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# MEETING NOTICE AND AGENDA

## ENERGY WORKING GROUP

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

### MEMBER AGENCIES

Cities of  
 Carlsbad  
 Chula Vista  
 Coronado  
 Del Mar  
 El Cajon  
 Encinitas  
 Escondido  
 Imperial Beach  
 La Mesa  
 Lemon Grove  
 National City  
 Oceanside  
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 San Diego  
 San Marcos  
 Santee  
 Solana Beach  
 Vista  
 and  
 County of San Diego

### ADVISORY MEMBERS

Imperial County  
 California Department  
 of Transportation  
 Metropolitan  
 Transit System  
 North San Diego County  
 Transit Development Board  
 United States  
 Department of Defense  
 San Diego  
 Unified Port District  
 San Diego County  
 Water Authority  
 Mexico

Thursday, March 23, 2006

11:30 a.m. to 2 p.m.

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

Staff Contact: Rob Rundle Susan Freedman  
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## AGENDA HIGHLIGHTS

- LEGISLATION IN SUPPORT OF THE EWG
- SANDAG POLICY BOARD MEETING ON ENERGY
- EWG DISTRIBUTED GENERATION WORKSHOP

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# ENERGY WORKING GROUP

Thursday, March 23, 2006

ITEM #	RECOMMENDATION
1. WELCOME AND INTRODUCTIONS	
+2. MEETING SUMMARY FOR THE FEBRUARY 23, 2006 MEETING	APPROVE
Attached is the meeting summary for the February 23, 2006 meeting. Please review and provide any comments on the summary.	
3. PUBLIC COMMENT AND COMMUNICATIONS	COMMENT
Anyone who would like to address the Energy Working Group on a topic not on the agenda should do so at this time.	
+4. SOLAR CONSORTIUM FOR MUNICIPAL GOVERNMENTS	DISCUSSION/ POSSIBLE ACTION
The CPUC Approved The California Solar Initiative (CSI), A comprehensive, 10-year solar program to begin January 1, 2007. EWG members and Kyocera Solar will discuss potential for formation of a San Diego regional consortium to bring more solar roofs to municipal governments. Attached is a summary of CSI Program components.	
+5. LEGISLATION IN SUPPORT OF THE EWG	DISCUSSION/ POSSIBLE ACTION
Senator Kehoe sponsored SB 1539 that would provide resources for the EWG to implement the Regional Energy Strategy. EWG Co-Chairs will lead a discussion of updates to the bill. The EWG has a funding proposal that complements the bill. The proposed bill changes, changes proposed by SDG&E, and funding proposal are attached.	
+6. SANDAG POLICY BOARD MEETING ON ENERGY	INFORMATION/ COMMENT
The SANDAG policy board will meet from 10 a.m. to noon on Friday, April 14, 2006 with a focus on energy issues and the EWG. Attached is the EWG Retreat Outcomes Report for review and discussion on topics to provide the Policy Board.	

<b>ITEM #</b>		<b>RECOMMENDATION</b>
+7.	<p data-bbox="259 262 844 294"><b>EWG DISTRIBUTED GENERATION WORKSHOP</b></p> <p data-bbox="259 336 1088 556">The EWG will host a workshop on Distributed Generation immediately following the Policy Board Meeting on April 14, 2006. The Workshop will include the local perspective on DG from end-users like city government, school districts, and companies. The future of DG including emerging technologies will be discussed. See attached notice.</p>	<p data-bbox="1120 262 1331 336">INFORMATION/ COMMENT</p>
+8.	<p data-bbox="259 598 828 630"><b>REPORTS FROM THE EWG SUBCOMMITTEES</b></p> <p data-bbox="259 672 649 703">A. Public Policy Subcommittee:</p> <p data-bbox="292 724 1088 871">Alan Ball, Qualcomm, will discuss current legislation and upcoming EWG workshops (see attachment). The next subcommittee meeting will be held April 19, 2006 from 8:30 a.m. to 10:30 a.m. at Qualcomm Building A.</p> <p data-bbox="259 903 617 934">B. Resources Subcommittee:</p> <p data-bbox="292 955 1088 1176">Steve Hoffmann, NRG, will discuss outcomes of the subcommittee meeting that included discussion of the Green Path transmission line. Upcoming meeting topics include renewables potential (4/3) and repowering in-region. The next subcommittee meeting will be held April 3, 2006 from 11 a.m. to 1 p.m. at SDREO.</p>	<p data-bbox="1120 598 1364 672">DISCUSSION/ POSSIBLE ACTION</p>
+9.	<p data-bbox="259 1239 990 1270"><b>LOCAL GOVERNMENT ENERGY SAVING PILOT PROGRAM</b></p> <p data-bbox="259 1312 1088 1386">Recommendations for continued EWG activities with public entities will be discussed. The February 23, 2006 presentation is attached.</p>	<p data-bbox="1120 1239 1331 1312">INFORMATION/ COMMENT</p>
+10.	<p data-bbox="259 1438 665 1470"><b>COASTAL POWER RESOLUTION</b></p> <p data-bbox="259 1512 1088 1686">On march 10, the SANDAG Executive Committee authorized a letter to be sent to the State Lands Commission to recommend that the CEC and CPUC be included in consideration of a resolution regarding once through cooling in California power generating facilities. The letter is attached.</p>	<p data-bbox="1120 1438 1323 1470">INFORMATION</p>

**ITEM #****RECOMMENDATION**

## 11. SUNRISE POWERLINK CORRIDOR ANNOUNCED

INFORMATION

On March 20, SDG&E announced their preferred corridor and alternate for a Sunrise PowerLink. Staff will provide an update on the line. An extended discussion on the line and alternatives will be addressed at a future meeting date.

## 12. SUGGESTED TOPICS FOR NEXT MEETING

APPROVE

Proposed topics for the April EWG meeting including results of the 4/14 workshop and meeting, long-term resource plan activities, and transmission issues. Energy Working Group members should suggest additional items to be discussed at the next or future meetings.

## 13. ADJOURN

The next EWG meeting will be held at SANDAG April 27, 2006, from 11:30 a.m. to 2 p.m. in the 7<sup>th</sup> Floor Conference Room.

+ next to an item indicates an attachment

San Diego Association of Governments  
**ENERGY WORKING GROUP**

March 23, 2006

AGENDA ITEM NO.: **2**

**Action Requested: APPROVE**

MEETING SUMMARY FOR THE FEBRUARY 23, 2006 MEETING

**Members in Attendance**

Henry Abarbanel, Co-Chair, City of Del Mar  
North County Coastal  
Art Madrid, Co-Chair, City of La Mesa, East  
County  
Dave Carrey, Port of San Diego  
Paul O'Neal, San Diego North Economic  
Development Council  
Irene Stillings, SDREO  
Ken Bitar, San Diego County  
Patti Krebs, IEA  
Ralph Torres, Navy  
Alan Ball, Qualcomm  
Stephen Zolezzi, Food and Beverage Association  
Dave Weil, UCSD

Skip Fralick  
Donna Frye, City of San Diego  
Scott Anders, EPIC  
D Rick Van Schoik, SDSU  
Sharon Cooney, MTS  
Marty Hunter, San Diego Labor Council  
Steve Hoffman, San Diego Regional Chamber of  
Commerce  
Bill Reed, SDG&E  
Rebecca Pearl, Environmental Health Coalition  
Mike Nagy, San Diego Regional Chamber of  
Commerce  
Jim McCollum, IEA

**Others in Attendance**

J.C. Thomas, SDG&E  
David Hicks, Duke Energy  
Robb Anderson, SDG&E  
Cecilia Aguillon, Kyocera Solar  
Tom Blair, City of San Diego  
Jennifer Porter, SDREO  
Mike Gearhart  
Diane Foote  
Chris Moore, UCSD  
Roger Bohn, UCSD

Shawn Gahr, UCSD  
Matt Reilly, UCSD  
Nicole Capretz, Donna Frye's Office  
Alexandra Hart, IBEW 569  
Julie Gelfat, IBEW 569  
J. Sharon Firooz, Consultant (IES)  
Shirley Vain, the public  
K. Battle, Consultant  
Bob Leiter, SANDAG  
Rob Rundle, SANDAG  
Josh Schiffer, SANDAG

## **1. Introductions**

Chair Henry Abarbanel called the meeting to order.

## **2. Meeting Summary for the January 23, 2006 Meeting**

The EWG approved the January 23, 2006 meeting summary.

## **3. Public Comment and Communications**

Shirley Vain spoke about nuclear waste. The CEC recommended a study about the risks versus the benefits of having nuclear waste build-up. Three senators and an assembly member have co-authored a bill that will come out in March. Ms. Vain is requesting a letter from the EWG, which supports this study.

Irene Stillings announced that she would remain the EWG representative from SDREO.

## **4. Local Government Energy Saving Pilot Program**

Susan Freedman presented a year-end report on the EWG's Pilot Program with Carlsbad. She said that until the EWG has dedicated staff resources available, we cannot expand the pilot to other cities to the level of facilitation that we provided Carlsbad. The EWG was most effective with city council meeting presentations and sending letters to city managers. In the future, Ms. Freedman would like to do more press releases and letters sent to cities. She also recommends setting up Energy Wave software in all cities. SANDAG could provide an education outreach component by having some energy workshops for public agencies. City of Carlsbad will address the EWG regarding the Pilot at the March 23 meeting.

Tom Blair said the City of San Diego found that the most difficult part of energy projects is finding money. The City of San Diego arranged a \$2.5 million loan from the CEC program. You have to have projects that have payback of less than ten years, finance it over a 15-year period, and then leverage that money with the incentives of some of the other programs. You can stretch that CEC money out so you get more projects done within that loan package and it actually brings down your overall recovery of the CEC money. The CEC has over \$30 million to loan to local governments.

Steve Hoffman stated that project financing is so critical to project development that it may merit a workshop that is specific to local governments. Dave Weil seconded Mr. Hoffman's idea of holding financing workshops, and added that the workshops could be useful to many public agencies as well as cities, such as school districts, port districts, and the water authority.

Skip Fralick asked if Carlsbad is considering LEAD for their new construction as the City of San Diego is doing. Ms. Freedman said that Carlsbad had mentioned LEAD in their draft council resolution as a measure of their energy goals. However, it does not require them to use LEAD.

Art Madrid said since the report found significant financial benefit from the pilot program, the EWG could write a letters to the city managers and mayors of all eighteen cities, asking them to participate in a workshop.

Bill Reed said that we should be creating a comprehensive blue print for what can be done at a city. Henry Abarbanel has been leading an effort to get more resources for the EWG and this is what those resources should be devoted to; helping every jurisdiction in the county to staff these efforts. We could develop a model sustainable cities approach from this pilot effort and make San Diego a poster county for the state.

Henry Abarbanel suggested volunteering a subcommittee that would come to the next EWG meeting with an action plan to advertise this program to other cities. He requested that the following people be on the subcommittee and work with Susan Freedman at SDREO: Steve Castaneda, Tom Blair, Bill Reed, Art Madrid, and Dave Weil. He asked that they come back with an action plan on March 23 that we can carry out, including how much resources we need to bring this to various cities in San Diego. The volunteer subcommittee agreed.

## **5. Subcommittee Reports**

### **A) Policy Subcommittee**

Alan Ball updated the EWG on the policy subcommittee's activities. Earlier today, he spoke with Commissioner Bond and his chief of staff, Bob Lane, at a small business conference. Mr. Ball asked that they be added to the EWG distribution list. Mr. Ball reviewed the proposed SANDAG Workshop Schedule. He also proposed two additional workshops: one on an update for the Sunrise Powerlink and the other on bus tour to the LNG plant in Baja.

Henry Abarbanel elaborated on the proposed Distributive Generation workshop at the SANDAG Board of Directors meeting on Friday, April 14, 2006 from 9 a.m. to 11 a.m. He asked that EWG members participate in the Workshop to answer questions the Board may have.

Mr. Ball said that the "Transmission-Sunrise Powerlink" workshop would focus on transmission, only using the Powerlink as an example of one viable solution to the transmission problem. The "Show me the money" workshop will focus on determining on what money is out there; the Legislative Workshop is firmly scheduled for October and will become an annual event. Mr. Ball suggested adding two additional workshops after listening to today's discussions: first is Public Fund Sources Workshop to determine what funds are available to public agencies for projects, and second, a LEAD workshop. The next meeting policy subcommittee will be March 15, 2006.

### **B) Resources Subcommittee**

Steve Hoffman updated the EWG on the Resource Subcommittees latest activities. The subcommittee is trying to attain a cost-benefit analysis of the different resource options that SDG&E is considering for its long-term resource plan. To judge what is appropriate in the community, the subcommittee has to be able to quantify the attributes of these resources. This is a very complicated challenge for volunteers who do not have the right technical background to do this. We have hired a contractor to help us model the outcome of our research. In order to have a constructive dialogue, we would like to have the discussion hosted in a resource subcommittee environment. The discussion will have different elements: the need, the review of the different options, and the different alternatives. This will take us at least four months. The Subcommittee intends to use the RES Guiding Principles to evaluate the Sunrise Powerlink. The Working Group debated the Guiding Principles in relation to the Sunrise Powerlink. SDG&E will hold public workshops on March 20 to discuss their routes and alternatives. One will be in Ramona from 4 p.m. to 6 p.m. and one in Rancho Penasquitos from 9:30 a.m. -12:30 p.m.

## **6. Meeting with California Energy Commission**

EWG Co-Chairs met with CEC Executive Director earlier this month regarding funding for the EWG and implementation of EWG's policy priorities. Art Madrid discussed the CEC meeting. He asked the CEC for \$750,000 grant money for five years. While the CEC does not have \$750,000, it has \$250,000, which could be allocated to a worthy project. Mr. Abarbanel suggested to the CEC that we, as a

region, are not going to Sacramento with cap in hand. We will generate at least 20% of that \$750,000 from within the region. Mr. Madrid outlined one strategy. SANDAG has not had a fee or due increase for jurisdictions in five years, and that may be one source of revenue from the region.

Mr. Abarbanel said while the CEC does not immediately have a check to write, they probably have money in various sources from which they could write checks. One result of the Co-Chairs' experience in Sacramento is that it became clear that we were not going to get long-term funding for our region in energy planning through legislation. If we try that, other counties in the state would want energy funding as well. We are proposing a five-year pilot program that proposes to work on three fronts. One is on local government front, second is working on implementation through SDREO, and finally to work with EPIC. Mr. Abarbanel reviewed a draft of the Report on the SANDAG Regional Energy Planning Program.

Bob Leiter explained that we are creating a consortium that includes SANDAG. One of the roles that the EWG could play is to advise the consortium on legal research issues and on implementation issues. A management team would also be set up on this MOU. From SANDAG's point of view, this structure would work very well. This consortium gives us more status and credibility at the state level because we have an organization that has multiple capabilities and that can speak for the region on a number of different energy issues.

Irene Stillings stated that SDREO supported the idea of a consortium since the beginning. At SDREO, a program that is focused on public agencies and non-profits could cover some of the necessary funding. At SDREO, every dollar that comes into the organization is already allocated, so SDREO does not have extra money to donate to things like this.

Bill Reed had three comments. First, at the bottom of page 3, there is a typo; the dollar amount should read "\$750,000 to \$900,000" instead of "\$7,500,000 to \$900,000." Second, Mr. Reed believes that the key to what we are discussing are the six items on page 3. The EWG is talking about creating an ad hoc subcommittee to get into item four, "Sustainable Communities." We could spend much of our money on sustainable communities, which could be a magnet for getting organizations like the CEC to give funding to San Diego. My ambition for the ad hoc committee is to make this the magnet that gets funding. Third, the last paragraph on page 4 is inappropriate. Mr. Reed disagrees with the idea of a special intervention role for the consortium. The PUC is required to make its decisions based on evidence of record, and therefore requires intervention. Mr. Reed thinks that this paragraph is a legal matter and recommends its removal.

Scott Anders said EPIC has concerns about the way the consortium is structured. Mr. Anders is concerned that the organizational structure of having the EWG and a separate consortium is confusing, especially when viewed from the outside. Scott Anders sees the consortium as an unnecessary appendage to an already unwieldy group.

Steve Hoffman agreed with Bill Reed's point as our role as intervener. It will be difficult for this group to have an adequate consensus so that we can represent a precise point at a proceeding. He would support eliminating the paragraph from the plan.

Marty Hunter said he would like to see a budget. Bob Leiter said that SANDAG's budget is estimated at \$392,000, which includes a full time staff position, existing staff time, and some consulting fees. The numbers are estimates and need to be finalized.

Alan Ball said he thinks that the last paragraph should stay. In addition, he said the idea of other counties wanting funding for the energy field should not be a problem. If the other counties want energy funding, then let them attain it.

Tom Blair said the CPUC only recognizes those who intervene in the proceedings. Until you get to that intervention spot, we will have very little impact.

Henry Abarbanel said he sees Allan Ball's point that we do not want to remove the possibility that we intervene at proceedings at the CPUC. However, Mr. Abarbanel said we could eliminate that last paragraph and still intervene.

Bob Leiter agreed saying we could remove that last paragraph and it does not diminish the potential that this group would choose to become an intervener.

Bob Leiter suggested that SANDAG staff bring back a revised draft at the next meeting so the EWG can have another look at it. Staff would present this at the special Policy Board meeting scheduled for April 14, at which time the EWG and the RCP would be invited to meet directly with the Board of Directors. The EWG agreed.

Alan Ball expressed concern that a lot of power is being given to EPIC, and Mr. Ball is not convinced that they deserve that much power. The Working Group debated the role of EPIC and the purpose of the consortium.

## **7. Coastal Power Resolution**

Patti Krebs presented this item. On February 9, 2006 the State Lands Commission deferred consideration of a resolution supporting the elimination of once through cooling in California power generating facilities. This will be addressed in April and could affect three plants in San Diego County, creating significant impacts on the region's energy generation. Through this resolution, the Lands Commission is not considering the impact to energy generation or unintended environmental consequences of shifting the power generation from coastal cooling to dry cooling. Patti Krebs is asking the EWG to adopt a statement urging that this is an important resolution and should be decided in collaboration with the CEC to look at the broader perspective of this resolution, rather than by the Lands Commission alone.

Rebecca Pearl announced that she has a letter, which she is able to email to interested members, from thirty state and local organizations that support the State Lands Commission's resolution against once through cooling. Environmental organizations are very much in support of this resolution and they do not agree that dry cooling is worse than once through cooling.

Alan Ball said this is fundamentally a policy issue. Should the State Lands Commission be empowered to make decisions of this magnitude without collaborating with the other agencies?

Motion: Henry Abarbanel made a motion to ask the SANDAG Board of Directors to send a letter to the State Lands Commission supporting IEA's position, which urges the State Lands Commission to work collaboratively with the California Energy Commission and CPUC when considering important energy and environmental decisions.

A member added that San Onofre Nuclear Plant has been identified as a significant coastal impact. The Coastal Commission required SDG&E and Southern California Edison to fund \$150 million in mitigation. It seems that it is not just the State Lands operating independent of the CEC, but it is other state agencies as well.

Art Madrid clarified the motion. This letter is not taking a position, it is just asking for a broader group of people to make an informed decision. The EWG is not supporting a side, but rather, it is just asking that other agencies are included in the decision.

Rebecca Pearl stated this insinuates that we do not believe in switching to dry cooling. This is why the Environmental Health Coalition cannot support this letter.

The motion passed, with Rebecca Pearl opposed.

#### **8. California Solar Initiative**

Due to time constraints, this agenda item was moved to the next EWG meeting.

#### **9. Adjourn**

Henry Abarbanel adjourned the meeting. The next EWG meeting will be on March 23, 2006 from 11:30 a.m. to 2 p.m. at SANDAG.



## California Solar Initiative

January 25, 2006

The California Public Utilities Commission (CPUC) approved the California Solar Initiative on January 12, 2006 by a vote of 3-1. The Commission received over 50,000 letters in support of the CSI. The following are some details of the decision.

### What it does:

The California Solar Initiative (CSI) provides \$2.9 billion in incentives between 2007 and 2017, divided as follows:

1. The California Public Utilities Commission (PUC) will oversee a \$2.5 billion program for commercial and existing residential customers, funded through revenues and collected from gas and electric utility distribution rates.
2. The California Energy Commission (CEC) will manage \$350 million targeted for new residential building construction, utilizing funds already allocated to the CEC to foster renewable projects between 2007 and 2011.

### Specifically, the CSI will:

- Provide incentives to customer-side photovoltaics (PV) and solar thermal electric projects under 1 MW capacity.
- Authorize a pilot solar water heater (SWH) incentive program for customers of San Diego Gas and Electric Company. If successful, the PUC could offer SWH incentives statewide. **The San Diego Regional Energy Office is to develop and implement this program.**
- Set initial PV incentive levels at \$2.80 per watt effective Jan. 1, 2006, to be reduced by an average of approximately 10 percent annually. Incentive levels for solar thermal electric projects and solar heating and cooling will be determined in 2006.
- Allocate 10 percent of program funds for low-income and affordable housing.
- Develop a pay-for-performance incentive structure to reward high-performing solar projects.

### Additional statements on CSI Implementation-Administration:

- Third party administration of the program by one or more nonprofit organizations, initially for the residential retrofit market, will most likely to accomplish CPUC objectives and will not compromise utility operations.
- Current SGIP Administrators, including SDREO, will administer the CSI Commercial program at least initially.
- The SGIP Working Group would not be an appropriate agent for overseeing the CSI.

- The CSI will be coordinated with energy efficiency, advanced metering, demand response, and building standards programs at the energy agencies.

## Cost and Rate Impact of the CSI

The estimated average cost to a residential electric customer will be approximately \$12 a year; the average residential natural gas cost will be \$1.40 per year. However, the total impact on a residential customer's monthly bill is expected to be minimal in most cases, because the cost of this program will be largely offset by the expiration, at the end of 2007, of a surcharge on utility bills to repay rate reduction bonds authorized in 1996 for electric sector restructuring. Industrial rate impact is much higher.

## Transition Year for 2006

The agencies' existing solar programs will be consolidated into the CSI by Jan. 1, 2007.

The PUC Self Generation Incentive Program (SGIP) funding and technology categories for 2006 will be modified as follows:

	Budget by IOU Service Territory				Total
	PG&E	SCE	SDG&E/ SDREO	SoCalGas	
Admin/M&E	\$19.20	\$13.45	\$5.45	\$4.40	\$42.50
Level 1 – Solar	\$136.80	\$101.55	\$39.75	\$29.40	\$307.50
Level 2- Other Renewables	\$18.00	\$9.75	\$4.65	\$5.10	\$37.50
Level 3- Non-Renewable	\$18.00	\$9.75	\$4.65	\$5.10	\$37.50
Total Budget	\$192.00	\$134.50	\$54.50	\$44.00	\$425.00

The CEC Emerging Renewables Program will provide incentives for residential and small commercial solar projects through 2006. After 2006, the CEC will focus on residential new construction as part of the CSI.

SENATE BILL

No. 1539

**EWG Policy Subcommittee Version**  
**Introduced by Senator Kehoe**

February 23, 2006

An act to add Section 379.9 to the Public Utilities Code, relating to energy resources.

Legislative Counsel's Digest

SB 1539, as introduced, Kehoe. San Diego Association of Governments Energy Working Group.

Under existing law, the Public Utilities Commission (C~~e~~ommission) has regulatory authority over public utilities and is authorized to establish its own procedures, subject to statutory limitations or directions and constitutional requirements. ~~The existing Public Utilities Act provides compensation for reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs to public utility customers for participation or intervention in any proceeding of the commission based, in part, upon whether the intervenor would experience significant financial hardship. The State Energy Resources Conservation and Development Commission (Energy Commission) role includes overseeing funding programs that support public interest energy research; advance energy science and technology through research, development and demonstration (RD&D); and provide market support to existing, new and emerging renewable technologies. In 2003, the Energy Commission adopted the Energy Action Plan that establishes a preferred "loading order" for new energy resources for California~~

This bill would state the intent of the Legislature that the C~~e~~ommission and the ~~State Energy Resources Conservation and Development Commission~~ (Energy Commission) consider allocating existing funds ~~to reimburse for~~ the San Diego Association of Governments (SANDAG) ~~Energy Working Group for certain costs incurred by working group to in~~ be involved in review, analysis, and supportive implementation by regional stakeholders of specified ~~proceedings activities~~ of the C~~e~~ommission, the Energy Commission, and ~~the working group, and c~~certain other energy-related activities supportive of State goals in energy policy. The bill would make related legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 379.9 is added to the Public Utilities Code to read:

379.9.

(a) As used in this section:

(1) "Energy Commission" means the State Energy Resources Conservation and Development Commission.

(2) "~~Working group~~SANDAG" means the San Diego Association of Governments and its Energy Working Group.

(3) "SDREO" means the San Diego Regional Energy Office.

(4) "Commission" means the California Public Utilities Commission.

(5) "PartnershipCoalition" means the collaboration betweenamong SANDAG and other entities within the San Diego region, including but not limited to SDREO, which has been establishedand SDREO that both parties agree to sponsor to implement the San Diego Regional Energy Strategy as adopted by the SANDAG Board of Directors in 2003.

(6) "Sustainable Communities" means a program that assists local governments to analyze energy efficiency, demand response, and distributed generation measures, and to develop an implementation plan that will enable them to maximize the benefits of these measures.

(b) The Legislature finds and declares all of the following:

(1) The purpose of this section is to encourage the Cecommission and the Energy Commission to enable and facilitate the review and analysis by regional stakeholders through ~~the working group~~SANDAG and/or the PartnershipCoalition in any ~~proceeding~~processes of the Cecommission or the Energy Commission.

(2) The involvement of ~~working group~~SANDAG and/or the PartnershipCoalition in ~~proceedings~~ Commission or Energy Commission processes should be promoted and encouraged where that review and analysis by regional stakeholders substantially contributes to orders and decisions of the Cecommission or the Energy Commission and that involvement is in the public interest.

(3) The Legislature encourages the review and analysis by regional stakeholders through ~~the working group~~SANDAG and/or the PartnershipCoalition in state policymaking processes.

(c) It is the intent of the Legislature that all of the following should occur:

(1) The Energy Commission and the Commission and other state agencies should consider allocating existing funds to ~~reimburse the working group~~SANDAG and/or the CoalitionPartnership

~~for these costs the working group incurs in to~~ be actively involved ~~ing~~ in, but not limited to, all of the following ~~proceedings~~:

(A) The Integrated Energy Policy Report of the State Energy Resources Conservation and Development Commission pursuant to Section 25302 of the Public Resources Code.

(B) The ~~S~~state Energy Action Plan II.

(C) The improvement of energy security and resource enhancement through in-region distributed generation.

~~(2D)~~ The development of the ~~Commission should reimburse~~ ~~allocate funds to the working group SANDAG and/or the Partnership from existing funds for the costs incurred by the working group to work with SDG&E in the~~ Long Term Resources Plan mandated by the Commission (Rulemaking No. 04-04-003) to the San Diego Gas & Electric Company.

~~(32)~~ The Commission and the Energy Commission should consider ~~allocating~~ existing funds to support regional planning and the implementation of energy-related policy by ~~the working group SANDAG and/or the Partnership Coalition~~ to achieve regional energy goals and optimize the social, economic, and environmental impacts of essential energy infrastructure not required of investor-owned utilities, including, but not limited to, all of the following:

(A) Transportation fuels (in SANDAG's role as transportation planning agency, identify strategies to reduce fuel consumption rate through transportation and use choices and transportation mode choices).

(B) Transportation corridors (identify strategies to utilize long-range transportation planning processes to plan for co-location of utility infrastructure).

(C) International Border issues related to energy policy.

(D) Implementation of the energy goals of the state.

(E) Creation of a model "Sustainable Communities" program for the San Diego region (to assist local governments to analyze and implement energy efficiency measures, demand response, and distributed generation).

~~(43)~~ The Commission and Energy Commission should consider ~~allocating~~ existing funds to ~~reimburse the working group SANDAG and/or the Partnership Coalition for the costs of~~ the use of subject matter experts, including, but not limited to, SANDAG, the San Diego Regional Energy Office SDREO, or other experts deemed necessary to ~~and the Energy Policy Initiative Center, to~~ provide assistance and education to ~~the working group SANDAG~~ in development and implementation of energy management plans to advise local governments in the effective implementation of renewable energy projects, green building options, and energy efficiency. The plans should also include funding initiatives to facilitate the implementation of the loading order that is included in the Energy Action Plan II.

**SENATE BILL**

**No. 1539**

**SDG&E VERSION**  
**Introduced by Senator Kehoe**

February 23, 2006

An act to add Section (XXX) to the Public Resources Code, relating to energy resources.

Legislative Counsel's Digest

SB 1539, as introduced, Kehoe. San Diego Association of Governments Energy Working Group.

Under existing law, The State Energy Resources Conservation and Development Commission (Energy Commission) role includes overseeing funding programs that support public interest energy research; advance energy science and technology through research, development and demonstration (RD&D); and provide market support to existing, new and emerging renewable technologies. In 2003, the Energy Commission adopted the Energy Action Plan that establishes a preferred "loading order" for new energy resources for California

This bill would state the intent of the Legislature that the Energy Commission consider allocating existing funds for the San Diego Association of Governments (SANDAG) for the purpose of regional planning of essential energy infrastructure in areas where investor-owned utilities are not planning, and collaboratively developing a "Sustainable Communities" program or similar collaborative programs relating to energy efficiency, demand response, and distributed generation measures, and to develop an implementation plan that will enable them to maximize the benefits of these measures. The bill would make related legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follow:*

SECTION 1. Section 379.9 is added to the Public Resources Code to read:

379.9.

(a) As used in this section:

(1) "Energy Commission" means the State Energy Resources Conservation and Development Commission.

(2) "SANDAG" means the San Diego Association of Governments and its Energy Working Group.

(3) "SDREO" means the San Diego Regional Energy Office.

(4) "SDG&E" means San Diego Gas & Electric Company.

(5) "Coalition" means the collaboration among SANDAG and other entities within the San Diego region, including but not limited to SDREO and SDG&E, which has been established to implement the San Diego Regional Energy Strategy as adopted by the SANDAG Board of Directors in 2003.

(6) "Sustainable Communities" means a program that assists local governments to analyze energy efficiency, demand response, and distributed generation measures, and to develop an implementation plan that will enable them to maximize the benefits of these measures.

(b) The Legislature finds and declares all of the following:

(1) The Energy Commission should be encouraged to enable collaboration among members of the Coalition in planning and developing a "Sustainable Communities" program and similar jointly agreed-to activities that assist local governments and SDG&E in collaboratively analyzing energy efficiency, demand response, and distributed generation measures, and developing an implementation plan that will enable them to maximize the benefits of these measures.

(2) The Energy commission should be encouraged to enable SANDAG to engage in essential energy infrastructure planning in areas where investor-owned utilities are not engaged in such planning.

(c) It is the intent of the Legislature that all of the following should occur:

(1) The Energy Commission should consider allocating existing funds to SANDAG and/or the Coalition to be actively involved in essential energy infrastructure planning not required of investor-owned utilities, including, but not limited to, all of the following:

(A) Transportation fuels (in SANDAG's role as transportation planning agency, identify strategies to reduce fuel consumption rate through transportation and use choices and transportation mode choices).

(B) Transportation corridors (identify strategies to utilize long-range transportation planning processes to plan for co-location of utility infrastructure).

(2) The Energy Commission should consider allocating existing funds to SANDAG and/or the Coalition for the creation of a model "Sustainable Communities" program for the San Diego region and the jointly agreed-to use of subject matter experts to provide assistance and education to other collaborative, jointly agreed-to Coalition projects relating to renewable energy, green building options, demand reduction and energy efficiency measures.

REPORT ON  
SANDAG REGIONAL ENERGY PLANNING PROGRAM  
Draft: 3/8/06-Revised

## INTRODUCTION

In December 2003, the SANDAG Board of Directors voted to establish a Regional Energy Planning Program, and to appoint an Energy Working Group to provide stakeholder input into the development and implementation of this program. The Energy Working Group, which reports through the Regional Planning Committee to the Board of Directors, was appointed in early 2004, and held its first meeting on March 22, 2004. The Regional Energy Planning Program is staffed by the SANDAG Department of Land Use and Transportation Planning, with support from the staff of the San Diego Regional Energy Office (SDREO).

In establishing the Regional Energy Planning Program, the Board of Directors determined that SANDAG should be responsible for:

- a. Energy planning, policy, consensus building, and implementation coordination;
- b. Unified legislative and regulatory advocacy with the state and federal governments;
- c. Coordination with adjacent areas in the State and in Baja California, Mexico; and
- d. Evaluation of Regional Energy Strategy implementation efforts in the region, and of SANDAG's effectiveness in fulfilling these responsibilities.

The purpose of this report is to provide an evaluation of the results of the SANDAG Regional Energy Program to date, as well as the effectiveness of SANDAG in fulfilling its responsibilities under this program. In addition, the report contains recommendations for improving the effectiveness of the program in the future, as well as recommendations regarding legislative actions that would improve its effectiveness, and proposed sources of funding for a longer-term regional energy program.

## BACKGROUND

On July 25, 2003, the SANDAG Board of Directors approved the Regional Energy Strategy (RES). At the same time, the Board referred the draft RES "Implementation Report," which recommended that an Energy Committee be established within SANDAG to implement the RES, to its Executive Committee for review.

On September 12, 2003, the Executive Committee voted to convene an "Energy Task Force;" designated its membership; and requested that it evaluate the feasibility of having SANDAG take responsibility for implementing the Regional Energy Strategy, along with identifying possible funding. Ramona Finnila was appointed Chair, and Jerry Jones was appointed Vice Chair, of the Task Force.

Between October 9 and December 1, 2003, the Energy Task Force held five meetings, with staff support being provided by SANDAG Department of Land Use and Transportation Planning. At its final meeting, the Task Force voted to recommend that SANDAG assume responsibility for coordination of implementation of the Regional Energy Strategy, and establish an Energy Working

Group to advise the Regional Planning Committee. The Task Force recommendation also addressed funding requirements for the Regional Energy Planning Program. As noted in the introduction, in December 2003 the Board of Directors followed the recommendations of the Energy Task Force in approving the establishment of the Regional Energy Planning Program, and creating the Energy Working Group.

#### PROGRAM EVALUATION

Since its first meeting in March 2004, the Energy Working Group has met on a monthly basis, and has established subcommittees which have met on at least a monthly basis. In addition, the EWG has held several topic-specific workshops and two annual retreats, at which it has reviewed the accomplishments of the previous year, and has set priorities for the coming year. The most recent retreat was held in September 2005, and resulted in the attached list of accomplishments (Attachment 1). In addition, the 2005 EWG Retreat resulted in setting priorities for EWG activities as reflected in Attachment 2. The major focus of activities during the current year has been working with San Diego Gas and Electric (SDG&E) to prepare a Long Term Resource Plan as required by the California Public Utilities Commission (CPUC).

In looking at the longer term future of the Regional Energy Planning Program, EWG co-chairs Henry Abarbanel and Art Madrid have held meetings with a variety of stakeholders over the past several months, including the executive directors of the CPUC and California Energy Commission (CEC), as well as several commissioners and State legislators. From these meetings and discussions with members of the Energy Working Group and staff from SANDAG and SDREO, the following conclusions have been reached:

- a. Overall, SANDAG's Regional Energy Planning Program, with the guidance and high level of participation provided by the Energy Working Group, has proven to be an effective program that is meeting many of the objectives laid out by the Board of Directors when the program was created in December 2003. However, the limited staff and consulting resources available to support the program have severely restricted the types and number of issues that the program has been able to address.
- b. The San Diego Regional Energy Office (SDREO) has provided significant staff support in the areas of energy policy education, research and analysis to the Regional Energy Planning Program since its inception. Additional resources will enable SDREO to expand its current role providing energy planning and program implementation.

#### PROPOSED PROGRAM DESIGN

The Energy Working Group believes that the Regional Energy Planning Program has been effective in meeting many of the objectives set forth by the Board of Directors when the program was created. However, the EWG also believes that the lack of adequate resources has limited its effectiveness, and that the program could be more effective in the future if additional resources were made available. At the same time, it is recognized that SDREO could provide significant additional capabilities to an expanded "Regional Energy Planning and Loading Order Implementation Program" that would include not only regional energy planning, but also would provide a mechanism for coordinating regional energy implementation programs and energy policy research within a unified framework.

The proposed partnership of SANDAG and SDREO, would be responsible for continuing the regional energy planning activities currently being undertaken at SANDAG through the Energy Working Group, within the framework of the Regional Comprehensive Plan and Regional Energy Strategy, while at the same time coordinating with energy program implementation. Specific areas of focus of an expanded program would include:

1. Direct and effective outreach through SANDAG members and their constituents with energy-related issues.
2. Consideration of energy issues related to the use of transportation fuels and transportation activities in development of regularly updated Regional Transportation Plans and how energy utility facilities (i.e. transmission lines) potentially could be integrated into regional transportation facilities.
3. Consideration of "border energy issues" as an important factor in regional energy supply and distribution. This includes both binational energy issues with Mexico, and also interregional energy issues with our neighboring counties of Orange, Imperial and Riverside, as well as the 17 tribal nations in the San Diego region.
4. Create a "Sustainable Communities" blueprint to enable local jurisdictions to maximize implementation of the states loading order through implementation of energy efficiency measures, demand response capabilities, and distributed generation applications. The local jurisdictions could utilize tools available at SANDAG (PLACE3S model) to help demonstrate to developers the implications of integrating these measures into new development.

In addition, the participating jurisdictions could aggregate purchasing power for goals of the loading order. Through the coordination of local governments (through SANDAG) and SDREO, the proposed partnership could develop mass purchasing groupings to bargain for preferred pricing on energy efficiency, demand reduction, and distributed generation (including renewables) hardware and installations.

5. Developing an updated Regional Energy Strategy that is fully integrated with SANDAG's Regional Comprehensive Plan, including its Integrated Regional Infrastructure Strategy, which links regional infrastructure planning and investments to regional land use and transportation plans.
6. Participation in legislative and regulatory processes and proceedings on projects and issues within the scope of interest of the partnership.

The partnership is described below and would be organized as shown in Attachment 3.

The Regional Energy Partnership could be established via a Memorandum of Understanding (MOU) between SANDAG and SDREO. The partnership would be dynamic in that SANDAG and SDREO would comprise the foundation and would utilize the expertise of other regional energy stakeholders as specific projects or programs warranted. As such, the MOU would outline the purpose of forming such a partnership and the responsibilities of each entity. The partnership would be managed by a "management team" with representatives from SANDAG and SDREO. The

partnership could provide recommendations to the Energy Working Group and up through the SANDAG committee structure.

To provide the staffing and other resources needed for the planning and implementation processes discussed here, it has been estimated that \$750,000 to \$900,000 per year would be needed. Specifically, SANDAG, in its draft FY 07 Overall Work Program / Budget, has estimated that funding of SANDAG's portion of such a program would cost approximately \$400,000 during the next year.

**POSSIBLE FUNDING SOURCES**

Each of the participating organizations not only brings specific capabilities in the areas of energy planning and program implementation, but also has access to specific sources of funding. Possible funding sources include:

<b>Local Sources</b>	<b>Potential Annual Contribution</b>
San Diego Gas and Electric contribution	\$100,000
Other private sector contributions (which could be coordinated through Regional Chamber of Commerce)	\$50,000
SANDAG Transportation Planning funds / member assessments	\$100,000
<b>Sub Total</b>	<b>\$250,000</b>

<b>State Sources</b>	<b>Potential Annual Contribution</b>
California Energy Commission	\$500,000 - 750,000
Other State Agencies	\$250,000
<b>Sub Total</b>	<b>\$750,000 - 1,000,000</b>
<b>Grand Total</b>	<b>\$1,000,000 - \$1,250,000</b>

**POSSIBLE LEGISLATIVE ACTIONS**

It is possible that a regional energy partnership as described above could be established under existing law through a memorandum of understanding among the participating organizations. However, it may be advantageous to request State legislation that would set forth the State's interest in establishing this program as a "pilot project" for a fixed period of time (say five years), in order to evaluate its effectiveness in providing input to the State in its energy planning and regulatory activities. Such legislation could also reinforce the connection between this program and SANDAG's Regional Comprehensive Plan, the parameters for which were set forth in legislation sponsored by State Senator Kehoe, and which is now recognized as a model for "regional blueprint planning" at the State level. Such legislation could facilitate SANDAG's ability to obtain additional energy planning funds through regional blueprint planning grant programs and other similar state and federal grant programs that may become available in the future.

# 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
4. Leadership (tied with Planning)
6. Innovation
7. Consensus building

#### **3.2 Full list of EWG Roles**

- |                |   |              |   |
|----------------|---|--------------|---|
| • Advocacy     | 8 | • Conscience | 0 |
| • Integration  | 0 | • Education  | 2 |
| • Coordination | 6 | • Planning   | 5 |
| • Activism     | 0 | • Innovation | 4 |

- |                         |   |                        |    |
|-------------------------|---|------------------------|----|
| • Analysis              | 1 | • Policy development   | 10 |
| • Consensus building    | 3 | • Fundraising          | 0  |
| • Confrontation         | 0 | • Leadership incubator | 5  |
| • Energy risk reduction | 1 |                        |    |

## 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.

- San Diego County Regional Airport Authority (SDCRAA)
- Economic Development Corporations (EDCs)
- Tribal
- Air quality
- Riverside County
- Orange County
- Imperial County

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

### **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 SUBCMT) 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 SUBCMTS) 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.*

## **SAVE THE DATE!**

The SANDAG Energy Working Group (EWG) is pleased to host a workshop on local distributed energy solutions on April 14. Distributed generation is an integral component of our Regional Energy Strategy as well as statewide energy policy. While these systems, like combined heat and power and fuel cells, are being used today, there are technological, regulatory, and institutional barriers that interfere with broader use.

This educational and information-gathering workshop will provide an overview of state and local policies promoting distributed generation, discuss current legislative and regulatory initiatives, and identify obstacles to successful deployment locally.

This workshop immediately follows the April SANDAG Policy Board Meeting, which will focus on SANDAG's future energy planning efforts and the EWG. The Board meeting will begin at 10 a.m. and be followed by the distributed energy technologies workshop. These events are open to the general public and free of charge. For more information and to **RSVP**, contact Susan Freedman at: [sfr@sandag.org](mailto:sfr@sandag.org).

**Date:** Friday, April 14, 2006

**Times:** Policy Board Meeting: 10 a.m. to noon.  
Distributed Energy Workshop: 12:30 p.m. to 3 p.m.

**Location:** SANDAG Board Room, 7<sup>th</sup> Floor, 401 B Street, San Diego

## Proposed SANDAG EWG Workshop Schedule

Topic	Date	Comments
Distributed Generation	April 14, 2006	Coordinate with SANDAG Board of Directors meeting (9a-11a)
Bus Tour of Potential Transmission Routes	April/May TBD*	Coordinate with SDG&E and IID
Natural Gas and LNG	Late May 2006	Cost of gas and implications on regional energy mix. Sempra, Coral Energy, CalCASE.
In Region Generation	Late June 2006	Local Renewables and Repowering options. Coordinate with South Bay, Encina, Cities of Chula Vista, Carlsbad, SDG&E
Transmission	July 2006	Coordinate with SDG&E, UCAN, ISO, CPUC Div. of Ratepayer Advocates
Legislative Workshop	October 2006	Coordinate w/ Senate/Assembly schedules. Propose EWG policy priorities for 2007.
California Solar Initiative	January 2007	Overview of new 10-year program, beginning Jan. 1, 2007.
Tracking State Funding	February/March 2007	Keeping San Diego's contribution to PGC and other funds in the region. Invite CEC PIER staff.

Note: SDREO will host a Nuclear Power Issues Workshop, to be held May 12, 2006.  
3/23/06



**Energy Saving Pilot Program for Local Cities**

*Summary Report & Recommendations*

SANDAG Energy Working Group  
February 23, 2006

San Diego REGIONAL ENERGY OFFICE

**Overview**

- ▼ Pilot Project to help local governments reduce energy use, save on their utility bills, and promote conservation.
- ▼ SANDAG role to serve as liaison/act as conduit to cities achieving energy goals through existing energy programs.
- ▼ Target small/mid-size city w/minimal participation in EE programs.

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**Pilot Actions**

- ▼ Develop comprehensive energy strategy
  - ▼ Target 3 components:
    - 1) Existing Buildings
    - 2) New Construction
    - 3) Policy Measures
- ▼ Coordinate meetings between city staff and relevant energy program staff at SDREO & SDG&E
- ▼ Facilitate city entry and progress through variety of programs

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**SANDAG selected City of Carlsbad**

- ▼ Strong Commitment to Energy
  - ▼ Supportive City Manager
  - ▼ City Council Strategic Goals Include Alternative Energy
- ▼ Sufficient Staff to Execute Projects
- ▼ Numerous Potential Projects
- ▼ Financing Capability

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**Pilot Team**

Name	Organization	Role
Henry Abarbanel	EWG	SANDAG EWG Co-Chair
Susan Freedman	SDREO	Pilot Facilitator on behalf of SANDAG EWG
Joe Garuba	Carlsbad	Senior Management Analyst, City Manager Office
Pat Kelley	Carlsbad	Building and Code Enforcement Manager
Courtney Enriquez	Carlsbad	City Manager Office
Greg Clavier	Carlsbad	Facilities Superintendent, Public Works
Rob Houston	Carlsbad	Management Analyst, Public Works
Annika Moman	SDREO	Local government program lead
Ben Erpelding	SDREO	Energy audits lead
Dave Gordon	SDREO	Technical assistance program lead
Steve Kapp	SDREO	Green building program lead
Jason Knight	SDREO	Local government program lead
Tony Quance	SDG&E	SDG&E commercial programs lead
Cyril Rohl	SDG&E	Account executive for Carlsbad
Guy Hansen	SDG&E	SDG&E Demand Response Programs
Don Parent	SDG&E	Regional public affairs
Julie Ricks	SDG&E	New construction program lead
Sandra Williams	SDG&E	SDG&E commercial programs lead**

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**Carlsbad Activities**

- ▼ Existing Buildings
  - ▼ 9 buildings audited, 32 energy-saving recommendations identified
  - ▼ If implemented, city will save ~\$193,000 per year on utility bills

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### Existing Buildings: Energy Projects Underway

- ▼ City has 6 energy projects underway through 2 rebate programs
  - ▼ First 3 projects have qualified for ~\$75,000 in incentives and could save \$43,000 annually on utility bills.
    - (Stagecoach, Safety Center, Cole Library)
  - ▼ Second 3 projects (smaller) qualified for ~\$10,000 in rebates toward \$24,000 total project costs. Could annually save \$7,000.
    - (Senior Center, Civic Center, Water District)

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7

### New Construction Activities

- ▼ Pilot team met to discuss near-term and mid-term construction plans.
- ▼ SDG&E Savings by Design took project lead and evaluated new construction plans
- ▼ 2 sets of plans assessed: Library Learning Center and Fire Station No.6

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8

### New Construction Activities

- ▼ Library Learning Center
  - ▼ "As-Designed" 14% above T-24
  - ▼ Lighting upgrades identified
  - ▼ SBD recommendations increase bldg performance to 16% above T-24 (code)
  - ▼ Qualified city for extra \$1,000 in incentives (\$4K)
- ▼ Fire Station No.6
  - ▼ "As Designed" 25% above T-24
  - ▼ SBD recommendations up performance to 28% above code
  - ▼ Qualified city for \$1,700 owner incentives & \$600 in design team incentives

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9

### Policy Activities for Carlsbad

- ▼ Engaged City Council
- ▼ Soft policy: Carlsbad held internal staff meeting to inform staff of importance of working with Pilot team and that it fit with city council goals
- ▼ City drafted resolution for council adoption
  - ▼ Purchase of Energy Star products
  - ▼ Building Design to be 25% above code
- ▼ Model energy management plan provided by SDREO

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10

### Additional Pilot Activities

- ▼ City of Vista
  - ▼ Audited 10 city buildings, 35 energy conservation recommendations identified
  - ▼ If implemented, could save \$20,000/yr on electric bill
  - ▼ Implementation cost after incentives ~\$60,000
- ▼ City of Poway
  - ▼ Held meetings with facilities' manager
  - ▼ Eager to take part, staff & resource constrained
  - ▼ Plan to participate in EE programs in 2006

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11

### Recommendations

- ▼ Until dedicated staff resources made available, EWG should not expand Pilot
- ▼ EWG could serve as conduit to SDREO and SDG&E programs
  - ▼ City Council Presentations
  - ▼ City Managers Presentations
  - ▼ Press Releases
  - ▼ Letter to Cities
- ▼ Increase marketing component of Pilot and EWG activities

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12

## Recommendations

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- ▼ City specific
  - ▼ Local governments should have all their accounts set up on Energy Waves
  - ▼ Educate SDG&E account executives on outcomes of this Pilot and new 2006 energy-saving programs available from all implementers to aid cities
- ▼ SANDAG (co) host biannual workshops on energy-saving programs available to local governments

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13

## Resources for 2006-2008 include...

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- ▼ SDREO's LEAP\* program—unique public agency component of SDG&E Bid Program
  - ▼ Technical assistance and incentives
- ▼ Peer to Peer training by Cities of San Diego, Chula Vista, and County of San Diego
  - ▼ Model ordinances and resolutions
  - ▼ Lessons learned on financing and procurement
- ▼ SDG&E Savings by Design, Demand Response Programs
  - ▼ Technical assistance and incentives for new construction

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14

## Next Steps on Pilot

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- ▼ Developed Draft Report for EWG
  - ▼ Under review by Pilot Team and Chairs first
- ▼ City of Carlsbad would like to address EWG regarding Pilot in March 23 meeting
- ▼ Possible Press Release
- ▼ After pilot materials reviewed, will provide members:
  - ▼ Summary Report
  - ▼ Resource Guide on Energy Management Planning
  - ▼ List of energy saving programs available in 2006-2008 for local governments

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15



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March 10, 2006

File Number 3003000

Honorable Steve Westly, Chair,  
and Members of the Commission  
California State Lands Commission  
100 Howe Avenue, Suite 100-South  
Sacramento, CA 95825-8202

Dear Chair Westly and Members of the Commission:

**SUBJECT: State Lands Commission Resolution to Ban Once-Through Cooling After 2020**

The San Diego Association of Governments (SANDAG) respectfully requests that the California State Lands Commission consult with the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) prior to approving a resolution to ban once-through cooling power plants after 2020.

SANDAG understands that the State Lands Commission will be considering a resolution to ban leases or extensions to existing leases on such power plants at its April 14, 2006, meeting. While SANDAG has not taken a position in favor or opposition to the proposal, we would like the CEC and CPUC to be included in your decision-making process to ensure that the timeline will not negatively impact the region's energy supply and regional reliability.

The CEC and CPUC are respectively addressing the state's electricity supply and demand needs by developing the Integrated Energy Policy Report and regulating utility long-term procurement, respectively. In addition, SANDAG has adopted a Regional Energy Strategy which includes a goal of achieving 75 percent of summer peak demand electricity generation from in-county sources by 2020. SANDAG understands that approximately 40 percent of the state's current power generation comes from coastal power and could be impacted by this resolution, so we hope that the State Lands Commission will collaborate with the CEC and CPUC in making its determination.

Thank you for your consideration of these comments.

Sincerely,

**MICKEY CAFAGNA**  
Chair, SANDAG Board of Directors

RR/dd

**MEMBER AGENCIES**

- Cities of
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- and
- County of San Diego

**ADVISORY MEMBERS**

- Imperial County
- California Department of Transportation
- Metropolitan Transit System
- North San Diego County Transit Development Board
- United States Department of Defense
- San Diego Unified Port District
- San Diego County Water Authority
- Mexico