

COMMITTEE WORKSHOP
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Informational Proceedings) Docket No. 03-IEP-01
and Preparation of the 2004) 02-REN-1038
Integrated Energy Policy) 03-RPS-1078
Report (IEPR) Update) 04-DIST-GEN-1
)

CALIFORNIA ENERGY COMMISSION
RONALD REAGAN STATE BUILDING
300 SOUTH SPRING STREET
AUDITORIUM
LOS ANGELES, CALIFORNIA

TUESDAY, OCTOBER 05, 2004

10:45 A.M.

Reported by:
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COMMISSIONERS PRESENT

John L. Geesman, Presiding Member

James D. Boyd, Associate Member

ADVISORS

Melissa Jones, Advisor

Rick Buckingham, Advisor

Michael Smith, Advisor

Tim Tutt, Advisor

STAFF PRESENT

Sandra Fromm, Assistant Project Manager

Kevin Kennedy, IER Project Manager

ALSO PRESENT

Mark Ward

Los Angeles Department of Water and Power

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P R O C E E D I N G S

10:45 a.m.

PRESIDING MEMBER GEESMAN: Sorry for the delay. This the 18th public hearing workshop for the Energy Commission's 2004 Integrated Energy Policy Report Update.

I'm John Geesman, the Commission's Presiding Member of the Integrated Energy Policy Report Committee. To my left is Commissioner Jim Boyd, the Associate Member, and also the Presiding Member of the 2003 Integrated Energy Policy Report.

SB 1389, which was passed in 2002, put the State back into the business of integrated energy resource planning. The vehicle by which we are supposed to do that is a report every two years. The first was in 2003. The statute also calls for us to update that report in the off years.

The 2003 report identified three issues for additional scrutiny this year. The first was the role that aging power plants play in how our electricity system. The second was ways in which we could improve our planning or the expansion of the bulk transmission system. The third was to

1 review methods by which we could accelerate the
2 development of renewable energy technologies.

3 I mentioned this is the 18th public
4 event that we have had in that process. We will
5 hold one more public workshop in Fresno on Friday.
6 We will revise our draft report, publish the
7 revised draft on October 20, and then present it
8 to the full Commission at the Commission's
9 November 3rd business meeting.

10 We have been led to believe that the
11 governor is likely to respond to the report by
12 late November or early December. The statute sets
13 up a process where after the Energy Commission
14 adopts its report, the governor responds, and then
15 the matter is taken up by the legislature.

16 As I suspect everyone knows because of
17 the unique circumstances last year involving the
18 change of governors, there was no formal response
19 to last year's report. We expect to address that
20 this year by including a chapter in our October 20
21 draft, which effectively republishes the primary
22 recommendations from last year's report. So, we
23 would anticipate that any formal response will
24 address those earlier recommendations as well.

25 This is a sustained and deliberative

1 process. It does not yield results as quickly as
2 an energy czar or a department structure might,
3 but it does provide an opportunity for different
4 affected stakeholders and members of the public in
5 California to review our preliminary
6 recommendations and to provide feedback on those
7 recommendations.

8 I think our process this year has
9 benefitted greatly over the course of the year
10 because of that interaction. I look forward to
11 your comments and any follow up that you may
12 choose to provide us with between now and November
13 3.

14 Mr. Boyd.

15 COMMISSIONER BOYD: Thank you,
16 Commissioner Geesman. I just want to add my
17 welcome to the hearty audience that is out there
18 and look forward to their input on this subject.

19 Over the last couple of years, we've had
20 this show on the road fairly continuously, which
21 is one of the advantages of the Integrated Energy
22 Policy Report process. It is fairly dynamic in
23 somewhat real time, so that affords all of us an
24 opportunity to keep up with some of the issues.
25 So, I look forward to today's testimony as we

1 shape our final report.

2 I would mention for members of the
3 audience sitting out there that also up here with
4 us to Chairman Geesman's right is his advisor,
5 Melissa Jones. To my left, my advisor, Mike
6 Smith, and in the audience, Rick Buckingham,
7 advisor to Chairman Keese and Tim Tutt, advisor to
8 Commissioner Pfannenstiel. So, we've got a good
9 representation, we've got you about one on one,
10 audience to staff here. We may reach a standstill
11 perhaps.

12 With that, let's move on to the issues
13 at hand. Thank you.

14 PRESIDING MEMBER GEESMAN: Sandra, do
15 you want to make a staff presentation?

16 MS. FROMM: Sure. Thank you. Good
17 morning, I'm Sandra Fromm, the Assistant Program
18 Manager for the 2004 Energy process.

19 Kevin Kennedy sitting back there in the
20 yellow shirt is the Program Manager. I'd like to
21 welcome you here today and thank you for your
22 participation in these proceedings. I apologize,
23 again, for the delay.

24 The first thing I want to get to is the
25 recommendations that came out of the policy

1 report.

2 The first ones that I will go over are
3 related to the aging power plants. In looking at
4 near term supply and reliability concerns, the
5 2003 Energy Report concluded that under average
6 weather conditions, California will likely have
7 adequate energy supplies through 2009. With
8 adverse weather operating reserve margins in 2006
9 and beyond could fall below the 7 percent needed
10 to maintain system reliability.

11 The 2004 Aging Power Plant Study noted
12 that as many as 9,000 MW are considered at risk of
13 retiring by 2008.

14 If many of these at risk power plants
15 retire between now and 2008, reserve margins could
16 potentially fall below the 7 percent threshold.
17 Additionally, during this past summer, regional
18 reliability concerns associated with transmission
19 congestion emerged, particularly in Southern
20 California. It was noted that aging power plants
21 appear to help alleviate the congestion.

22 To address near term supply issues and
23 reliability concerns, the committee recommends
24 that all investor-owned and municipal utilities
25 work aggressively to attain the 2007 statewide

1 goal of 5 percent peak demand reduction through
2 demand response programs.

3 In the Committee Draft Policy Report,
4 there are a number of specific suggestions such as
5 modification of the tariff design, immediate
6 rollout of advanced metering systems, and
7 development of dynamic rate offerings and load
8 control options.

9 The Committee recommends that the Energy
10 Commission work with the Public Utilities
11 Commission to develop a capacity market that
12 includes a capacity tagging mechanism and
13 tradeable capacity rights. The PUC held a two-day
14 workshop on the 4th and 5th on capacity markets.

15 The Committee also recommends that the
16 Energy Commission, the PUC, and all utilities
17 enhance supply management by establishing more
18 closely coordinated planning and reserve sharing,
19 pursuing cost-effective seasonal exchanges with
20 the Pacific Northwest and exploring opportunities
21 to use existing pump storage facilities more
22 fully.

23 Can everyone hear me? Thank you.

24 Although the Committee poses these
25 short-term solutions, they also recognize that

1 these solutions should not interfere with long-
2 term goals for our electricity system.

3 Transmission upgrades and expansions are
4 critical to insuring a reliable electricity
5 delivery system. However, transmission expansions
6 typically have long lead times that must be
7 considered during the planning process.

8 SB 1565 recently signed into law,
9 requires the Energy Commission to adopt a
10 strategic plan for the State's transmission grid.

11 The Committee recommends that the Energy
12 Commission establish a comprehensive statewide
13 transmission planning process with the Public
14 Utilities Commission, CA ISO, key state and
15 federal agencies, stakeholders, and interested
16 public.

17 This transmission planning system must
18 recognize the long and useful life of transmission
19 assets, their public goods nature, identify
20 transmission corridors, and consider access to the
21 state's renewable resources.

22 The Committee further recommends the
23 Energy Commission increase its participation in
24 the Joint Transmission Study Group on the
25 Tehachapi Wind Resources Area, work with the PUC

1 to establish a joint study group for Imperial
2 County's geothermal resources, and work with the
3 PUC and ISO to investigate whether changes are
4 needed to the ISO tariff to meet transmission
5 needs for renewables.

6 While the governor supports a 33 percent
7 goal by 2020 for all utilities, he vetoed SB 1478
8 due to provisions that would impede progress on
9 renewables.

10 The Committee recommends that the state
11 enact legislation to require all retail suppliers
12 of electricity, including large publicly owned
13 electric utilities, to meet a 33 percent eligible
14 renewable goal by 2020.

15 Because much of the technical potential
16 lies in the Southern California Edison service
17 area and because they have demonstrated strong
18 leadership in achieving renewable development, and
19 because SCE indicated they will meet the 20
20 percent renewable goal this year, the Committee
21 recommends that the state enact legislation that
22 allows the PUC to require SCE to purchase at least
23 one percent of additional renewable energy per
24 year between 2006 and 2020.

25 For PG & E and SDG & E, the Committee

1 believes the 20 percent target for 2010 is
2 reasonable and does not need adjusting at this
3 time.

4 The Committee also recommends the
5 repowering of wind turbines to harness wind
6 resources efficiently and prevent bird deaths.

7 Since the draft document was released,
8 the federal tax production credit was extended by
9 Congress to 2005. Although not yet signed, the
10 American Wind Energy Association has indicated
11 that President Bush is expected to sign the bill.
12 Passage of this bill will help several stalled
13 wind projects to come on line.

14 The Committee further recommends that
15 the PUC require investor-owned utilities to
16 facilitate repowerings in its pending effort to
17 develop renegotiating qualified facilities'
18 contracts.

19 Although the Energy Commission will
20 launch a performance-based PV incentive pilot
21 program in 2005, the Committee makes this an
22 official recommendation to reinforce this program.

23 Lastly, the Committee recommends that
24 the Energy Commission continue to assist the
25 governor' solar initiative to achieve greater

1 market penetration of PV systems.

2 As Commissioner John Geesman indicated
3 earlier, this hearing is one in a series of
4 hearings around the state. On the 20th of
5 October, the Committee will publish its final
6 draft update, which will also report on the
7 State's progress in meeting the 2003
8 recommendations.

9 We would appreciate receiving any
10 written comments by October 13. The full Energy
11 Commission will consider these policy
12 recommendations on November 3 at its business
13 meeting.

14 With that, I will turn the hearing back
15 over to the Committee. Thank you.

16 PRESIDING MEMBER GEESMAN: Thank you,
17 Sandra. The system that we ordinarily follow is
18 to fill out a blue card if you care to address us.

19 Someone here from the Public Advisor
20 will collect your blue cards. He is standing in
21 the back of the room. One card I have thus far is
22 Henry Martinez, the General Manager for the Los
23 Angeles Department of Water and Power.

24 MR. WARD: I'm Mark Ward from the Los
25 Angeles Department of Water and Power. Mr.

1 Martinez is apparently tied up over at City Hall.

2 I thank you for the opportunity to
3 address the Commission. The LADWP pursuant to its
4 City charter willingly bears its obligation to
5 serve electricity to the residence and businesses
6 for the City of Los Angeles.

7 Our lights have remained steady, our
8 rates have remained stable, we have planned for
9 the future, while at the same time reducing the
10 impact of our production on the environment.

11 The Committee Report, or I should say
12 the Draft Report, we have concerns with the report
13 in that we believe it errs when it projects ISO
14 shortcomings and ISO problems on to other control
15 areas in the state, particularly LADWP.

16 The report also errs in attempting to
17 implement a one size fits all accelerated
18 renewable program on public power since it fails
19 to adequately acknowledge the unique circumstances
20 that public power utilities find themselves in.

21 With respect to the aging power plants,
22 as our previous comments files with the Commission
23 demonstrated, repowering of LADWP's aging power
24 plants are part of our comprehensive integrated
25 resource plan for what we refer to as our "IRP".

1 The Commission has recognized that if
2 there are reliability repercussions from the many
3 aging power plants in California, they will not be
4 associated with LADWP.

5 We have invested and built transmission
6 for both our present and future load growth. This
7 was demonstrated with the last project was the
8 1,200 MW (indiscernible) 500 KV line in service
9 back in 1996, which was the last major
10 transmission addition built to serve the load in
11 California.

12 As you may know, this was a public power
13 effort. The participants included the City of Los
14 Angeles, the City of Anaheim, the City of Azuza,
15 Banning, Burbank, Colton, Glendale, Pasadena,
16 Riverside, Vernon, and the Western Area Power
17 Administration.

18 Although DWP has unused transmission
19 capacity, it makes this capacity available to
20 others through its participation in the West Trans
21 Oasis and is working with the California ISO,
22 SMUD, IID, and the governor's office to further
23 coordinate resources and otherwise develop
24 planning and operational synergies.

25 The Committee Draft Report alleges that

1 "The transmission systems of SCE and LADWP are
2 only weakly interconnected at two locations."
3 They provide no additional information regarding
4 these alleged weaknesses in the report, but we
5 believe the recommendations were made from a
6 previous Garamendi report well over a decade ago.

7 The weaknesses were based on a concern
8 created by a consultant based on insufficient
9 knowledge of LADWP and SCE systems and should have
10 been put to bed long ago. The systems in fact are
11 strongly tied together and thousands of MW's are
12 regularly scheduled across the inter ties on a
13 daily basis.

14 Additionally, DWP is currently
15 installing a third transformer at Sylmar Switching
16 Station. That will increase the interchange
17 capability at that station from 1,200 MW to 1,600
18 MW. DWP upgraded its Victorville Luga tie back in
19 the year 2000.

20 The report alleges that the ISO
21 reliability concerns should be reduced by a
22 greater ability to rely upon LADWP's resources in
23 a system emergency. The idea implies LADWP and
24 the ISO do not support each other during
25 emergencies. This is simply not true.

1 The LADWP and the ISO have agreements in
2 place and have provided assistance to one another
3 throughout their histories.

4 The report asserts that the use of pump
5 storage facility, including LADWP's Castale
6 facility could be better managed. LADWP has set
7 its reliability standard and planned its system to
8 serve its customers at that standard.

9 We have pointed out in our previous
10 comments that the study is done by the Commission
11 staff have not been subject to the review
12 necessary to validate them.

13 LADWP has been planning transmission
14 with other utilities or over 50 years, and we plan
15 to continue that practice. We have experienced
16 the benefits of joint and coordinated planning
17 where generation and transmission are planned and
18 sited, not in a vacuum, but in consideration of
19 how they will work together.

20 We believe that planning approach that
21 the report is apparently advocating will lead to
22 sub-optimal, not optimal planning.

23 To reiterate a previous point, allowing
24 generators to interconnect at what ever point on
25 the grid they so choose, compounded by the ISO's

1 obligation to accept all schedules, results in
2 planning and operational uncertainty.

3 Getting parties involved without indepth
4 knowledge of systems will only further compound
5 the difficulties faced by the ISO and other
6 transmission planners.

7 The transmission planning problem that
8 exists in the ISO, it is our belief it is caused
9 primarily by the ISO business model.

10 With respect to renewable resources, the
11 Commission support of the Western Renewable Energy
12 Generation Information System needs to be
13 recognized for the significant contribution that
14 it may have in attracting renewable energy
15 generation and accounting for the renewable energy
16 credits.

17 However, the report fails adequately to
18 acknowledge the unique circumstances that the
19 public utilities find themselves.

20 To repeat some of those concerns
21 previously expressed to the Commission, public
22 power utilities in California find themselves in a
23 situation different than the those of the IOU's.
24 Public power did not divest of its generation
25 resources. Public power is still in general

1 vertically integrated.

2 Many of the public power agencies have
3 planned their resources to meet both present and
4 future loads. Increasing resource requirements
5 passed the need will ultimately increase costs.

6 The public power service territories are
7 also concentrated and geographically unique. DWP
8 in the past has looked at its integrated resource
9 plan, the last plan was adopted in August of 2000.
10 Under that currently approved plan, LADWP has
11 already moved forward in a number of projects.
12 These project will produce renewable energy, they
13 will reduce LADWP emissions, and they will
14 increase energy efficiency.

15 Some of these projects include a 120 MW
16 wind project that will be just north of the
17 Mojave. DWP has committed a \$150 million program
18 to install roof top solar photovoltaic systems
19 throughout Los Angeles.

20 We've also committed \$20 million to the
21 17 MW San Francisco Canyon Hydro-Electric
22 facility.

23 DWP has installed 50 micro turbines in
24 the Lopez Canyon landfill which will convert
25 methane gas to energy.

1 The LADWP has entered into an agreement
2 to produce 40 MW of power from a bio-converter
3 facility.

4 DWP, as part of this plan, installed
5 selective catalytic reduction devices on all of
6 our in basin units.

7 We've also committed to repowering of
8 ten in basin generating units.

9 DWP has recognized a 150 MW peak load
10 reduction through its conservation and energy
11 efficiencies programs since 2000.

12 As part of the plan recognizing some of
13 the super peak requirements, DWP installed 280 MW
14 of peaking facilities. As part of our missions
15 program, DWP implemented a 10 year Trees for Green
16 LA program with a goal of planting 15,000 trees
17 per year.

18 We've also committed to a \$90 million
19 program for modernizing the Castale Pump
20 (indiscernible) facility. The first unit was just
21 completed last month.

22 I previously mentioned that we are
23 modernizing the Sylmar Converter Station. We have
24 installed new transformer to increase the transfer
25 capability. We are installing new DC equipment to

1 improve stationary liability and to insure access
2 to hydro and other renewable projects in the
3 Pacific Northwest.

4 DWP, in association with the Harbor
5 Department, has initiated the alternative Maritime
6 Power Program. This program reduces emissions
7 from container vessels docked in the Los Angeles
8 harbor by allowing them to hook to grid power
9 rather than generate from the ship.

10 Overall, DWP has recognized a 90 percent
11 NOX reduction since 1989, which in our estimates
12 is equivalent to removing approximately 230,000
13 vehicles from the road.

14 Additionally most, if not all of the
15 public power entities, in California have
16 committed themselves to a renewable program. The
17 implementation of these programs take into account
18 their own circumstances and the individual utility
19 objectives as decided by their local regulatory
20 bodies.

21 DWP is committed to fulfill the State
22 goals as envisioned in SB 1078 while increasing
23 resource diversity, reliability, public health,
24 and environmental benefits through a renewable
25 portfolio standard plan that reaches 13 percent of

1 renewable energy by 2010 and 20 percent by 2017
2 while at the same time, we are able to maintain
3 affordable and stable rates for our customers,
4 maintain power system quality and reliability and
5 maintain DWP's financial integrity.

6 Last month, over 40 companies submitted
7 renewable energy proposals to LADWP to fulfill its
8 RPS commitments. These proposals cover a broad
9 range from renewable resources including wind,
10 geothermal, solar, small hydro land fill gas, bio-
11 mass, and municipal solid waste. We expect to
12 shorten that list and start awarding renewable
13 contracts by February of 2005.

14 DWP believes that a publicly-owned
15 utility with the approval of its local governing
16 body, is in the best position to reflect the
17 interest of its local constituency. The
18 determination of the mix of goals to be met in a
19 specific RPS, LADWP is currently developing cost
20 recovering and financial control mechanisms that
21 mitigate the financial impact on its retail
22 customers and will conduct public hearings with
23 its customers to get input on the overall proposed
24 plan.

25 Finally, DWP believes that the local

1 flexibility and local decision making allows
2 public power the opportunity to meet both the
3 overall State goals for renewables and to the
4 public power objectives as determined by its local
5 regulatory body in a manner that is consistent
6 with the state and local interests.

7 We will be forwarding our written
8 comments to the Commission by next week.

9 PRESIDING MEMBER GEESMAN: Thank you,
10 Mr. Ward. I think your comments with respect to
11 transmission planning and reliability are
12 something we should take to heart. We clearly
13 face a reliability challenge here in Southern
14 California, and I think the City has been helpful
15 in the past and I would expect be helpful in the
16 future in cooperating and coordinating with the
17 entire region.

18 I think that we need to go back and
19 review our draft and make certain there aren't any
20 factual inaccuracies or mistaken assumptions
21 there, and I would encourage you in the future to
22 try and share as much information with us as you
23 are able to.

24 I think a greater transparency in the
25 assistance the department has provided the ISO and

1 the Southern California Region would be helpful in
2 avoiding any misunderstandings in the future.

3 I want to specifically thank the
4 department for the level of involvement that you
5 have offered in our 2005 cycle, both in the
6 transmission planning area and the demand
7 forecasting in general utility supply planning.

8 It is pretty clear in an inner-connected
9 grid, whether you are an ISO member or not,
10 there's no system that is an island. We will all
11 be better off if we are able to coordinate our
12 activities and share with each other our planning
13 assumptions.

14 One area that I would like to comment on
15 and in part I think reflect that divergent
16 trajectories that the state and the City appear to
17 have been on in the past is the general area of
18 renewables. I think Mayor Hahn was courageous in
19 stepping up the Department's renewable goals and
20 foregoing the participation in the third unit of
21 the Inner Mountain Coal Project in preference to
22 enhancing the City's renewable goals.

23 I certainly salute you and the
24 Department for your commitment to achieve the
25 statutory goal of 20 percent in 2017. As you

1 know, the state has been at odds I think over the
2 last year or two with the department as it relates
3 to renewables. I think the issue of how to count
4 different technologies to me is an accounting
5 question.

6 The legislature said that on a state-
7 wide basis, we ought not to count large hydro
8 systems. I know that there are those that feel
9 that was the wrong decision, but under our law,
10 the legislature makes that call. I would suggest
11 that if in fact we were to count large hydro
12 systems, then the statewide goal would be bumped
13 up another 20 percent to 40 percent to reflect a
14 contribution that we on average receive from large
15 hydro.

16 As you know, the executive branch
17 agencies have chosen to accelerate the renewable
18 portfolio standard goal from 20 percent in 2017 to
19 20 percent in 2010. This past legislative
20 session, there was legislation passed by both
21 houses that would codify those goals.

22 The governor had some concerns about
23 some other aspects of the bill and chose to veto
24 it, but in his veto message, he makes quite clear
25 his desire to see a 2010 goals codified. His

1 desire to see a larger goal of 33 percent in the
2 year 2020 codified, and his desire to see those
3 requirements applied uniformly in what I believe
4 you implied was a one size fits all approach to
5 both the investor-owned utilities as well as the
6 municipally-owned utilities.

7 I don't think there is any desire,
8 certainly not on the Energy Commission's part, but
9 I would go so far as to say on anybody's part in
10 the Executive Branch of state government to micro
11 manage your system or to micro manage the way in
12 which you conduct your business. I think the
13 Department does an outstanding job in that
14 regard.

15 Underlying the State's commitment to an
16 accelerated effort at renewable energy
17 development, is a near universal public support.
18 The Public Policy Institute of California's survey
19 of this past year, found that 87 percent of those
20 surveyed felt that the state should double its
21 reliance on renewable sources of electricity.
22 That's up from about 80 percent in 2003, and about
23 80 percent in 2002 as well.

24 In a contentious area, like energy
25 policy, there aren't many principals that earn

1 that level of public support, and I would suggest
2 to you just given my general knowledge of
3 demography and politics, I would suspect among the
4 citizens of Los Angeles is at least at that level
5 if not a little bit higher.

6 I don't have any doubt where the
7 Department will ultimately will end up on this
8 question. I don't have any doubt as to where the
9 city counsel and the mayor will see to it that the
10 Department ends up. I don't think there is any
11 reason for this state and the city to be in
12 conflict over this, but I do want to make very
13 clear, I would anticipate state government will be
14 relentless in pursuit of these objectives until
15 they are harmonized across the state. The City of
16 Los Angeles is the largest of the municipal-owned
17 systems, so I would expect that we will hopefully
18 achieve that harmonization first here.

19 I thank you for your remarks and
20 certainly look forward to the Department's
21 continued contribution to our 2005 cycle.

22 MR. WARD: Thank you, Commissioner. I
23 guess I would respond only to we would request
24 that the Commission and others in the state look
25 at the different starting points between the

1 utilities. That there are others in the state
2 that are not necessarily fully resourced.

3 If he has gone ahead with its plans in
4 the past and has committed capital to those plans
5 and that the plans while they have been
6 implemented up to present, in the future the
7 others that need to bring their systems into
8 compliance on the resource adequacy issues will
9 have more opportunity than the department as far
10 as a part of their capital budget to implement
11 some of the more aggressive time lines.

12 PRESIDING MEMBER GEESMAN: Yeah, cutting
13 in the opposite direction is the fact that
14 adjoining your service territory is a veritable
15 Owens River Valley of wind resource. The
16 geothermal resource in Southeastern California is
17 accessible to you as well, and you also enjoy one
18 of the world's truly great solar resources. So,
19 as I am fond of reminding Southern California
20 Edison Company, which is similarly blessed, from
21 those to whom much as been given, much is
22 expected.

23 MR. WARD: Thank you, Commissioner.

24 COMMISSIONER BOYD: Mr. Ward, thank you
25 for being here. I just want to add my ditto to

1 everything Commissioner Geesman said. Maybe I got
2 up on the wrong side of the bed this morning, but
3 I was a little disappointed in what I heard.

4 I thought we were doing better, and I do
5 hope in your written submission you tell us what
6 you might like in the report besides all you
7 didn't like. I would agree with Commissioner
8 Geesman that No. 1, local responsibility and local
9 accountability which you referenced is something
10 that we understand and appreciate. I do believe
11 that LADWP will respond to what the people want
12 through the mayor and the city counsel, and we
13 have seen some of that happen in your Alternative
14 Maritime Power Program is just another example of
15 kind of what is needed in the LA Basin for air
16 quality reasons. I salute you for doing what you
17 are doing.

18 I do think we recognize unique
19 circumstances, and I don't think any of us are
20 advocates of one size fits all, but this is the
21 nation's State of California, the world's fifth or
22 sixth on any given day economy, and one has to
23 look to the ability of one agency such as our own
24 at the present time to at least give a good
25 reflection on where the state stands and where it

1 is going and even though it is a patch work quilt
2 of ISO control area type organizations investor-
3 owned utilities and public agencies, people look
4 to us to try to kind of add up the sum of the
5 pieces to make sure the state as a whole is doing
6 okay and is going to make it in the future and can
7 sustain the economic growth that the economy sits
8 on. It sits on an energy stool of sorts.

9 In any event, I've been pleased so far
10 with the voluntary cooperation that I've seen over
11 the past several months. I hope that continues in
12 the future. I think it probably will and should,
13 and I would echo Commissioner Geesman's comments
14 about the need for coordination cooperation, and
15 by the way, that doesn't beget control, on
16 information and data so that we get it right in
17 the final report that we put forward.

18 With that, I hope we can continue in the
19 spirit of cooperation and understanding. It may
20 take a little more open dialogue between both
21 agencies to just understand the facts and put the
22 right data in the right columns because, again, I
23 don't think one size fits all. I think we truly
24 understand that.

25 Thank you, and I look forward to working

1 with you in the future.

2 MR. WARD: Thank you, Commissioner, and
3 we look forward also.

4 PRESIDING MEMBER GEESMAN: Anybody else
5 care to address the Committee?

6 (No response.)

7 PRESIDING MEMBER GEESMAN: That being
8 the case, we'll have an early lunch.

9 I want to thank you very much and look
10 forward to your continued participation.

11 (Whereupon, at 11:35 a.m., the workshop
12 was adjourned.)

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CERTIFICATE OF REPORTER

I, JAMES A. RAMOS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said workshop, nor in any way interested in outcome of said workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of October, 2004

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