ENERGY WORKING GROUP
The Energy Working Group may take action on any item appearing on this agenda.

September 22, 2005
11:30 a.m. to 2 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

Staff Contact: Rob Rundle
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rru@sandag.org

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# ENERGY WORKING GROUP

**September 22, 2005**

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>1.</td>
<td>WELCOME AND INTRODUCTIONS</td>
</tr>
<tr>
<td>2.</td>
<td>MEETING SUMMARY FOR THE JULY 28, 2005 MEETING</td>
</tr>
<tr>
<td>Attached is the meeting summary for the July 28, 2005 meeting. Please review and provide any comments on the summary.</td>
<td>APPROVE</td>
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<td>3.</td>
<td>PUBLIC COMMENT AND COMMUNICATIONS</td>
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<tr>
<td>Anyone who would like to address the Energy Working Group on a topic not on the agenda should do so at this time.</td>
<td>COMMENT</td>
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<td>4.</td>
<td>SUMMARY OF THE EWG RETREAT</td>
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<td>Attached is a summary of information and recommendations from the EWG retreat held at Powerhouse Community Center on September 7, 2005. The EWG is asked to approve the recommendations.</td>
<td>APPROVE</td>
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<td>5.</td>
<td>REPORTS FROM THE EWG SUBCOMMITTEES</td>
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<td>(The EWG Subcommittees had a joint meeting in August which is the subject of the next agenda item. Below outlines the schedule of, and issues that will be addressed at the next subcommittee meetings.</td>
<td>DISCUSSION/POSSIBLE ACTION</td>
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<td>A) Public Policy Subcommittee:</td>
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<td>The subcommittee will meet on October 11, 2005 from 9:30-11:30 at Qualcomm. Topics for discussion will be preparations for the October 27 Legislative Forum co-hosted with Senators Kehoe and Morrow. The Forum agenda will be finalized and EWG priorities discussed for the 2006 legislative session. In addition, the subcommittee will address possible EWG comments to the 2005 draft IEPR as it relates to our LTRP activities and the RES.</td>
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<td>B) Resources Subcommittee:</td>
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<td>The subcommittee will meet on October 3, 2005 from 11 a.m. to 1 p.m. at SDREO. The Resources subcommittee has acquired the MRW resource accounting tool and some members have met to review the tool. The subcommittee will continue training a modeling intern to assist EWG and will assess needs for updated data based on MRW data, CEC IEPR data, and SDG&amp;E available data.</td>
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**REGIONAL ENERGY STRATEGY GUIDING PRINCIPLES**

At the joint subcommittee meeting held on August 25, 2005, the meeting participants made recommendations on changes to the RES guiding principles that should be considered. Attached are the proposed changes that were discussed at the meeting. The EWG should consider approving the proposed changes.

| +7.    | DISCUSSION/POSSIBLE ACTION |

**INTEGRATED ENERGY POLICY REPORT**

The California Energy Commission (CEC) released its 2005 Draft IEPR on September 15, 2005. The EWG may wish to provide public comment on portions including long term resource planning and Border energy concerns. The CEC also revised the schedule for public hearings that will be held on the IEPR. The revised schedule is attached.

| +8.    | INFORMATION/COMMENT |

**LUNCHEON WITH CPUC COMMISSIONER**

The SANDAG EWG and the San Diego Regional Economic Development Corporation are hosting a Roundtable Meeting with CPUC Commissioner Dian Grueneich on October 17, 2005 from 11 a.m. to 1 p.m. in the SANDAG Board Room. A draft agenda is attached.

| 9.     | APPROVE |

**SUGGESTED MEETING TOPICS FOR NEXT MEETING**

Energy Working Group members should suggest items to be discussed at the next or future meetings.

| 10.    | ADJOURN |

The next EWG meeting will be the Legislative Workshop scheduled for October 27, 2005. The meeting will be held at SANDAG from 9 a.m. to 1 p.m.
August 11, 2005

To: Energy Working Group

From: SANDAG Staff

Subject: July 28, 2005 EWG Meeting Summary

**Members in Attendance:**
- Skip Fralick, Sierra Club
- Patti Krebs, IEA
- Irene Stillings, SDREO
- Steve Hoffman, S.D. Regional Chamber of Commerce
- Stephen Zolezzi, Food and Beverage Association
- Rick Van Schoik, SDSU (Alternate)
- Al Sweedler, SDSU
- Bill Hays, Port of San Diego
- Dave Weil, UCSD
- Laura Hunter, EHC
- Marty Hunter, S.D. Labor Council

**Others in Attendance:**
- Kurt Krammerer, KJK&A
- Mary Ann Kempczenski, SD Councilmember Frye
- Andrew Zingale, Assembly member Lori Saldaña
- Kyle Blickley, SDREO
- Scott Anders, SDREO
- Susan Freedman, SDREO
- Don Wood, Citizens Coordinate for Century 3 (C-3)
- J.C. Thomas, SDG&E
- Rob Schupp, Marston & Marston Duke Energy
- Tom Blair, City of San Diego
- Alejandra Garaldin, City of San Diego
- Rochelle Becker, Alliance for Nuclear Responsibility
- Shirley Vaine, the public
- Josh Schiffer, SANDAG
- Rob Rundle, SANDAG

1. **Welcome and Introductions**

Irene Stillings called meeting to order in place of Henry Abarbanel, who was unable to attend.

2. **Meeting Summary**

The meeting summary from the June 23 EWG meeting was unanimously approved.

Rick Von Schoik, SDSU Foundation, mentioned that he would like the carbon emissions issue that was discussed in the May meeting to be included in this meeting’s minutes.
3. Public Comment

Dr. Alan Sweedler, SDSU Foundation, had two announcements. First, he announced that a renewable energy study for the San Diego region is being put together. On August 2nd at the Sharaton Four Points Hotel, a press conference will be held from 9 to 9:30 a.m. followed by a workshop from 9:30 a.m. to 12 p.m. Attendees will receive a full report on CD as well as a printed copy. We will be bringing the information from the study to the CEC to incorporate it into the Integrated Energy Policy Report (IEPR). Everyone is invited to attend.

Second, Dr. Sweedler appeared at the CEC a few weeks ago to describe the EWG and its purpose. The CEC is interested in how we are working with SDG&E and asked if a group like the EWG is replicable in other regions. Implicit in the discussion was that if we cannot do it in San Diego, then it would be difficult to do it elsewhere.

Rochelle Becker, Alliance for Nuclear Responsibility, announced that on August 15 and 16 the CEC will hold a workshop on nuclear issues. It begins at 9 a.m. on both days. The meeting takes place in Sacramento, but participants will be able to participate through the internet broadcast at www.energy.ca.gov/webcast or by calling (888)323-9686.

Don Wood announced that two weeks ago he attended the American Assembly Workshop run by the San Diego Water Department. The city is looking at the option of purifying treated wastes water to the point that it creates clean drinkable water. This would increase sustainability with regard to water.

Irene Stillings, SDREO, announced the first annual Solar Energy Workshop will be from September 25 to October 1. The schedule is as follows: Monday, the governor will cut the ribbon at Qualcomm; Tuesday, workshops at SDREO; Wednesday, a commercial roof tour; Thursday, a conference followed by a wine tasting; Friday, more workshops; and Saturday, the annual solar homes tour. She asks that the EWG hold these dates open.

4. Reports from Subcommittees

A. Policy Subcommittee

Scott Anders gave a power point update on how the EWG might participate in CPUC proceedings. During the July 12th subcommittee meeting, a SDG&E attorney gave a presentation, showing the process of intervening as well as the various intervention levels. The subcommittee concluded that there are multiple levels of intervention that the EWG could do, but a full-scale intervention, such as The City of San Diego’s, would be an expensive venture, and it is unclear whether the EWG could undertake this.

Dr. Sweedler asked if it is possible to get our views expressed at the CPUC proceedings through the EWG members who represent local governments that already intervene. Mr. Anders said that although that is possible, it is stronger to do it yourself.

Steve Hoffman suggested doing a lighter form of intervention by filing testimony, even though the EWG might not be in a position to rigorously defend itself in cross examination and requested that we continue this conversation at the retreat. The EWG concluded that a major part of intervening is
giving a substantive contribution to the proceeding, beyond just attending, which costs hundreds of thousands of dollars. Dr. Sweedler suggested that at some point SANDAG has to decide how big of a player it wants to be in the energy field, and if we have the mentality that it is too expensive, and then we will always be on the sidelines. Dr. Sweedler made a motion that the committee directs staff to present EWG’s options with regard to its participation in state proceedings, which was seconded and unanimously voted in favor.

Susan Freedman announced that we have been developing a resource guide for EWG members about the energy report that includes how we can participate, the timelines, and a little more detail on the core issues that fall in line with the regional energy strategy. A draft is going to be ready for next policy subcommittee meeting and we will distribute it electronically as well.

A motion was made to get one of the CEC hearings on the Community Choice Aggregation (CCA) held in the region, possibly in Chula Vista, which was seconded and unanimously approved.

Scott Anders continued the policy update. SB 816, for which the EWG wrote a letter of support, passed and was signed by the governor. SB1 continues to move through the Assembly and was last amended on July 12th. Irene Stillings mentioned a left over item on whether to draft a letter of support for this bill. Tom Blair said the bill could still receive numerous amendments and recommends that everyone download a copy and read it. The EWG decided against drafting a letter of support for SB1. However, the EWG concluded that they need to be more involved with bills in the future, by working with legislators as these bills are being formulated.

The subcommittee discussed upcoming workshops. A joint special meeting of the subcommittees to discuss some of the issues is coming up and will form a “policy guiding principles” type of document. A legislative forum will be on September 27th and Renewable Energy Workshop is tentatively scheduled for October 11th and 12th.

B. Resources Subcommittee

The Resources Subcommittee met on the July 11th. SDG&E has been cooperative with the Long Term Resource Plan; their intent is to submit a plan in the second quarter of 2006. In the plan, SDG&E will recognize EWG’s contribution by noting points of alignment and disagreement. The subcommittee is going to make analyzing the complex recommendations easier by acquiring a data tool. In the retreat, we should spend a fair amount of time discussing our tradeoffs. In order to go through our work process we reshaped our work groups, anybody who is interested is invited. Topics include: renewables, customer based resources (energy efficiency and distributed generation), and rate based conventional power, transmission. In addition, Mr. Hoffman stated that we exceeded funds necessary to acquire the MRW Tool. We agreed to have tool owned by SDREO, but we can access it whenever we need to for the study. We also have a UCSD student intern candidate.

Scott Anders stated that Duke is willing to provide the tool that we could use for the base of analysis; however, they are concerned about distributing the program electronically for competitive reasons. They will possibly debrief the EWG on what is in the tool. Kurt Krammerer inquired as to who was overseeing the procurement expenditures and what the criteria are. The subcommittee replied that the funds are donations to SDREO that are earmarked for this use. Mr. Krammerer stated that he was not told that SDREO is deciding how to spend the money. The subcommittee
replied by that the expenditure was decided by the EWG. Mr. Krammerer said that he proposed to deliver much more than this tool delivers for much less and expressed concern about the price of this tool increasing. Mr. Krammerer said that we are spending large sums of money and he does not see the process. He agreed to talk about the procurement process with staff after the meeting. Mr. Krammerer added that he would highly recommend holding off on purchasing this tool until the procurement process is clarified. Mr. Hoffman added that this is a high quality tool and since Duke funded it, its expense is incremental to EWG’s money.

5. Long Term Resource Plan Work Program

The EWG had identified participation in the development of the 2006 Long Term Resource Plan as its top priority and is seeking final approval at this meeting. Scott Anders said that the proposed work plan has a “paper trail,” meaning that as the group goes through the various stages and addresses issues, the EWG develops a series of position papers. These are formal documents that SDG&E can look at to see what the EWG’s position is. These are accumulated throughout the process, with a summarized version at the end. We should have all of our work approved by the first quarter of next year because we do not know when SDG&E will be required to submit a long term resource plan.

Mr. Van Schoik asked if Mr. Anders could provide a format for the position papers, and then between the principles and EWG member’s concerns, we could suggest different scenarios.

Dr. Sweedler motioned to pass the work plan, which was seconded and passed with one abstention.

6. Energy Working Group Retreat Agenda

The EWG will hold a retreat on September 7, 2005 from 10 a.m. to 3 p.m. at Powerhouse Park Community Center in Del Mar, and Lewis Michaelson was contacted to professionally facilitate the meeting. A draft retreat agenda was distributed to the EWG for approval. Staff stated that the intent of the retreat is to talk about the process, the vision for SANDAG programs, and what we should be doing better. Kurt Krammerer suggested that if this is a self-evaluation, then we should hire an independent entity to evaluate us and make a report.

Dr. Sweedler suggested that the retreat should be a discussion, not an evaluation and proposed changing the goal of retreat by replacing “evaluate” with “discuss,” and removing the word “assess.” Steve Hoffman, proposed adding a guiding principles discussion in the retreat agenda under the “Vision for SANDAG Energy Program” section.

Irene Stillings, motioned to accept the agenda with these three changes, which was approved.

7. Critical Peak Pricing

SDG&E held a workshop on July 12th, 2005 to discuss the proposal for the 2006 Critical Peak Pricing proposal. CPUC said that there will be a critical peak pricing for 2006, which will go into effect May 1st. The CPUC will look at SDG&E’s August 1st filing, as well as PG&E’s, to look for critical peak pricing consistency statewide. There will be no minimum or maximum number of days that critical
peak pricing can be called, also there is a capacity reservation feature added, you can reserve a minimum of 50 percent of what your peak demand is.

A representative from SDG&E commented to the group on changes to the power point attached to the agenda. First, SDG&E is now looking at customers who have a minimum of 200 kW during summer on peak only for their account to be eligible. Second, we decided to propose the CPP period to be from 11 a.m. to 6 p.m. to be consistent with the on-peak period. In the ruling issued by ALJ yesterday, sometime in late August, the utilities are to prepare a joint outline of how their proposals compare. EWG asked if the SDG&E quick view system allows customers to do a ‘what if’ analysis? The SCE representative stated that it does not, but SDG&E is considering it. He also said that SDG&E is proposing a participation credit, which is 3/10 of a cent per Kilowatt-hour all year for customers that stay on the default rate. The time schedule after the August 1st filing is unknown.

8. Energy Efficiency Pilot Program - Carlsbad
The initial energy audits of existing facilities in the City of Carlsbad have been completed. Susan Freedman gave a power point presentation on pilot actions, which encourages local governments to reduce energy use, save on utility bills, and promote conservation. Susan said that Carlsbad was supportive of the project when she, Rob Rundle and Henry Abarbanel met with the city council. At the eight facilities we looked at, a 10 to 45 percent energy savings was possible and Carlsbad is going ahead with 90 percent of our recommendations. Skip Fralick asked if there will there be a report of the analysis that can be passed on to other cities. Susan Freedman stated that that is the goal that we are working on; however, this is the first step. Eventually we would like the program to expand beyond just public agencies and move to residential buildings and private businesses.

9. Suggested Meeting Topics for Next Meeting
Important Upcoming EWG Dates:
August 25th, 2005 Joint subcommittee meeting at SDREO from 11:30 a.m. to 2 p.m.
September 7th, 2005 EWG Retreat at Powerhouse Park, Del Mar from 10:00 a.m. to 3:00 p.m.
September 22nd, 2005 will be our next normal meeting at 11:30 a.m. to 2:00 p.m.

10. Adjourn
Meeting adjourned at 2 p.m. The next regularly scheduled meeting will be on September 22nd.
SANDAG Energy Working Group
Outcomes from September 7, 2005 Retreat

1 Introduction

On September 7, 2005, the EWG held a retreat at the Powerhouse Community Center in Del Mar. The goal was to discuss EWG progress and future direction. The meeting was facilitated by Lewis Michaelson of Katz & Associates. The day’s discussions focused on the following topics.

- EWG Activities to Date
- EWG Activities Moving Forward
- Prioritizing Work Activities
- EWG Effectiveness
- EWG Structure
- Retreat Conclusions and Next Steps

The Retreat Agenda with attachment of “EWG Activities to Date” are available online at the SANDAG EWG site.

An attendance list is included in Attachment A of this document.

2 EWG Activities Moving Forward

2.1 Prioritizing Process

EWG members were asked to bring forward activities they would like to see the EWG carry out. Ideas could be continuing activities already being addressed or proposing new activities that members considered important. Members were then asked to choose which activities they considered highest priority for the EWG to address.

Each Member was given 11 stickers to vote with; each member received a unique color/patterned sticker for differentiation. Members could place all their votes for one activity or use their 11 votes for multiple activities. The two numbers following each potential activity first indicate the overall number of votes that activity received and second, indicate the number of people who voted for said activity.

EWG members were asked to use a series of filters to aid their choices of highest priority activities. Some filtering questions were:

- For which of these activities is EWG uniquely qualified?
- What activities won’t get done if the EWG doesn’t do them?
- What activities will get done if the EWG doesn’t do them?

An additional layer of filters was applied to the highest ranked activities including:

- Can we do the selected activities identified with existing resources (both financial and staff)?
- If not, what priorities will be lessened or where will we acquire additional resources?
2.2 **Highest Priority Activities**

1. **Assist/support local communities energy goals** 3-11  
   a. Facilitation and incubation mostly  
   b. EWG Lead: Resources subcommittee

2. **Expand interaction on energy policies with bordering regions (counties and Mexico)** 15-8  
   a. Group decided this could be addressed through new EWG memberships

3. **Provide input to SDG&E Long Term Resource Plan (LTRP)** 13-9  
   a. An additional EWG High Priority, “Integrate energy more into SANDAG comprehensive plan” was decided to be a follow-on priority to LTRP project 11-9  
   b. Both EWG Subcommittees participate  
      i. POLICY Subcommittee: Guiding Principles and RES Goals, Policy direction  
      ii. RESOURCES Subcommittee: Assessment of resource mix, use of accounting tool, development of resource scenarios

4. **Sponsor linkages between water/energy/transportation** 12-8  
   a. Group decided this could be addressed through new EWG memberships

5. **Legislative Advocacy in state of CA** 11-7  
   a. EWG Lead: Policy subcommittee  
   b. Plan Legislative Forum (10-26-05)  
   c. Determine legislative priorities

A full list of potential activities that originated during the meeting discussion is found in Attachment B at the end of this document.

3 **Roles of the Energy Working Group**

An outcome of the “Prioritizing Work Activities” session was a discussion of the roles that members saw as core to the EWG. Through another prioritizing activity, members were given the opportunity to select three roles from the list of roles they envisioned for the EWG below.

3.1 **Top-Ranked EWG Roles**

1. Policy Development  
   (Via influencing regional and state policy & updating the Regional Energy Strategy)  
2. Advocacy  
3. Coordination  
4. Planning  
5. Leadership (tied with Planning)  
6. Innovation  
7. Consensus building
3.2 Full list of EWG Roles

- Advocacy ................. 8
- Integration ............... 0
- Coordination ............. 6
- Activism .................. 0
- Conscience ............... 0
- Education ............... 2
- Planning ................. 5
- .... Innovation .......... 4
- Analysis .................. 1
- Consensus building ....... 3
- Confrontation ............ 0
- Energy risk reduction .... 1
- Policy development ...... 10
- Fundraising .............. 0
- Leadership incubator .... 5

4 Structure: Setting Agendas for the EWG

Outcomes of the priority role and activity setting exercises formed the basis for future agenda setting for EWG Meetings. The Group agreed that three questions should be asked before including an activity to any EWG Meeting Agenda for next 12 months.

1. Is it one of our 6 priority activities?
2. Does it advance the goals of the regional energy strategy?
3. Do we have the resources (financial and staff)?

If the answer is No to any of these questions, then the EWG will refrain from tackling the activity for next 12 months.

5 Structure: Membership Issues

EWG members discussed potential organizations and/or stakeholders that would enhance the Energy Working Group and promote increased coordination across issues and regions. SANDAG staff will identify contacts and take necessary action to invite representation from the key groups determined as critical to achieving EWG strategic priorities.

5.1 Key Groups to Add to EWG Membership:

- Transportation: CALTRANS
- Transportation: MTS
- Water/Wastewater: Imperial Irrigation District (IID)
- Agricultural
- Energy Policy Initiative Center (EPIC) of USD
- Mexico: Mexican Consulate
- Mexico: Baja Government

5.2 Other Groups Sited for Consideration

Below are additional stakeholders that EWG members cited for consideration either as potential new members or as groups that the EWG would like to improve communication and coordination with.
6 Structure: Resource Issues

6.1 Financial Sustainability

A discussion of financial and staffing resources yielded an understanding that funding for the next 20 months is likely to be steady state and unlikely to grow unless additional grants are found.

Some expressed need for a permanent funding source that could be a rate surcharge (via utility bill, vehicle renewal, or elsewhere) or other source to be determined.

6.2 Short and Long-Term Staffing

There will be a shift in staffing resources moving forward. To date, staff support has been provided by Rob Rundle (SANDAG) and Scott Anders and Susan Freedman (partly in-kind by SDREO). All staff work has been part-time.

Susan Freedman will move into a project management role and provide staff support to the EWG in an increased capacity. Rob Rundle will maintain SANDAG oversight and program management responsibilities. Scott Anders has left SDREO and may continue to provide short-term staff support for 3 months starting Mid-October until January 2006. All staff support will continue to be part-time.

More in-kind staff resources will be needed in the near-term to accomplish strategic priorities and new members may be a potential source.

7 Structure: EWG Subcommittees

7.1 Policy Subcommittee

The Policy Subcommittee will take the lead on the two planned workshops for 2005: the Legislative Forum (October) and the Climate Change Workshop (December). Future workshops in 2006 will cover regional issues for the LTRP project and therefore be managed by the Resources Subcommittee.

For the LTRP project, the Policy Subcommittee will lead Task 2 of the Work Plan and provide assistance in completion of the other Tasks. This Subcommittee will provide the policy perspective to relevant white papers.
7.2 **Resources Subcommittee**

The Resources Subcommittee will take the lead on yet to be determined workshops that will educate stakeholders and/or the public on aspects of the LTRP project. The Resources Subcommittee will be responsible to lead the majority of LTRP Work Plan tasks including Tasks 3, 4, 5, 6, 7, and 8.

Due to the labor intensive nature of this project, the EWG Chair has suggested that members of the Policy Subcommittee take part in the Resources Subcommittee work efforts once the Legislative Forum is complete.

The Pilot Project for Local Cities was an idea generated in the Resources Subcommittee. The EWG has served as incubator and facilitator. That project consists of facilitating entry to, and promoting existing SDREO and SDG&E programs that are available to local governments. Carlsbad has been the Pilot city and based on this experience, SDREO and SDG&E have enacted programs and communications to better assist local cities in the future. EWG staff will generate a Report on the Pilot for the Resources Subcommittee to bring to the full EWG. The Report will include barriers to local city involvement and recommendations.

7.3 **Additional Subcommittees**

Some EWG members suggested the creation of an OUTREACH subcommittee in addition to the existing POLICY and RESOURCES Subcommittees. It was discussed as a means to plan future workshops and provide outreach to the local jurisdictions. Staff had significant concerns with the addition of a third subcommittee due to member subcommittee attendance problems witnessed over past year and inadequate staff resources available for added meetings, research and tasks. Staff offered suggestions on how the current committee structure would sufficiently accommodate EWG outreach efforts.

8 **EWG Effectiveness**

8.1 **Where Effective:**

- Henry as Chair
  - Passionate about the EWG. Presented EWG at city council meetings throughout the region and to SANDAG Board
- Healthy relationship with SDG&E
  - Improved communication and understanding
- Successful attendance at meetings
- Diversity of membership
  - Reaches a wide stakeholder base in region.
- Recognition at state level
  - California Energy Commission aware of EWG and LTRP project
  - State Senators from San Diego hosting Legislative Forum with EWG
- Earned recognition at SANDAG level
  - BOD and RPC have positive view of EWG
• Raising awareness of importance of long term resource planning
  • Providing community input in utility’s 10-year plan
• Pilot program in Carlsbad
  • Promotion of energy saving programs for cities and efforts in Carlsbad well received
  • North County Times published positive story on the pilot

8.2 Where Less Effective:

• Getting money
  • Questions arose whether EWG members should have to fund raise or if that should be SANDAG’s responsibility
• Coordination with other stakeholders/users
  • New membership suggestions to help remedy this
• Convincing some stakeholder participation
  • UCAN, SDCWA, SD County
• Attendance
  • Last year the supply and demand subcommittees were combined largely due to poor attendance
  • Some full EWG meetings lack wide attendance by EWG Members
• Not as innovative
• Not as focused
  • Tackled many activities but had not followed work plan
  • Priority ranking and outcomes today to help remedy this
• Publicizing accomplishments
  • Name recognition: Some members stated that the name Energy Working Group does not convey everything that the EWG does and there was interest in changing the name.
  • SANDAG staff will present SANDAG policies on naming working groups at next full EWG Meeting.

9 Next Steps for EWG

9.1 Actions for Next Regular Session EWG Meeting (9-22-05)

1. Staff assimilates and presents Retreat materials.
2. EWG discusses, refines, validates, and approves priorities and measures.
3. SANDAG staff to present EWG with SANDAG policies on naming working groups.

9.2 Commitments of EWG Members and Chair for Next Year

1. The Group agreed to challenge and encourage each other to stay focused and stay the course for the next year.
2. The Group agreed that LTRP and Legislative Workshop are the primary staff workload.
   The Group agreed that anything beyond this will require additional resources.
3. New initiatives require new resources.
9.3 Policy Subcommittee

1. Next meeting: Tuesday, October 11th from 9:30-11:30 at Qualcomm
2. Legislative Forum:
   a. Must develop agenda and legislative priorities for discussion at 9-22 EWG meeting
   b. Assess legislative initiatives that passed or failed in state legislature in 2005 to help determine what policies to focus on for 2006
   c. Assess IEPR and Energy Action Plan to gain perspective on state energy policy direction and where EWG may further impact
   d. Finalize agenda, EWG legislative priorities
   e. Follow-up with cities and county on participation in Forum
3. LTRP:
   a. Finalize RES Guiding Principles update from 8-25 joint subcommittee meeting for discussion and approval at 9-22 full EWG meeting
   b. Review draft Integrated Energy Policy Report and assess whether EWG should comment regarding LTRP components (draft due out 9-15)

9.4 Resources Subcommittee

1. Next meeting: Monday, October 3rd from 11-1 at SDREO
2. LTRP:
   a. Tutorial on MRW resource accounting tool (9-12)
   b. Intern training on energy issues, LTRP and MRW resource tool
   c. Begin data assessment based on MRW data, CEC IEPR data, and SDG&E non-confidential data
   d. Review draft IEPR report and determine if EWG should comment on data assessment of SDG&E’s electricity forecast for LTRP (draft due out 9-15)
   e. Come to agreement on nomenclature for EWG Project (i.e., “in-region” or “in-basin”)

ATTACHMENT A: Attendance List

1. Bill Hays, Port of San Diego
2. Henry Abarbanel, City of Del Mar
3. Skip Fralick, Sierra Club
4. Monica Adame, Mexican Consulate
5. Art Madrid, City of La Mesa
6. Steve Castaneda, City of Chula Vista
7. Steve Hoffman, Chamber of Commerce
8. Bob Leiter, SANDAG
9. Bill Reed, SDG&E
10. Dave Weil, UCSD
11. Irene Stillings, SDREO
12. Al Sweedler, SDSU
13. Jeff Marston, Marston & Marston
    Duke Energy
14. Josh Schiffer, SANDAG
15. Eric Larson, Farm Bureau
16. Bob Campbell, City of Vista
17. Linda Wagner, City of Chula Vista
18. Tom Blair, City of San Diego
19. Shirley Vaine
20. Rebecca Pearl, Environmental Health Coalition
21. Kurt Krammerer, KJK&A
22. Susan Freedman, SDREO
23. Rob Rundle, SANDAG
24. Scott Anders, SDREO
25. Robb Anderson, SDG&E
ATTACHMENT B: Full List of Potential Activities from Meeting Discussion

- More public outreach workshops 7-7
- *Integrate energy more into SANDAG comprehensive plan (subsumed initially under LTRP) 11-9
- Influencing regional energy portfolio supply to reflect community preferences for supply options 2-2
- *Legislative Advocacy in state of CA 11-7 (POLICY SUBCMT)
- Support development sustainable energy infrastructure 4-4
- Permanent process for consensus regional energy issues 3-1
- Convert environmental opposition to support 0-0
- Plan future retirement of existing generation 7-2
- Influence regulatory (or regional?) decisions on transportation decisions 0-0
- Periodically monitor and make mid-course corrections 0-0
- *Assist/support local communities energy goals (facilitation and incubation mostly) 13-11 (RESOURCES SUBCMT)
- Create alliances among energy and economic development interests 9-7
- Integrate energy issues into elements of land use planning 1-1
- Permanent funding source for regional energy planning program and updating RES 1-1
- *Expand interaction on energy policies with bordering regions (counties and Mexico) 15-8 (OUTREACH SUBCMT) (COULD BE ADDRESSED THROUGH MEMBERSHIP)
- Evaluate technical barriers to development of renewable sources 5-4
- *Sponsor linkages between water/energy/transportation (COULD BE ADDRESSED THROUGH MEMBERSHIP or OUTREACH SUBCM T) 12-8
- Research cost/risk of nuclear waste custodianship verses benefits 5-4
- Develop plans/strategies for co-locating energy transmission facilities with other public facilities 5-4 (COMMENT- WILL BE ADDRESSED VIA OTHER SANDAG CMT, just slower)
- Refine resource evaluation metrics 1-1
- Tap into state and federal funds for EWG work 3-3
- Define maximum capability to accommodate growth in terms of energy use and production 7-2
- *Provide input to SDG&E Long Term Resource Plan (LTRP) (RESOURCES & POLICY SUBCM TS) 13-9
- Promote favorable rules for CCA 4-2
- Support community activities to educate youth on energy issues 2-2
- Refine regional performance measures for energy planning 2-2
- Benchmark other successful regional organizations and agencies in state 0-0

*Indicates activity ranked as top priority.
## Regional Energy Strategy Guiding Principles

Revisions based on EWG Joint Subcommittee Meeting, 8-25-05

<table>
<thead>
<tr>
<th>Version</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Original</td>
<td>The supply portfolio will be diversified, cost efficient, environmentally sound, self sustaining, secure and reliable.</td>
</tr>
<tr>
<td>Revision</td>
<td>No change.</td>
</tr>
<tr>
<td>2. Original</td>
<td>The planning process will be open and inclusive.</td>
</tr>
<tr>
<td>Revision</td>
<td>The planning process will be open, transparent, and inclusive.</td>
</tr>
<tr>
<td>3. Original</td>
<td>Energy projects, programs and policies will protect the interests of the vulnerable and disadvantaged communities in the San Diego region and Mexico.</td>
</tr>
<tr>
<td>Revision</td>
<td>Energy projects, programs and policies will protect the interests of all communities in the San Diego region and Baja California, Mexico.</td>
</tr>
<tr>
<td>4. Original (separate into 2 Guiding Principles)</td>
<td>The region will have adequate indigenous resources to ensure reliability and stabilize prices.</td>
</tr>
<tr>
<td>Revision</td>
<td>The San Diego region will have adequate resources to ensure reliability, with a preference for electricity generation resources within the transmission limit.</td>
</tr>
<tr>
<td>Revision</td>
<td>The electricity generation portfolio will be sufficiently diverse to ensure resource adequacy and stable prices.</td>
</tr>
<tr>
<td>5. Original (separate into 2 Guiding Principles)</td>
<td>Energy efficiency and demand management programs will be preferred over the development of new fossil-fueled generation resources.</td>
</tr>
<tr>
<td>Revision</td>
<td>Conservation, energy efficiency, demand response, renewable energy, and distributed resources will be preferred over new transmission infrastructure and utility-scale fossil-fueled or nuclear generation resources.</td>
</tr>
<tr>
<td>Additional Revision</td>
<td>Energy programs, policies, and infrastructure decisions will encourage the deployment of distributed energy resources.</td>
</tr>
<tr>
<td>6. Original</td>
<td>Future development and land-use planning decisions will reflect progressive standards for energy efficiency and responsible energy supply.</td>
</tr>
<tr>
<td>Revision</td>
<td>Development and land-use planning decisions will incorporate standards for energy efficiency, distributed energy resources, and renewable energy.</td>
</tr>
<tr>
<td>7. Original</td>
<td>Energy programs and policies will support economic development activities and the creation of new jobs in the San Diego Region.</td>
</tr>
<tr>
<td>Revision</td>
<td>Energy programs and policies will foster sustainable economic development activities with the goal of creating new jobs and industries in the San Diego Region.</td>
</tr>
<tr>
<td>8. Original</td>
<td>Public awareness and education programs will promote responsible energy use.</td>
</tr>
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<td>Version</td>
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<tr>
<td></td>
<td>decisions by the public.</td>
</tr>
<tr>
<td>Revision</td>
<td>Public awareness and education programs will foster responsible energy decisions by the community.</td>
</tr>
<tr>
<td>9. Original (separate into 2 Guiding Principles)</td>
<td>San Diego and Baja California, Mexico are an inseparable economic and environmental region, requiring close coordination of energy planning and action. Recognizing this union of economy and environment, energy generated outside of the San Diego region and imported for us in the region should be encouraged to comply with both California and United States environmental labor law. Likewise, energy projects located in San Diego should take into account potential environmental effects in nearby Baja California.</td>
</tr>
<tr>
<td>Revision</td>
<td>Energy generation facilities located in Baja California, Mexico that supply energy to the San Diego region should be encouraged to comply with both California and United States environmental and labor laws.</td>
</tr>
<tr>
<td>Additional Revision</td>
<td>Energy projects located in San Diego should take into account potential environmental and socio-economic effects in Baja California, Mexico.</td>
</tr>
<tr>
<td>10. Original</td>
<td>Markets and regulation must be designed and adapted as necessary to maximize the benefits of competition in wholesale markets while protecting the public from inappropriate pricing practices in retail markets.</td>
</tr>
<tr>
<td>Revision</td>
<td>Markets and regulation must be designed and adapted as necessary to maximize the benefits of competition in wholesale and retail markets while protecting the public from inappropriate pricing practices in retail markets.</td>
</tr>
<tr>
<td>11. Original</td>
<td>All energy usage affects the environment. Any energy policy or program must balance benefits and costs against the impact on the environment.</td>
</tr>
<tr>
<td>Revision</td>
<td>Delete this Guiding Principle entirely.</td>
</tr>
<tr>
<td>12. Original</td>
<td>Energy is an essential social need. All energy policies and programs must consider environmental justice impacts by ensuring the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income.</td>
</tr>
<tr>
<td>Revision</td>
<td>All energy policies and programs must consider environmental justice impacts by ensuring the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income.</td>
</tr>
</tbody>
</table>
September 12, 2005

TO: EWG Members

FROM: SANDAG Staff

SUBJECT: IEPR Workshop Schedule

Schedule for the **2005 Energy Report**
(Workshops to be held in Sacramento and start at 9 a.m., unless otherwise noted)

[Click Here for Completed Workshops]

Please note some workshops dates have changed

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 8</td>
<td>Publication of draft Transmission Strategic Plan</td>
</tr>
<tr>
<td>September 22, 23 &amp; 27</td>
<td>Hearings on the draft 2005 Integrated Energy Policy Report: Bakersfield 9/22, Sacramento 9/23, and San Diego 9/27 RESCHEDULED: hearings will be organized by topic area and all will be held in Sacramento</td>
</tr>
<tr>
<td>September 23</td>
<td>Hearing on the draft Transmission Strategic Plan</td>
</tr>
<tr>
<td>September 23 9:00 am</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Global climate change, water/energy, and border issues</td>
</tr>
<tr>
<td>September 27 1:00 pm</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Transportation issues</td>
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<tr>
<td>September 27 1:00 pm</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Global climate change, water/energy, and border issues</td>
</tr>
<tr>
<td>September 29 1:00 pm</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Transportation issues</td>
</tr>
<tr>
<td>October 6 9:00 am</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Natural gas issues</td>
</tr>
<tr>
<td>October 7 9:00 am</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Electricity issues</td>
</tr>
<tr>
<td>October 7 1:00 pm</td>
<td>Hearing on the draft 2005 Integrated Energy Policy Report: Loading order and renewables issues</td>
</tr>
<tr>
<td>November 16</td>
<td>Commission adoption hearing</td>
</tr>
<tr>
<td>Late November</td>
<td>Transmit 2005 Integrated Energy Policy Report to Governor and Legislature</td>
</tr>
</tbody>
</table>
Meeting Agenda

Henry Abarbanel, EWG co-Chair

11:00 Welcome

11:05 Statements of Key Energy Issues
Julie Meier Wright, President & CEO –or– Eric Bruvold, Vice President
Henry Abarbanel, EWG co-Chair

11:15 Opening Remarks
Commissioner Dian Grueneich, CPUC

12:00 Working Lunch (Break to pick up sandwich)

12:05 Roundtable Discussion
Attendees comment on Cmmr. Grueneich’s remarks and ask questions

12:50 Wrap up

1:00 Adjourn

Proposed Discussion Topics

EWG Activity
The SANDAG Energy Working Group (EWG) will be working with SDG&E to develop their long-term resource plan for 2006.

1. Long-Term Resource Planning
   a. Do you know of any similar models we can learn from?
b. How could our region fund development of analytical tools for decision makers related to energy planning?

c. What are your thoughts on the Governor’s proposal to create a cabinet level Department of Energy in California?

Important Topics for the San Diego Region

2. Regional Influence

a. CEC Cmrm. Geesman said once at a hearing in San Diego that we suffer from a curvature of the earth problem: Legislators and regulators in Sacramento and San Francisco cannot see over the curve of the earth down to San Diego. As a result we tend to get forgotten. How can we make our regional voice heard in SF and Sacto?

b. With limited resources, what would you recommend as the most effective level of intervention on cases like the long-term resource plan?

3. Market Structure

a. What is the future of direct access in California.

b. What structural changes are needed to encourage power plant development?

c. Will local jurisdictions in California successfully aggregate under the vision of Community Choice Aggregation?

4. Rates/Tariffs

a. As a result of AB 1X, rates for 71.5% of SDG&E’s residential customer are held fairly constant. The other rate classes absorb the costs that cannot be applied to the exempt residential block. What can the CPUC do to correct, or begin to correct this situation?

b. Several bills included some language related to AB 1X early in the legislative session, but most, if not all, of this language has been removed. What is the likelihood that this issue will be taken up next year in the legislature?

5. Advanced Metering Infrastructure

a. How can we enable customers to respond to the dynamic prices that are part of the AMI?

b. How do we structure dynamic rates so we get demand response and efficient behaviors but don’t disadvantage certain communities?

6. Renewable Energy

a. What regulatory issues must be resolved to meet the goal of 20% by 2010, and eventually, 33% by 2020?

b. Can we meet these ambitious goals without an adverse impact on rates
c. What is the future of renewable energy credits in California?

7. Transmission
   a. One significant regional resource issue in our region is a proposal for a new 500 kV transmission line. Supporters argue that this new line is needed for increased reliability and for access to renewable energy located in eastern San Diego County and Imperial County. A 500 kV transmission line (Valley Rainbow) was not approved in recent years. Do you have any perspectives on the need for transmission in our region?
   b. We have two aging power plants in our region (Encica and South Bay). The San Diego Regional Energy Strategy places an emphasis on in-region generation. What is your perspective on balancing in-region with out-of-region resources?

8. Distributed Generation
   a. Is it possible to have a fully distributed power supply?
   b. What regulatory issues still need to be resolved in this area to enable distributed generation?

9. Research and Development on New Technologies
   a. San Diego regional ratepayers pay into public purpose program funding that is used for efficiency, renewables, and research and development. All of the efficiency funds and a nearly all of the renewable funding comes back to San Diego, but the research and development funds are distributed at the state level and it is not clear what direct benefits accrue to the San Diego region. How could this process be changed to ensure that most if not all of the funding for R&D that derives from San Diego regional ratepayers comes back to our region?

10. Solar Energy Incentive Programs
    a. If SB1 does not pass the legislature or is not signed by the Governor, can the CPUC take steps to implement the Governor’s vision for a Million Solar Roofs Initiative?