

**Advanced Workshop in Regulation and Competition**

# **20th Annual Western Conference**

**Hyatt Regency, in Monterey, California, on June 27-29, 2007**

The Conference features some of the latest developments in the telecommunications and energy sectors, including:

- Deregulation
- Market Structure
- Policy and Regulatory Issues
- Emissions and Environmental Policy
- Telecommunications
- Demand Response

Who should attend:

- Industry Economists
- Marketing and Regulatory Managers
- Regulatory Commission Staff

Dinner Speakers: **Steven Kline**, Vice President, Pacific Gas and Electric Corp & **John Jurewitz**, Director of Regulatory Policy, Southern California Edison

**C**ENTER FOR  
**R**ESEARCH IN  
**R**EGULATED  
**I**NDUSTRIES

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## **CENTER FOR RESEARCH IN REGULATED INDUSTRIES**

The *Center for Research in Regulated Industries*, located at Rutgers University, aims to further study of regulation in economics, finance, and institutions. Its publications, seminars, workshop, and courses make available the latest advances to academics, managers, and regulatory commission staff. The Center has twenty-eight years of experience providing research, instruction, conferences, courses, seminars, and workshops in economics of network industries. The Center's *Journal of Regulatory Economics* is an international scholarly bi-monthly publication intended to provide a forum for the highest quality research in regulatory economics. Other research from the Center's programs has been published in the book series *Topics in Regulatory Economics and Policy*.

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**973-353-5761 ● 973-353-1348 (fax)**

# 20<sup>th</sup> ANNUAL WESTERN CONFERENCE

## WEDNESDAY, JUNE 27, 2007

- 3:00 - 4:00 Registration *Windjammer 1&2*
- 4:00 - 6:00 Welcome to Conference: Michael A. Crew  
**Cliff B. Rochlin**: Contract Alternative to an All-Volumetric Tariff  
**William E. Kovacic**: Evaluating the Performance of Regulatory Agencies and Their Leadership – A Suggested Scorecard
- 6:00 - 7:00 Cocktail Hour *Oak Tree 1-3 & Terrace*
- 7:00 - Dinner & Keynote Speech: *Cypress Room*  
**John L. Jurewitz**, Director of Regulatory Policy, Southern California Edison

## THURSDAY, JUNE 28, 2007

- 8:00 - 9:40 *Concurrent Sessions* *Windjammer 1&2, 3&4*
- MARGINAL COST** *1&2* **DEREGULATION?** *3&4*  
Chair: Dennis Keane  
Discussants: Michael Alexander, Fred Curry & Paul Nelson  
**John Kelly**: The Impact of Marginal Cost Pricing on Electric Utility Revenues – A Quantitative Case Study  
**Robert D. Levin**: Efficient Pricing of Electric Distribution  
**Stephen St. Marie**: Implications of High Tail-Block Rates in Utility Service Tariffs
- 9:40 - 10:00 Coffee Break
- 10:00 - 11:40 *Concurrent Sessions* *Windjammer 1&2, 3&4*
- INTERCARRIER CHARGES** *1&2* **EMISSIONS I** *3&4*  
Chair: Michael A. Crew  
Discussants: Larry R. Blank Victor Glass & Denise Mann  
**Richard Clarke & Thomas Makarewicz**: Economic Benefits from Reform of Intercarrier Compensation Mechanisms  
**Gregory M. Duncan**: Infeasibility of Business Plans Based on Unbundling
- 11:40 - 1:00 Lunch Break
- 1:00 - 2:30 *Concurrent Sessions* *Windjammer 1&2, 3&4*
- FORECASTING** *1&2* **EMISSIONS II** *3&4*  
Chair: Lee Huffman  
Discussants: Herb Thompson & Aram Shumavon  
**Larry Butler**: Changes in the Use of Demand Management in Load Forecasting  
**Ahmad Faruqui, Philip Hanser & Johannes Pfeifenberger**: The Return of the Load Forecaster  
**C. Goldman, N. Hopper, R. Bharvirkar, B. Neenan & P. Cappers**: Estimating Demand Response Market Potential – Integrating Price and Customer Behavior
- 2:30 - 4:00 *Concurrent Sessions* *Windjammer 1&2, 3&4*
- DEMAND RESPONSE** *1&2* **MARKET POWER** *3&4*  
Chair: Fred Curry  
Discussants: Phillip McLeod & Robin Walther  
**Carl B. Linvill & Eric Woychik**: Consumer Choice and More Complete Contracting – Removing the Barriers to Demand-Side Investment  
**Carl H. Silsbee**: Evaluating Demand Response and Dynamic Pricing Programs in a Hybrid Electricity Market  
**Art Altman, Remi Audouin & David Andrade**: Energy Risk Management – Current Practices and Future Directions
- 6:00 - 7:00 Cocktail Hour *Oak Tree 1-3 & Terrace*
- 7:00 - Dinner & Keynote Speech: *Cypress Room*  
**Robert T. Howard**, Vice President – Gas Transmission and Distribution, Pacific Gas and Electric Corporation

# 20<sup>th</sup> ANNUAL WESTERN CONFERENCE

FRIDAY, JUNE 29, 2007

8:45 - 10:40 *Concurrent Sessions*

## RENEWABLES & PORTFOLIO SELECTION 1&2

Chair: Ray D. Williams

Discussants: Colin Loxley & Herb Thompson

**Frank W. Harris:** Renewable Portfolio Standards and the Growth in Renewable Selection in a Deregulated Environment

**R. Orans, S. Price, J. Williams, & C.K. Woo:** A California – British Columbia Partnership for Renewable Energy

**Arthur Mazer & Marc L. Ulrich:** Contract Selection in Electric Power Competitive Solicitations

10:40 – 11:00 Coffee Break

11:00 - 12:55 *Concurrent Sessions*

## VALUE IN REGULATION 1&2

Chair: Rami Kahlon

Discussants: Michael Crew, Paul Hunt & Julie Kelly

**John Mayo & Larry Blank:** Endogenous Regulatory Constraints and the Emergence of Hybrid Regulation

**Terry F. Urbine & Jordan N. Prassinis:** Hoover Value

**Ron Knecht:** Discount Rates for Utility Regulatory and Planning Analyses

12:55 Conference Concludes

*Windjammer 1&2, 3&4*

## DEREGULATION! 3&4

Chair: Dennis Stevens

Discussants: Michael Plunkett & Menahem Spiegel

**Alan E. Finder:** Non-traditional Approaches to Regulating Utility Revenues

**Ted Howard:** Will Public-Private Collaboration Avert a Water and Energy Crisis in California?

**Kevin Woodruff:** Is the Electric Grid a Market or a Machine? Observations on one ISO's Struggles with this Question

*Windjammer 1&2, 3&4*

## BIDDING & TRANSMISSION 3&4

Chair: Bob Lane

Discussants: Philippe Auclair, Phillip McLeod & David Salant

**Robert Entriken, John Stone, & Steve Wan:** Transmission Investment Incentives – Economic Analysis

**Shmuel Oren & Enzo Sauma:** Conflicting Objectives and the Burden of Market Power in the Economic Evaluation of Transmission Investments

**Ramteen Sioshansi & Alva Svoboda:** Optimal Hydro Bidding in a Market with Centralized Commitment and Dispatch

## SPEAKERS DISCUSSANTS & CHAIRS

**Michael Alexander,** Manager of Energy Projects, Southern California Edison

**David Andrade,** Senior Associate, Brattle Group

**Jasmin Ansar,** Manager of Environmental Policy, Pacific Gas & Electric

**Phil Auclair,** Principal, Auclair Consulting

**Matthew Barmack,** Principal Policy & Planning Analyst, Pacific Gas & Electric

**Larry R. Blank,** Assistant Professor, New Mexico State University

**Larry Butler,** Southern California Edison

**Richard N. Clarke,** Director of Economic Analysis, AT&T

**Michael A. Crew,** Director – CRRI, Rutgers University

**Fred Curry,** Chief, Water Branch, California P.U.C.

**Larry Dale,** Lawrence Berkeley National Laboratory

**Gregory M. Duncan,** Director, Deloitte FAS LLP and University of California, Berkeley

**Robert Entriken,** Manager Policy Analysis, EPRI

**Ahmad Faruqui,** Principal, Brattle Group

**Alan E. Finder,** Director, KPMG LLP

**Tom Frantz,** Director - Electric Division, New Hampshire P.U.C.

**Victor Glass,** Director, National Exchange Carrier Association, Inc.

**Charles A. Goldman,** Lawrence Berkeley National Laboratory

**Frank W. Harris,** Financial Analyst, Southern California Edison

**Scott M. Harvey,** Director, LECG

**Eric Hildebrandt,** Manager, Analysis & Mitigation, California Independent System Operator

**Robert T. Howard,** Vice President – Gas Transmission and Distribution, Pacific Gas and Electric Corporation

**Ted Howard,** California P.U.C.

**Lee Huffman,** Hearing Examiner, New Mexico Public Regulation Commission

**Paul T. Hunt,** Manager of Regulatory Finance and Economics, Southern California Edison

**John L. Jurewitz,** Director of Regulatory Policy, Southern California Edison

**Rami Kahlon,** Advisor to President Peevey, California P.U.C.

**Dennis Keane,** Manager, Service Analysis, Pacific Gas & Electric

**John Kelly,** Director of Economics and Research, American Public Power Association

**Julie Kelly,** Research Staff Member, Institute for Defense Analyses

**Ron Knecht,** Economist, P.U.C. of Nevada

**William E. Kovacic,** Commissioner, Federal Trade Commission

**Bob Lane,** Manager Corporate Regulatory Policy, Sempra Energy

**Robert D. Levin,** Consultant (formerly Pacific Gas & Electric)

**Carl B. Linvill,** Director - Energy Planning and Analysis, Aspen Environmental Group

**Colin Loxley,** Director-Resource Planning, PSE&G

**Denise Mann,** California P.U.C.

**Thomas Makarewicz,** Director – Cost Analysis, AT&T

**Arthur Mazer,** Manager, Energy Planning, Southern California Edison

**Karl A. McDermott,** Vice President, NERA Economic Consulting

**Phillip McLeod,** Principal, LECG LLC

**Robert J. Michaels,** Professor of Economics, California State University at Fullerton

**Timothy D. Mount,** Professor, Cornell University

**Scott Murtishaw,** Senior Analyst, Climate Change, California P.U.C.

**Paul D. Nelson,** Senior Regulatory Economist, Southern California Edison

**Jeffrey Nelson,** Project Manager – Market Strategy, Southern California Edison

**Victor Niemeyer,** Manager for Power Markets Research, EPRI

**Ren Orans,** Managing Partner, Energy and Environmental Economics, Inc.

**Laurina Prantil,** Research Staff Member, Institute for Defense Analyses

**Shmuel S. Oren,** University of California at Berkeley

**Michael K. Plunkett,** Manager, Pricing Strategy, United States Postal Service

**Cliff B. Rochlin,** Market Consultant, Southern California Gas Company

**David Salant,** Independent Consultant

**Lee L. Selwyn,** President, Economics and Technology, Inc.

**Karen Shea,** Public Utility Regulatory Analyst, California P.U. C.

**Aram Shumavon,** California P.U.C.

**Carl H. Silsbee,** Manager of Regulatory Economics, Southern California Edison

**Roger Sparks,** Professor of Economics, Mills College

**Stephen St. Marie,** California P.U.C.

**Gary A. Stern,** Director of Market Monitoring and Analysis, Southern California Edison

**Dennis Stevens,** Principal Economist, United States Postal Service

**John K. Stranlund,** Professor – Natural Resource Economics, University of Massachusetts – Amherst

**Alva J. Svoboda,** Senior Energy Supply Analyst, Pacific Gas & Electric

**Sheldon Switzer,** Director, Electric Pricing and Tariffs, Baltimore Gas & Electric Company

**Herbert Thompson,** Assistant Professor, Ohio University

**Marc L. Ulrich,** Director of Energy Planning, Southern California Edison

**Terry F. Urbine,** Analyst, Arizona Public Service Company

**Robin Walther,** Consultant

**Ray D. Williams,** Director, Long-term Energy Policy, Pacific Gas & Electric Company

**Kevin Woodruff,** Principal, Woodruff Expert Services

**Eric C. Woychik,** Executive Consultant, Strategy Integration, LLC

# 20<sup>th</sup> ANNUAL WESTERN CONFERENCE

## ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas and Electric)  
Jeremy Bloom (EPRI)  
Michael A. Crew (Rutgers University)  
Fred Curry (California Public Utilities Commission)  
Carl Danner (Wilk & Associates/LECG)  
Ahmad Faruqui (Brattle Group)  
John Jurewitz (Southern California Edison)  
Dennis Keane (Pacific Gas & Electric)  
Ron Knecht (Public Utilities Commission of Nevada)  
Carl Pechman (Power Economics)  
Cliff Rochlin (Southern California Gas)  
David Salant  
John Sumpter (Pac-West Telecomm, Inc.)

## HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Hyatt Regency for all of the Conference participants. Participants should register for the conference by returning registration forms to Hyatt Regency. Reservations must be received by June 1, 2007. Hotel reservation can be made by phone.

1 Old Golf Course Road,  
Monterey, California, USA

Tel: 1-800-233-1234 or 831 372 1234  
Fax: 831 375 3960



## REGISTRATION FORM: 20th Annual Western Conference

Name \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Complete Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

### Billing Information:

Payment enclosed \$1,000 U.S. Dollars.  
 Send invoice to participant at above address.  
 Send invoice to \_\_\_\_\_  
 Credit Card:  VISA  MC Exp. \_\_\_\_/\_\_\_\_

GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.

I would like to apply for the government rate of \$535

Card # \_\_\_\_\_

**CANCELLATION POLICY:** Until May 11, 2007 cancellation is allowed without penalty and refunds will be allowed in full. After this date, the indicated fee is due in full whether or not the participant actually attends. Substitutions may be made at any time.

Signature of Participant: \_\_\_\_\_

## CONTACTING CRR I

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## REGISTRATION INFORMATION

**To Register:** Please complete and return the form to CRR I. Registrations are accepted by mail, email, fax, and telephone. Please confirm telephone registrations by sending in a completed and signed registration form. The deadline for registrations is May 22, 2007. Registrations received after May 22, 2007, will be admitted on a space available basis.

**Volume discount:** Second and subsequent applications received in the same envelope, fax, email, or made at the same time by phone will receive a 5% volume discount.

**Payment Information:** Make checks payable to “**Rutgers University**” and mail to the attention of **Jeremy Guenter** at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 27, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.