

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

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| In the matter of, |) | Docket No. 11-IEP-1K |
| |) | |
| Preparation of the |) | STAFF WORKSHOP |
| <i>2011 Integrated Energy Policy Report</i> |) | |
| <i>(2011 IEPR)</i> |) | RE: Natural Gas |

Staff Workshop on Natural Gas Market Assessment, Reference Case, Proposed Scenarios, and San Bruno Incident Safety and Reliability Implications

California Energy Commission staff will conduct a workshop to discuss and take public comments on its proposed *2011 IEPR* assessment of key supply, demand, infrastructure, pricing, and policy issues of current relevance in the natural gas market. Staff will present its analysis of recent market trends; describe the inputs to and results of its reference case modeling efforts; describe and request further comments on its proposed input assumptions for modeling additional natural gas market scenarios; and describe its proposed efforts to assess potential impacts on gas system reliability that may result from reduced pressure and other directives from the National Transportation Safety Board (NTSB) and California Public Utilities Commission (CPUC) in response to the September 2010 pipeline incident in San Bruno. In addition, staff will address how they analyze the local impacts and risk from gas connection lines to new power plants.

Although this is a staff workshop, Commissioners may attend and participate. Commissioners and staff from the California Public Utilities Commission may also attend and participate in the workshop.

TUESDAY, APRIL 19, 2011
Beginning at 9:00 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Remote Attendance and Availability of Documents

Internet Webcast - Presentations and audio from the meeting will be broadcast via our WebEx web meeting service. For details on how to participate via WebEx, please see the “Remote Attendance” section toward the end of this notice.

Documents and presentations for this meeting will be available online at:
[www.energy.ca.gov/2011_energypolicy/index.html]

Purpose

Staff will make presentations on observed current trends in natural gas market conditions: demand, supply, infrastructure, and price. Staff will also present the inputs, assumptions, and results of a gas market model reference case that simulates a future outcome of natural gas activities. Staff is using a reference case developed by the Baker Institute at Rice University, modified to disaggregate reference prices and quantities for the Western United States and Canada. Staff will seek comments from stakeholders on alternative input assumptions about future conditions with which to conduct additional market modeling scenarios that will be useful for policymaking or implementation purposes.

Since the September 2010 San Bruno incident could have lasting consequences on the operation of and planning for California’s natural gas infrastructure, staff will also present a description of its proposed efforts to assess potential impacts on gas system reliability that may result from reduced pressure and other directives from the NTSB and CPUC. Staff is also soliciting comments and suggestions in this area.

Background and Context

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).)

At the February 24, 2011, *Joint Committee Workshop on Economic, Demographic, and Energy Price Inputs for Electricity, Natural Gas, and Transportation Fuel Demand Forecasts*, Staff gave presentations about the background to staff’s *2011 IEPR Natural Gas Assessment* (Tavares); key drivers of the *World Gas Trade Model* which staff uses for its modeling efforts (Brathwaite); and the proposed purpose, scope, and structure of

the alternative scenarios analyses (Miller). Public comments on this material were requested at the workshop and received by March 11, 2011:
www.energy.ca.gov/2011_energypolicy/documents/2011-02-24_workshop/presentations/

Any comments we receive from stakeholders at the workshop, or by May 3, 2011, will be considered in modeling additional natural gas market scenarios. The results of these scenarios and a complete draft report on California's natural gas market assessment will be presented at a Committee workshop on July 25, 2011. Staff will consider any comments and suggestions received at the July workshop for inclusion in the final staff report. The final report is currently scheduled for August 2011.

Written Comments

Written comments on the meeting topics must be submitted by 5:00 p.m. on May 3, 2011. Please include the docket number 11-IEP-1K and indicate "*2011 IEPR – Natural Gas Market Assessment, Reference Case and Possible Scenarios*" in the subject line or first paragraph of your comments.

All filings in the IEPR proceeding are now done electronically. Please send your comments in either Microsoft Word format or as a Portable Document File (PDF) by electronic mail to [docket@energy.state.ca.us] or send them on a Compact Disk to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-IEP-1K
1516 Ninth Street
Sacramento, CA 95814-5512

Please include your name or organization's in the name of the file. Signatures may be indicated on electronic copies by embedding a scanned signature graphic, "Original signed by" or similar words, or a scanned copy of the signature page may be appended to the electronic file.

Participants may also provide an original and 10 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Office and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. 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, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this meeting, please contact Ruben Tavares at (916) 654-5171 or by email at [rtavares@energy.state.ca.us]. You can also contact Matthew Layton at (916) 654-3868 or by email at [mlayton@energy.state.ca.us]. For general questions regarding the IEPR proceeding, please contact Lynette Green, IEPR project manager, at (916) 653-2728 or by e-mail at [lesterno@energy.state.ca.us].

The service list for the 2011 IEPR is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [www.energy.ca.gov/2011_energypolicy/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].

Remote Attendance

You can participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you listen to the audio via your telephone. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

Computer Log-on with Telephone Audio:

1. Please go to [https://energy.webex.com] and enter the unique meeting number: 497 454 809
2. When prompted, enter your name other information as directed and the meeting password: CEC@041911

Teleconference:

After logging in on the computer, an AUDIO CONFERENCE BOX will offer you the choice of phone connections:

1. TO HAVE WEBEX CALL YOU BACK: Type your area code and phone number and click "Call Me".
2. TO CALL INTO THE TELECONFERENCE: Use the drop-down box to select "I will call in" and follow the on-screen directions.
3. INTERNATIONAL CALLERS: Click on the "Global call-in number" link in part (2) above

4. TO LISTEN OVER THE COMPUTER: If you have the needed equipment and your computer is configured, click on "Use Computer Headset" and then "Call Using Computer" to use VoIP (Internet phone)

TELEPHONE ONLY (NO COMPUTER ACCESS): Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number: 497 454 809. International callers can select their number from [<https://energy.webex.com/energy/globalcallin.php>].

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Date: April 5, 2011

Mail Lists: energy policy, electricity, and natural gas