

Direct Access Process Improvements

A final version of the DA process improvements decision has been issued by the CPUC. This decision adopts revised procedures regarding the processing of enrollments of Direct Access (DA) whereby qualifying customers became eligible to enroll in DA, subject to new limits pursuant to Senate Bill (SB) 69 (DA Load Cap Legislation). In this decision, the CPUC also grants our February 23, 2012 motion for a waiver of the requirement to file motions for future status reports regarding the DA

enrollment process. The suggested DA process improvements discussed in the decisions relate to:

- a. Eliminate the Original DA Declaration and DA Load Growth Affidavit;
- b. Modify the Customer Assignment Affidavit;
- c. Develop a new Replacement Affidavit;
- d. Modify the Relocation Affidavit;
- e. Implement an electronic DA Service Request;
- f. Standardize the Six-Month Notice Submissions;

- g. Modify the DA enrollment process;
- h. Establish a lottery enrollment; and
- i. Postpone the January 2011 enrollment window.

All though long overdue, we have received the approvals we sought within this Motion and are pleased with the Final Ruling from the Commission. Of major interest to us here is the newly revised form for the Customer Relocation Affidavit and the newly revised lottery process.

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Governor Edmund G. Brown Jr. Announces Appointments

Karen Douglas, 39, of Davis, has been appointed to the California Energy Commission, where she has served in multiple positions since 2008, including lead commissioner for siting issues and the Desert Renewable Energy Conservation Plan. Douglas was director of the California Climate Initiative for the Environmental Defense Fund from 2005 until 2008. She worked at the Planning and Conservation League from 2001 until 2005, where she served as acting executive director and general counsel. Douglas earned a Juris Doctorate degree from Stanford Law School and a Master of Public Policy degree in environmental policy from the University of Colorado. This position requires Senate confirmation and the compensation is \$128,109. Douglas is a Democrat.

Carla Peterman, 34, of Sacramento, has been appointed to the California Public Utilities Commission. Peterman has served as a member of the California Energy Commission since 2011, where she was lead commissioner for renewables, transportation, natural gas and the 2012 Independent Energy Policy Report. She also served as a committee member in a number of power plant siting cases and was the Energy Commission's representative on the Western Interstate Energy Board, the Western Interconnection Regional Advisory Board and the State Assistance Fund for Enterprise, Business and Industrial Development Corporation Board. Peterman conducted research at the University of California Energy Institute from 2006 to 2011 and the Lawrence Berkeley National Laboratory from 2008 to 2010. She also served on the board of directors for The Utility Reform Network from 2008 to 2011. Peterman was an environmental business analyst at Isles Inc. from 2004 to 2005 and an associate focused on energy financing in the investment banking division at Lehman Brothers from 2002 to 2004. Peterman will complete her doctoral studies this year in energy and resources at the University of California, Berkeley. Peterman earned a Master of Science degree in environmental change and management and a Master of Business Administration degree from Oxford University, where she was a Rhodes Scholar. This position requires Senate confirmation and the compensation is \$128,109. Peterman is a Democrat.

Is California Ready for the New Oil Boom?

Governor Jerry Brown's administration released draft regulations Dec. 18, 2012 requiring oil companies for the first time to disclose where hydraulic fracturing is used in California after receiving tremendous pressure from state lawmakers and environmentalists.



The proposed rules released by the California Division of Oil, Gas and Geothermal Resources will require oil companies to reveal that information on a national fracking registry, FracFocus.org, after they use the procedure. The rules also require energy firms to test the integrity of the wells before fracking to guard against leaks and to report the test results to regulators before beginning operations. Chemicals deemed "trade secrets" would only have to be publicly disclosed in the event of a spill or accidental release, as needed for an emergency response or for medical treatments. "Experience in other states has shown that such trade secret exemptions are being widely used and likely abused," the Environmental Working Group's Bill Allayaud said in a prepared statement. Regulators said trade secrets are not widely claimed in other states.

One provision that would be unique to California is the requirement for evaluation of wells near the hydraulic fracturing operations. Fracking is readily used in California and has been for decades, but the state has never required disclosure of the chemicals used in fracking or the location of the activities.

The proposed regulations would "spell out what you need to do when you engage in hydraulic fracturing," Jason Marshal, chief deputy director of the Department of Conservation, told reporters in a conference call. These regulations are labeled as a "pre-rulemaking discussion draft" – an entry to discuss the process before finalizing the rules, which is expected to begin early next year.

While oil production has been continuous in California since 1900, ranking it as the third largest oil producing state, the state is prepping for an influx of operators coming to further explore the Monterey Basin.

Report on Energy Efficiency Programs

California currently maintains over a dozen major programs that are intended to support the development of energy efficiency and alternative energy in the state. Over the past 10 to 15 years, the state has spent a combined total of roughly \$15 billion on such efforts. In response to the Supplemental Report of the 2012-13 Budget Package <<http://lao.ca.gov/laoapp/PubDetails.aspx?id=2652>> , this report provides an overview of these different programs, as well as a preliminary assessment of them in terms of priority, overlap, and redundancy.

We find that the state currently lacks a comprehensive framework that fully coordinates the state's energy incentive programs to help ensure that the state's goals are being achieved in the most cost-effective manner. The absence of such a comprehensive framework (1) results in some level of program duplication, (2) results in some departments making policy choices that may not be aligned to legislative priorities, and (3) makes it difficult to compare effectiveness across programs. As a result, we recommend that the Legislature develop a comprehensive strategy for meeting the state's energy efficiency and alternative energy objectives. In general, the comprehensive strategy should specify: (1) the state's energy efficiency and alternative energy goals, (2) how programs should fit together to achieve the state's goals, and (3) how program effectiveness will be measured.

This report (16 pages) is available using the following link:

<http://lao.ca.gov/laoapp/PubDetails.aspx?id=2677>