		Motamedi (CPUC) Messenger	e. Use results of dynamic rates pilots to recommend 2005 strategy. (CPUC) (November 2004)	
		ten Hope (CEC)	f. Conduct research to incorporate new technologies into DR strategies. (CEC) (June 05)	
2. Improve new and remodeled building	Pernell Kennedy	Pennington (CEC)	a. Adopt new 2005 building standards. (CEC) (December 03)	Draft standards released, public workshops held

<p>efficiency by 5 percent.</p>		<p>Tapawan-Conway (CPUC) Pennington (CEC)</p>	<p>b. Leverage PGC-funded programs to educate building community. (CPUC/CEC)</p>	
<p>3. Improve air conditioner efficiency by 10 percent above federal standards.</p>	<p>Pernell</p>	<p>Hall (CEC)</p>	<p>a. Pursue and obtain waiver of federal air conditioner standards to increase A/C efficiency an additional 10 percent – after legal challenge decided by U. S. Supreme Court. (CEC) (estimated June 04)</p>	
		<p>Jenkins (CEC)</p>	<p>b. Fund development of new, more efficient and reliable air conditioners which are adapted to California hot dry climates and include improved economizers. (CEC) (June 04)</p>	
<p>4. Make every new state building a model of energy efficiency.</p>	<p>Pernell</p>	<p>Mills (CEC)</p>	<p>a. Advise State Architech staff and DGS staff of means to increase energy efficiency for new state buildings, verify savings and verify compliance. (CEC) (ongoing)</p>	<p>Installed efficiency equipment in the Franchise Tax Board building.</p>
		<p>Tapawan-Conway (CPUC)</p>	<p>b. Identify PGC-funded programs available/useful to state buildings. (CPUC)</p>	
<p>5. Create customer incentives for aggressive energy demand reduction.</p>	<p>Rosenfeld Peevey</p>	<p>Mills (CEC)</p>	<p>a. Provide technical support and up to \$28 million in low-interest loans to schools for energy efficiency. (CEC) (Jan 05)</p>	
		<p>Motamedi (CPUC)</p>	<p>b. Focus research and efforts on regional resource needs identified by ISO to tailor efficiency programs to specific needs and usage patterns. (CPUC)</p>	
		<p>Kaneshiro (CPUC)</p>	<p>c. Establish and approve customer incentives for participation in Demand Response programs. (R.02-06-001) (CPUC)</p>	
		<p>Tapawan-Conway (CPUC)</p>	<p>d. Encourage utility efficiency program designs to include financing solutions to complement rebate incentive payments. (CPUC, with CPA)</p>	
<p>6. Provide utilities with demand response and energy efficiency investment rewards comparable to the return on new power and transmission projects.</p>	<p>Peevey Rosenfeld Vial</p>	<p>Luboff (CPUC)</p>	<p>a. Require IOUs to include Energy Efficiency as part of their long term resource plans and procurement actions; address cost recovery and utility incentives. (R.01-10-024) (CPUC)</p>	

Project:				
7. Increase local government conservation and energy efficiency programs.	Kennedy Pernell	Lew (CEC)	a. Provide technical support and up to \$28 million in low-interest loans to local governments for energy efficiency. (CEC) (Jan 05)	
		Mills (CEC) Weinstein (CPA)	b. Issue initial \$28 million in revenue bonds in series for ECAA local government energy efficiency loans. (CPA) (April 03)	
		Motamedi (CPUC)	c. Establish policies and procedures by which parties, including community choice aggregators (CCA), may apply to become administrators for cost-effective energy efficiency and conservation programs established pursuant to PU Code §381. (CPUC)	
		Tapawan-Conway (CPUC)	d. Invite and evaluate proposals from local government for PGC-funded energy efficiency programs. (CPUC)	
8. Incorporate distributed generation or renewables into standards for new building construction.	Pernell Peevey	Pennington (CEC) Adler (CPUC)	a. Adopt new building standards. (CEC) (Dec 08)	
9. Encourage companies to register with the state's Climate Change registry.	Boyd	Matthews (CEC) Adler (CPUC)	a. Prepare first Assessment Report of the Consequences of Climate Change on California, in consultation with CalEPA. (CEC) (Dec 07) Inventory date?	
		Birkinshaw (CEC)	b. Prepare 1st assessment report of the consequences of climate change on California.	

II. Accelerate the State's Goal for Renewable Resources

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
Accelerate implementation of the Renewable Portfolio Standard with completion date by 2010.	Peevey Geesman	Tutt (CEC) Adler (CPUC)	a. Evaluate the ability of current activities to meet overall goal. (Joint) (Dec 03)	
		Tutt (CEC) Adler (CPUC)	b. Identify additional activities needed to meet overall goal. (Joint) (Dec 03)	
		Tutt (CEC) Adler (CPUC)	c. Develop RPS roadmap for 2010 goal (Joint) (Feb 04)	
1. Add net average of up to 600 MW of new renewables to the IOU portfolio annually.	Geesman Freeman Peevey	Johnson (CEC)	a. Accelerate licensing of thermal renewables projects over 50 MW. (CEC) (ongoing)	Staff coordinating Salton Sea 180 MW geothermal siting case with federal and state agencies to resolve biological issues; Final Staff Assessment expected by Aug 03.
		Tang (CPUC)	b. Direct annual IOU solicitations for renewable energy through the IOU long term planning and procurement process. (CPUC)	
		Weinstein (CPA)	c. Provide financing to winning projects fulfilling RPS needs through IOU solicitation process. (CPA)	
		Flynn (CPA)	d. Develop, finance and own renewables to help IOUs fulfill RPS goals as "backstop" developer. (CPA)	
		Birkinshaw (CEC)	e. Develop risk model to reduce wind generation impacts on birds, mammals, and habitat to allow new and expanded wind farms. (CEC) (Nov 06)	
2. Establish key RPS implementation and compliance rules by June 30, 2003.	Peevey Geesman	Adler (CPUC)	a. Establish by June 30 2003 key RPS implementation rules, including market price benchmarks, standard contract terms, flexible compliance and penalty mechanisms, and renewable procurement targets for the IOU's; develop and refine these and other RPS policies throughout the year. (CPUC)	Decision issued 6/19/2003 (R.01-10-024; PU Code §387 and related sections)
		Galloway (CPUC) Raitt (CEC)	b. Issue decision to determine RPS eligibility, and issue guidelines to implement decision (CEC) (December 03)	Draft decision issued April 03, adoption June 03.
		Raitt (CEC) Galloway (CPUC)	c. Issue decision to determine rules governing PGC fund disbursements, RPS certification, and RPS tracking system. Issue guidelines to implement decision. (CEC) (Feb 04).	
		Raitt (CEC)	d. Develop regulations to implement tracking system (CEC) (Dec 05)	

3. Facilitate orderly and cost-effective expansion of transmission system to connect potential renewable resources to load.	Lynch Geesman	O'Brien (CEC)	a. Convey transmission need findings in CPUC development plan proceedings. (CEC) (Date to conform to CPUC's)	
		Schumacher (CPUC)	b. Develop a transmission development plan for the legislature as part of RPS implementation that will result in an orderly and cost-effective expansion of the transmission system to connect potential renewable resources to load. (I.00-11-011; PU Code §383.6, CPUC)	
		Ikle (CPUC)	c. Intervene at FERC to secure recovery in transmission rates for transmission upgrades that, in the RPS process, provide overall system benefits and help meet RPS goals. (CPUC) (PU Code §387 and related sections)	
4. Initiate RPS compliance rule development for ESPs and aggregators.	Peevey Geesman	Galloway (CPUC)	a. Initiate the development of RPS compliance rules for energy service providers and community choice aggregators. (CPUC) (CCA Q2 2003 PU Code §387 and related sections)	
5. Coordinate with other agencies and municipal utilities to facilitate their achievement of the standard.	Geesman Vial Peevey	Raitt (CEC) Galloway (CPUC)	a. Develop and issue rules for renewables eligibility for meeting RPS. (CEC) (December 03)	
		Weinstein (CPA) Adler (CPUC)	b. Finance projects for municipally-owned utilities as needed. (CPA)	
		Simons (CEC) Adler (CPUC)	c. Work with CA ISO on development of wind generation that achieves Amendment 42 requirements (CEC) (July 04)	
		Simons (CEC) Adler (CPUC)	d. Work with San Francisco/ Hetch Hetchy in development of 360 MW of renewables by 2010 (CEC) (Dec 04)	

III. Ensure Reliable, Affordable Electricity Generation

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
<p>Ensure that CA generation system, including reserves, is sufficient to meet all current and future needs at reasonable prices and without overreliance on a single fuel source.</p>	<p>Keese Freeman Peevey</p>	<p>O'Brien (CEC) Tang (CPUC)</p>	<p>a. Evaluate the ability of current activities to meet overall goal. (Joint)</p>	
		<p>O'Brien (CEC) Tang (CPUC)</p>	<p>b. Identify additional activities needed to meet overall goal. (Joint)</p>	
			<p>c. Establish methods to coordinate with the interagency subcommittee. (Joint)</p>	
		<p>O'Brien (CEC) Tang (CPUC)</p>	<p>d. Annually prepare and report on statewide electricity and natural gas supply/demand forecasts. (CEC) (November '03)</p>	
		<p>Ashuckian (CEC) Tang (CPUC)</p>	<p>e. Annually assess costs, benefits and risks of potential energy supply, demand, market and price changes. (CEC) (November</p>	
		<p>Tang (CPUC)</p>	<p>f. Develop/implement least-cost, long-term resource plans and procurement actions by each utility. (CPUC)</p>	
		<p>Schooling (CEC)</p>	<p>g. Request funding for and initiate annual \$1.6 million survey to determine current natural gas and electricity use for residential, industrial and commercial customers. (CEC) (First survey June</p>	<p>04/05BCP approved by Assembly and Senate Budget Committees</p>
		<p>O'Brien (CEC)</p>	<p>h. Develop an Early Warning System to identify potential future supply or demand emergencies. (CEC) (November '03)</p>	
		<p>Roscow (CPUC)</p>	<p>i. As soon as possible and prudent, authorize reduced collection of a DWR revenue requirement. (CPUC)</p>	
		<p>Campbell & Beck (CPUC)</p>	<p>j. Evaluate PG&E, SDG&E and SCE General Rate Case filings to ensure procurement function is appropriately staffed and for potential cost reductions, when feasible and prudent. (A.02-11-017, A.02-12-028, and A.02-05-005/l.02-06-002 respectively,CPUC)</p>	
<p>1. Add new generation (currently estimated at 1,500 - 2,000 MW/year) to meet demand growth, modernize old, inefficient plants and maintain 15-18% reserves</p>	<p>Keese Freeman Peevey</p>	<p>Ashuckian (CEC)</p>	<p>a. Perform a long-term electricity reserve margin assessment. (CEC) (November '03)</p>	
		<p>Tang (CPUC)</p>	<p>b. Develop/implement adopted utility least-cost resource plans and procurement actions, including utility-owned and/or contracted baseload, distributed, and peaking generation resources and reserves. (CPUC)</p>	
		<p>Beck (CPUC)</p>	<p>c. On-going proceeding to address future of Edison's Mohave coal plant. (CPUC) (A.02-05-046, Decision Q3 2003)</p>	

Reserves.			d. Annually updated Energy Resource Investment Plan and Reserves Rulemaking drive CPA generation investments. (CPA)	
		Flynn (CPA)	e. Assist City and County of San Francisco in developing 200 MW of peaking capacity (Williams Settlement) to provide reliability support in the vulnerable SF Peninsula. (CPA)	
		Varanini (CPA)	f. Provide "step-in" support – CPA ownership, financing or both – for needed baseload facilities. (CPA)	
		Flynn (CPA)	g. Carry out the Reliability Peaker Program to own and finance 300 MW of new efficient peaking reserves for 2005. (CPA)	
		Feraru (CPUC)	h. Restore Edison to financial solvency; complete PROACT to address utility's previous undercollections and potentially reduce rates. (CPUC)	
		Kajopaiye	i. Resolve PG&E bankruptcy proceeding. (CPUC)	
		Adler (CPUC)	j. Establish criteria for rate of return adder, in consultation with Resources Agency, to encourage IOUs to construct environmentally sound generation additions/modifications.	
		Flynn (CPA)	k. Finance plant replacements, repowering or retrofits as needed. (CPA)	
		Flynn (CPA)	l. Support the Kings River Conservation District to develop 100 MW of peaking capacity for reliability support in the Fresno area.	
		Johnson (CEC)	m. Process facility siting cases on a timely basis. (CEC) (ongoing)	
2. Finance a few critical power plants that are necessary and would otherwise not be built (estimated 300 MW for reliability).	Freeman Peevey	Tang (CPUC)	a. Any long-term contracts that result from CPUC authorized IOU procurement actions will facilitate power plant financing. (CPUC)	
		Flynn (CPA)	b. Finance the addition of 300 MW of new efficient peaking reserves. (CPA)	
		Weinstein (CPA)	c. Finance baseload generation as needed in critical reliability areas to provide local reliability and reduce congestion. (e.g., Otay Mesa) (CPA)	
3. Implement, with CAISO, generator maintenance standards and generation availability oversight process.	Wood	Zeiring (CPUC)	a. With ISO, implement maintenance standards and oversight process per PU Code § 763.1. (R.02-11-039, CPUC)	
		Campbell & Beck (CPUC)	b. Set standards and provide funding (through GRCs) to maintain/operate utility retained generation. (CPUC)	

4. Develop, with CAISO, workable, competitive wholesale energy markets with meaningful market power mitigation.	Peevey	Hendry (CPUC)	a. Continue staff-to-staff discussions to ensure CAISO staff present CAISO Board with preferred market design revisions. (CPUC)	
		Ikle (CPUC)	b. PUC/EOB continue to advocate before FERC for effective market design revisions.	
5. Monitor electricity market to identify any exercise of market power and manipulation, and improve FERC market rules.	Peevey	Ikle (CPUC)	a. PUC/EOB continue to advocate before FERC and CAISO for effective market power mitigation rules and workable wholesale market design.	
		Chamberlain (CEC)	b. Participate in WGA, WECC, CRPC, SSGWI and other formal and informal agency and staff organizations, including countries, provinces and Tribes. (Joint) (ongoing)	
		Magee (CPUC)	c. Assess power plant availability and inspect outages. (CPUC)	

IV. Upgrade and Expand the Electricity Transmission and Distribution Infrastructure

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
<p>The State will reinvigorate its planning, permitting, and funding processes to assure that necessary improvements and expansions to the distribution system and bulk electricity grid are made on a timely basis.</p>	<p>Lynch Geesman Vial</p>	<p>Hattevik (CPUC) Kondoleon (CEC)</p>	<p>a. Evaluate the ability of current activities to meet overall goal. (Joint)</p>	
		<p>Hattevik (CPUC) Kondoleon (CEC)</p>	<p>b. Identify additional activities needed to meet overall goal. (Joint)</p>	
			<p>c. Establish methods to coordinate with the interagency subcommittee. (Joint)</p>	
<p>1. Collaborate in the CEC's integrated energy planning process to determine the statewide need for particular bulk transmission projects.</p>	<p>Lynch Boyd</p>	<p>Kondoleon (CEC) Ebke (CPUC)</p>	<p>a. Assess electricity bulk transmission system bottlenecks, in consultation with CAISO, and project specific needs, including potential impacts of demand response and DG. (CEC) (June '04)</p>	<p>MOU with ISO for transmission planning under development</p>
		<p>Kaneshiro (CPUC)</p>	<p>b. Target Demand Response pilot programs to transmission constrained regions. (CPUC)</p>	
		<p>Tapawan-Conway (CPUC)</p>	<p>c. Energy efficiency programs currently in place, and programs funded in future years, target transmission-constrained regions. (CPUC)</p>	
<p>2. Propose changes to CPUC's CPCN process to recognize industry, marketplace and legislative changes and guide and fund IOU transmission expansion or upgrades.</p>	<p>Peevey Geesman</p>	<p>Hattevik (CPUC)</p>	<p>a. Assess transmission criteria applied by PUC in CPCN and issue OIR to propose recommended changes to transmission criteria applied to PUC-regulated projects.</p>	
		<p>Schumacher (CPUC) Kondoleon (CEC)</p>	<p>b. Evaluate the need for major transmission upgrades underway, including: Tehachapi Wind Project and Path 26; Jefferson-Martin (I.00-11-001; A.02-09-043, Q3 2003 respectively PU Code §1001, CPUC)</p>	
		<p>Lewis (CPUC)</p>	<p>c. Monitor construction of approved, major transmission projects including: Northeast San Jose Reinforcement Project; Tri-Valley 2002 Capacity Increase Project; as well as the WAPA/TransElect Path 15 Upgrade. (CPUC)</p>	

		Schumacher (CPUC)	d. Develop and implement a transmission plan to connect renewable energy resources in the RPS program; consult with CAISO and coordinate with IEPR transmission planning. (I.00-11-001; PU Code §383.6, CPUC)	
3. Ensure IOUs build out and properly staff and maintain distribution systems.	Peevey/Wood Geesman	Campbell & Beck (CPUC)	a. Evaluate the need for distribution system improvements, and fund needed, modest improvements in utility general rate cases. (A.02-11-017, A.02-12-028, and A.02-05-004/I.02-06-002,	
		Campbell & Beck (CPUC)	b. Evaluate staffing levels and fund appropriate levels in the utility general rate cases. (A.02-11-017, A.02-12-028, and A.02-05-004/I.02-06-002, CPUC)	
		Ziering (CPUC)	c. Enforce and, as necessary, revise, service quality standards and expectations. (CPUC)	
4. Work with municipal utilities on transmission planning.	Geesman	Kondoleon (CEC)	a. Assess and incorporate municipal and federal utility needs for additional transmission into integrated energy planning process. (CEC) (June '04)	

V. Promote Customer and Utility Owned Distributed Generation

Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
Enhance system reliability and environmental goals with customer and utility-owned clean, renewable DG.	Boyd McPeak Peevey	Adler (CPUC)	a. Evaluate the ability of current activities to meet overall goal. (Joint)	
		Adler (CPUC)	b. Identify additional activities needed to meet overall goal, building on the CEC Distributed Energy Resources Strategic Plan. (Joint) (July '03)	
			c. Initiate regular meetings with ARB to help minimize air impacts. (CEC) (Quarterly)	Meeting held in May '03.
			d. Initiate regular meetings with ARB to help minimize air impacts. (CEC) (Quarterly)	
			e. Establish methods to coordinate with the interagency subcommittee. (Joint)	
1. Promote clean, small generation resources located at load centers.	Boyd McPeak	Batham	a. Develop and implement, with ASERTTI and DOE, national technology performance protocols to accelerate commercial application of distributed generation technologies. (CEC) (June '05)	
		Beck (CPUC)	b. Continue to implement the Self-generation Incentive Program, which provides \$125 million per year from 2001-2004 in incentives for DG technologies. (R.98-07-037; PU Code §§372 and 399.15, CPUC)	
		Tang (CPUC)	c. Integrate DG resources into IOU long-term planning and procurement. (R.01-10-024, CPUC)	
		Kulkarni (CEC)	d. Fund demonstration of use of trapped oil-well gases and elimination of pollution causing flares for DG, with Interstate Oil and Gas Compact Commission. (CEC)	
		Kulkarni (CEC)	e. Fund demonstration of distributed electric generation in food processing industry using low grade waste heat at industrial sites. (CEC)	
		Mueller (CEC)	f. Develop and demonstrate ambient air monitors and dispersion models to evaluate the air quality impacts of DG. (CEC) (Sept.	
		Clinton (CPA)	g. Design finance programs to accelerate DG adoption by public buildings. (CPA)	
2. Determine DG share of DWR power	Brown/Wood Boyd		a. Determine the responsibility of DG for exit fees, and develop rules exempting certain clean DG technologies. (CPUC)	Complete (R.02-01-011)

contract costs.				
3. Determine system benefits and costs of distributed generation.	Peevey Boyd Vial	Adler (CPUC)	a. Initiate new DG Rulemaking to value system benefits, establish tariff structures, and leverage and target CEC research and development efforts. (CPUC)	
		ten Hope (CEC)	b. Develop new methodologies to evaluate the feasibility & cost/benefit of non-wires alternatives in Silicon Valley DG (e.g., DR, DG, storage). (CEC) (May 04)	Research Project initiated in Silicon Valley; results expected in early '04
		ten Hope (CEC)	c. Develop test to determine system impacts & maximum penetration limit of DG on distribution systems (CEC) (June 04)	Test results in mid-'04
		Rawson (CEC)+	d. Conduct research and analysis of benefits and methods to reduce potential costs. (CEC)	
4. Develop standards so that renewable DG may participate in Portfolio Standard program.	Geesman Peevey	Galloway (CPUC)	a. Determine criteria for participation of renewable DG in the RPS program. (R.01-10-024, CPUC)	
5. Standardize definitions of eligible distributed generation across agencies to leverage programs.	Peevey Boyd	Ikle (CPUC)	a. Participate at FERC to ensure reasonable, equitable, and safe interconnection standards. (CPUC)	
6. Collaborate with the ARB, CalEPA and local air quality districts to integrate energy and air quality policies for DG.	Boyd	Marla Mueller (CEC)	a. Determine possible near-field effects of power generation emissions on local communities, with ARB. (CEC) (Dec 04)	
		Marla Mueller (CEC)	b. Establish DG emissions profiles to determine appropriate mitigation. (CEC) (Dec 05)	
		Praul (CEC)	c. Coordinate with ARB and air districts concerning air attainment strategies and rule making. (CEC) (ongoing)	
7. Work collaboratively to further develop DG policies, track market adoption, identify impacts and examine new technology issues.	Boyd Peevey	Rawson (CEC)	a. Conduct R&D on technology performance, cost valuation and/or system integration on alternatives. (CEC)	
		Batham (CEC) Adler (CPUC)	b. Conduct research/analysis to determine the appropriate actions necessary to integrate hydrogen into the energy supply. (CEC) (July 04)	

VI. Ensure Reliable Supply of Reasonably Priced Natural Gas				
Overall and Specific Goals	Assigned Decision-Makers	Responsible Agency Staff	Ongoing or Proposed Activity	Progress to Date/Next Steps
Reduce California vulnerability to the volatile spot market.	Boyd Freeman Lynch	Maul (CEC) Khosrowjah (CPUC)	a. Evaluate the ability of current activities to meet overall goal. (Joint)	
		Maul (CEC) Khosrowjah (CPUC)	b. Identify additional activities needed to meet overall goal. (Joint)	
			c. Establish methods to coordinate with the interagency subcommittee. (Joint)	
1. Identify critical new gas transmission, distribution and storage facilities.	Lynch Boyd	Maul (CEC) Meyer (CPUC)	a. Conduct an assessment of natural gas storage and infrastructure needs. (CEC) (November '03)	
		Meyer (CPUC) Maul (CEC)	b. Site and fund natural gas infrastructure additions. (CPUC)	
2. Monitor the market to identify any exercise of market power and manipulation, and work to improve FERC market rules.	Lynch Boyd	Maul (CEC) Ikle (CPUC)	a. Devise a process to coordinate market monitoring activities between CEC, CPUC, and FERC. (Joint)	
3. Evaluate net benefits of increasing the state's natural gas supply options.	Boyd Lynch	Maul (CEC) Khosrowjah (CPUC)	a. Complete assessment of siting issues for LNG, including health and safety. (CEC) (November '03)	
4. Support electric utilities and gas distribution companies entering into longer term contracts as a hedge against volatile market.	Peevey Keese	Maul (CEC) Tang (CPUC)	a. Examine risk/rewards of natural gas hedging strategies in procurement rulemaking. (R.01-10-024, Q3 2003, CPUC)	