MEETING NOTICE
AND AGENDA

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

Thursday, September 23, 2004

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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<th>ITEM #</th>
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<td>1.</td>
<td>Welcome and Introductions</td>
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| +2.    | **September 9, 2004 Meeting Summary**  
Attached is the summary from the September 9, 2004 Energy Working Group Meeting. Please review and provide any comments on the summary. | APPROVE |
| 3.     | **Comments and Communications**  
Anyone who wants to address the Energy Working Group on a topic not on the agenda should do so at this time. | COMMENT |
| 4.     | **California Energy Commission (CEC) Representatives and Coordination with the EWG**  
Chris Tooker, advisor to California Energy Commissioner John Geesman and Mike Smith, advisor to Commissioner James Boyd will update the EWG on issues facing the CEC and discuss how the EWG can coordinate with the CEC. | INFORMATION |
| +5.    | **Energy Working Group Final Work Plan**  
The EWG reviewed the draft work plan at the September 9, 2004 meeting. Minor modifications to the plan have been made and the EWG should consider approval of the work plan to guide future activities at EWG meetings. | APPROVE |
| 6.     | **World Renewable Energy Congress**  
Irene Stillings and Skip Fralick both attended the World Renewable Energy Congress in Denver, CO and will provide an overview of the conference. | INFORMATION |
7. **Reports from EWG Subcommittees**

   Energy Working Group Subcommittee chairs will report on issues addressed at their subcommittee meetings.

   **a) Public Policy**

   Staff will provide an overview of the PacifiCorp model for resource planning and discuss how some of these practices could be incorporated into the EWG’s work program for development of the Long Term Resource Plan.

   **b) Energy Resources – Supply**

   The Supply and Demand subcommittees have discussed their future work efforts and recommend merging into one Energy Resource Subcommittee to ensure coordination among the issues addressed in the currently separate subcommittees. In addition it would be a more efficient use of resources.

   **c) Energy Resources – Demand**

   A brief overview of the Renewable Resources Chapter of the LTRP will be provided to the EWG.

8. **Demand Response Filing**

   SDG&E representative will discuss this Demand Response proceeding at the CPUC as well as the schedule.

9. **Energy Clearinghouse Update**

   At the September 9, 2004 meeting, the EWG requested that SANDAG develop a clearinghouse of energy resources that could be used by SANDAG’s member agencies. Many existing resources have been identified and SANDAG is in the process of updating its website to accommodate access to these resources. A brief overview will be provided.

10. **Suggested Meeting Topics for Next Meeting and Comments by EWG Member**

    Energy Working Group Members should suggest items to be discussed at the next or future meetings as well as make any announcements.

11. **Adjourn**

    The next scheduled meeting date is October 28, 2004

+ next to an agenda item indicates an attachment.
September 15, 2004

To: Energy Working Group

From: SANDAG Staff

Subject: September 9, 2004 Meeting Summary

Members in Attendance:
Mayor Art Madrid, East Suburban Cities, Co-Chair
Councilmember Henry Abarbanel, North County Coastal, Co-Chair
Councilmember Bob Campbell, North County Inland
Scott Anders, San Diego Regional Energy Office
Councilmember Mary Salas, Southbay
Alan Ball, Qualcomm (Alternate)
Skip Fralick, Sierra Club
Steve Hoffmann, San Diego Regional Chamber of Commerce
Councilmember Jerry Jones, RPC Liaison
Bill Reed, San Diego Gas & Electric
D. Rick Van Schoik, SDSU - SCERP
Scott Willett, San Diego County Water Authority
Stephen Zolezzi, Food and Beverage Association

Others:
Tom Blair, City of San Diego
Susan Freedman, San Diego Regional Energy Office
Willie Gaters, City of Chula Vista
Julie Gelfat, IBEW, Local 569
Alexandra Hart, IBEW, Local 569
Kurt Kammerer, KJK&A
Michelle Mueller, SDG&E
Keri Smith, SDG&E
Daniel Sullivan, Sullivan Electric
Rob Rundle, SANDAG
Shelby Tucker, SANDAG
Kristin Green, SANDAG

1. Welcome and Introductions

Councilmember Henry Abarbanel welcomed everyone and self introductions followed.

2. July 22, 2004 Meeting Summary

Motion was made and carried to approve the Meeting Summary from the July 22, 2004 meeting.
3. Public Comment and Communications

There was no public comment or communication.

4. Reports from EWG Subcommittees

a) Public Policy Subcommittee

Alan Ball presented this item on behalf of the Public Policy subcommittee. The subcommittee has met twice since the last Energy Working Group (EWG) meeting, and has been studying the Long-Term Resource Plan (LTRP) that was submitted by SDG&E. The LTRP is being used as an informational source to gather background information that will be needed as the subcommittee works to develop a LTRP for submittal in 2006. Scott Anders and Irene Stillings of the San Diego Regional Energy Office have put together an overview and outline of SDG&E’s LTRP, this was passed out on a CD at today’s meeting and will give a brief summary of the LTRP. The subcommittee has also begun to look into some legislative and regulatory issues.

Alan then discusses the work that the sub-committee has been doing with the San Diego Regional Energy Office to develop a work plan. The group has identified three major tasks, the first of which is to form policy that will guide the development of a Long-Term Resource Plan. The second task will be to determine a criteria that will identify which legislative or regulatory issues should be reviewed and reported on. Members of the supply sub-committee have also participated in this process, which has been beneficial. The Policy subcommittee will have a lot of work to do, and it may be valuable to get some of the other subcommittees involved. As the workload of the policy subcommittee increases, there may need to be a discussion about membership and manpower.

b) Energy Resources – Supply

Scott Willett was the only member present to discuss this subcommittee. He was not in attendance at the last meeting, but recalled that it was a joint meeting with the policy subcommittee.

c) Energy Resources – Demand

Steve Hoffmann presented on behalf of the demand subcommittee, which has held two meetings since the last EWG meeting. The demand side subcommittee has been reviewing demographic data on energy usage by customer segment sector and microclimate. By reviewing this data, the group hopes to develop a better understanding of the usage characteristics in the region. The demand subcommittee has also been reviewing SDG&E’s program designs for using public goods money on energy efficiency funding. Steve noted that SDG&E’s proposal is one that the EWG may have some difference of opinion on, but would not necessarily be against. The Administrative Law Judge’s (ALJ) opinion suggests that the investor in utilities is the appropriate authority for managing and developing programs for energy efficiency and will continue to collect monies and manage those programs. SDG&E has suggested that a peer advisory and review group be created to ensure program quality, which suggests an excellent role for the EWG and its subcommittee’s. There is a broad invitation for the EWG’s input in SDG&E’s proposal, the EWG should take advantage of that, and start participating as soon as possible. Demand reduction and energy efficiency are the cheapest resources that we have available and we should take advantage of them. This proposal will be voted on, and could be finalized by the first quarter of 2005.
The group has also looked at the goals that have been set for energy efficiency in the area, and found that SDG&E sets their goal on a state level, that number is then allocated proportionately to different regions throughout the state. This can lead to a disproportionate goal in relation to the opportunities available in certain areas. One option that could help jurisdictions to achieve their goal would be for them to look into modifying building codes, and other public policy actions in order to make buildings more energy efficient, and also to encourage developers to build energy efficient designs. A more extensive report on this topic will be made in October.

Councilmember Abarbanel mentions that there had been previous discussion about going to a CPUC meeting, and that Steve Hoffmann might want to attend the upcoming meeting in San Francisco to share the EWG's opinion, and also to gather information. Steve agrees that going to the CPUC would be a good idea, and summarizes what he feels is the EWG's opinion for feedback. The EWG agrees that the message Steve should send would be to suggest that control be in the hands of the organization that has accountability, to encourage active third party participation, and for the utility to contribute at least 20% to third party and community programs.

Members expressed an interest in learning more about local jurisdictions that have implemented energy efficiency building codes and other similar policies. It is suggested that the building industry be invited to discuss the issues of renewable energy and energy efficient building codes. Steve recommends getting local jurisdictions together to discuss code and policy changes within their jurisdictions that will affect the building industry. Another member asks if any local jurisdictions have plans for using renewables on buildings currently being constructed. In the City of San Diego, all buildings over 5,000 square feet will have to be Leed Silver certified. Dan Perkins' name is mentioned, he works with the sustainable energy advisory board for Mayor Murphy, and will be developing an Energy Efficient mortgage proposal. SANDAG Staff was asked to further research local energy efficient building and building codes.

d) Funding
Mayor Art Madrid presents this item, and notes that a copy of the agreement between SANDAG and SDREO has been provided on pages 13-15 of the agenda packet. Staff mentions that the funds from SDG&E have not yet been accepted, and that they are still in discussions about these items. SANDAG Staff will be meeting with SDG&E tomorrow to discuss the option of short-term funding.

Steve Zolezzi said that the funding subcommittee should have another meeting prior to the next EWG meeting, members agree. Steve would like to put Kurt on the funding committee.

Staff notes that Scott Anders put together a work plan which was handed out. This work plan relates to the long term planning process. The process is broken up into different tasks which include, developing small projects with real results, the development of a long-term resource plan, and maintaining communication between the EWG and other SANDAG committees. One member suggested that we have the CPUC send a representative to that EWG meetings in an effort to coordinate with them. Bill Reed, SDG&E suggested that the EWG becomes a clearing house for information in the community; members agree that this would be a good idea. Mayor Art Madrid believes that if the EWG does form a clearinghouse they might be eligible for more funding and staff support to deal with the increased workload.
5. Status of Energy Efficiency funds and SDG&E proposal to solicit Community input.

Councilmember Abarbanel introduces Michelle Mueller, SDG&E to discuss the commitment that SDG&E made to the Regional Planning Committee in regards to the Energy Efficiency Administration Draft Decision Summary. Michelle circulates a handout, outlining some of the main points she will make, there is also a summary of the proposed decision on pages 16-18 of the agenda packet. There will be a hearing to decide on this proposal in front of all commissioners on Sept. 30th. If approved, this decision would establish the utilities as administrators. It would also modify the advisory council structure and make changes in the EM&V, which deals with evaluation and measurement. The teams that do evaluations and measurements must not have any vested interest in the outcome of their decisions. Therefore, no one can be an implementer and also do evaluation. Twenty five percent of funds will be set aside for non-utility implementers. Michelle expects that this number might be even higher in SDG&E territory because of SDG&E’s goals.

Efficiency solutions teams will be established, and will incorporate a broad spectrum of participants and stakeholders. Regional Program Advisory groups will be formed to deal with the separate and different opportunities within each region. Members of these groups might include representatives from the statewide team, Energy Efficiency Solutions Team, and SANDAG through the EWG. The EWG may even be able to act as the Regional Program Advisory Group, this would mean a significant time commitment for the EWG. An independent observer role will be maintained by the energy division. The statewide “Flex Your Power” campaign will be funded for both peak demand reduction and energy efficiency programs. There will also be a Peer Review group. This group will be more limited than the Regional Program Advisory group, and will be made up of members of the community that do not have a financial interest in the outcome of any of the proposals, it will be a truly independent group. There will also be a measurement and evaluation council that will be recommending and maintaining a list of commission approved EM&V contractors, and will also define the process for adding and removing contractors from that list. SDG&E will make a commitment to re-enforce and support energy efficiency and collaboration with communities and small business organizations with the understanding that we are all working toward energy efficiency and savings for the region. Workshops and presentations will be available for educational purposes to all entities, cities, etc. There will be plenty of public input opportunities for people to bring forward ideas. Open bidding will continue within the procurement process. Partnerships are emphasized and utilities are encouraged to work within these partnerships.

As mentioned, this decision will have to be approved, and a final decision will be reached sometime within the first quarter of 2005. SDG&E will be looking for people to nominate to the advisory committees and focus groups. CPUC will be developing thorough guidelines for how the partnership programs should work, and your advice will be welcomed. SDG&E would like to see a member of the EWG be part of the Program Advisory group, and another member be part of the Peer Review group. Program proposal preparation instruction will be provided to SANDAG. A more formal schedule and calendar can be presented once a ruling has been made.

EWG members agree that the San Diego region should have a representative in the CPUC. We do not want to let this opportunity pass us by, and should do everything we can to get the word to Sacramento that San Diego needs a representative. Members decide that all candidates should submit a letter and resume prior to the meeting on the 23rd. Applicants are welcome to come to the next EWG meeting to introduce themselves for 1-4 minutes, but are not required to do so.
6. **Status of Department of Water Resources Long-Term Contract Cost Allocation.**

Bill Reed reported to the EWG that there were a number of letters sent to the commission, these comments kept the allocation in place. The letter writing campaign has reduced the initial cost allocation methodology by approximately half, or $500 million dollars. Future support will be needed to tell the commission that more steps will be needed to make allocation as fair as possible. This was a successful first step, but more will be needed.

A Member asks about the Sunrise discussions. Bill explained that the two issues are not closely related, and that the Sunrise discussion is more closely related to the Otay Mesa Power Plant project.

7. **Suggested Meeting Topics for Next Meeting**

Skip and Irene will discuss renewable energy sources, including the information that was presented to them at the Worldwide Renewable Energy Conference. There will be further discussion considering the possibility of the EWG being used as a clearinghouse for information.

Allow time for CEC representative that will be attending the meeting. Member suggests that only key items shall be discussed to allow time for the representative. EWG can also take the opportunity to let the CEC representative know what the EWG has been doing. Information about the CEC and its representative can be found at: [http://www.energy.CA.gov](http://www.energy.CA.gov).

One Member suggests that if the agenda ever needs to be filled the South Bay Power plant can be discussed.

8. **Remarks by Energy Working Group Members**

There were no further remarks

9. **Next Meeting Date/Adjournment**

Meeting was adjourned. Next meeting to be held September 23, 2004.
### Agenda Item #5

#### Proposed EWG Workplan and Schedule

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