

Advanced Workshop in Regulation and Competition

22nd Annual Western Conference

Hyatt Regency, in Monterey, California, on June 17-19, 2009

The Conference features some of the latest developments in the network industries, especially energy, including:

- Deregulation
- Market Structure
- Policy and Regulatory Issues
- Environmental Policy and GHG
- Telecommunications and Water
- Pricing and Demand Response
- Capacity and Reliability

Who should attend:

- Industry Economists, Consultants and Attorneys
- Marketing and Regulatory Managers
- Regulatory Commission Staff

Featured Speaker: **William E. Kovacic**, Commissioner– FTC
Dinner Speaker: **Steven L. Kline**, Vice President - Corporate
Environmental & Federal Affairs, PG&E Corporation

CENTER FOR
RESearch IN
REGULATED
INDUSTRIES

RUTGERS

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 over thirty 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*.

crri@rbs.rutgers.edu
www.crri.rutgers.edu

Rutgers Business School ● 180 University Avenue ● Newark, NJ 07102-1897
973-353-5761 ● 973-353-1348 (fax)

WEDNESDAY, JUNE 17, 2009

3:00 - 4:00	Registration	<i>Mark Thomas Foyer North</i>
4:00 - 6:00	Welcome to Conference: Michael A. Crew	<i>Spyglass 1-2</i>
	Victor Glass: Service Quality: Where Switches and Packets Meet	
	William E. Kovacic: Regulation by Independent Commissions: The Meaning and Desirability of Independence	
6:00 - 7:00	Cocktail Hour	<i>Regency 1-3</i>
7:00 -	Dinner & Keynote Speech: Steven L. Kline , Vice President - Corporate Environmental & Federal Affairs, PG&E Corporation	<i>Regency 1-3</i>

THURSDAY, JUNE 18, 2009

8:00 - 9:40	<i>Concurrent Sessions</i>	
	DEMAND RESPONSE I <i>Spyglass 1-2</i>	RISK, AUCTIONS AND COMPETITION <i>Big Sur 1-3</i>
	Chair: Eric Woychik	Chair: Victor Glass
	Discussants: Fred Curry, Cliff Rochlin	Discussants: Carl Danner
	David T. Barker: Market Price Benefits in Cost Benefit Analysis of Demand-side Programs	G. Duncan & E. Grgeta: Risk Management, Long Term Contracts and Early Termination Fees
	Tim Brennan: Energy Efficiency: Efficiency or Monopsony?	Karl A. McDermott: Regulatory Policy on Local Telephony Competition. The Effect of State Policies on Rate Re-balancing
	Menahem Spiegel: Demand Side Management as a Public Good	Chris Oldenburg: Assessing the Performance of the 2008 Industry Canada AWS Spectrum Auction
9:40 - 10:00	Coffee Break	<i>Mark Thomas Foyer All</i>
10:00 - 11:40	<i>Concurrent Sessions</i>	
	DEMAND RESPONSE II <i>Spyglass 1-2</i>	GHG <i>Big Sur 1-3</i>
	Chair: Michael A. Crew	Chair: Carl Danner
	Discussants: Muir Davis, Eric Hildebrandt	Discussants: Philippe Auclair, Ray Williams
	John Kelly: A Practical and Useful Approach for Designing and Implementing Time-of-Use Pricing of Electricity Service Based on Marginal Cost Pricing Principles: A Case Study	Frank Harris: The Challenge of Integrating Command and Control and Market Based Regulations in the Climate Change Policy Arena
	M. Stadler, A. Siddiqui, C. Marnay & H. Aki: Optimal Technology Investment and Operation in Zero-Net-Energy Buildings with Demand Response	Carl Linvill & Richard McCann: Assessing GHG Uncertainty and Risk: Prediction versus Exploration
	Art Altman: Demand Response and Risk Management: A Framework for Managing the Risk of Energy Portfolios Dependent on Demand Response	Scott Murtishaw: Tradable Renewable Energy Certificates and GHG Regulation
11:40 - 1:00	Lunch Break	
1:00 - 2:30	<i>Concurrent Sessions</i>	
	SMART GRID <i>Spyglass 1-2</i>	RENEWABLES & COS <i>Big Sur 1-3</i>
	Chair: Clay Faber	Chair: Julie Kelly
	Discussants: Bjornar Eide, Eric Woychik	Discussants: Michael Alexander, Matt Barmack
	Robert Earle: Impacts of the Smart Grid Impacts on the Utility Business Model	K. Forbes, M. Stampini & E.M. Zampell: Wind Power Variability, Wind Power Forecasting Errors, and the Cost of Balancing Power: Evidence from the EON Netz Transmission System in Central Germany
	J.C. Martin: Demand Response Automation & Feedback Realization: One Utility's Home Area Network (HAN) Implementation	U. Helman, S. Liu & C. Loutan: Designing Ancillary Service Markets to Support Renewable Integration in California and the West
	Farrokh Rahimi: Overview of Demand Response under the Smart Grid and Market Paradigms	R. Zarumba & E. Granovsky: A Survey of Cost Analysis and Pricing in Electric Rate Requests in the United States
2:30 - 4:00	<i>Concurrent Sessions</i>	
	ELECTRIC TRANSPORTATION <i>Spyglass 1-2</i>	FORECASTING & RISK <i>Big Sur 1-3</i>
	Chair: Richard Aslin	Chair: Marc Ulrich
	Discussants: Michael Alexander, Jack Moore	Discussants: Paul Hunt
	Matthew Crosby: Potential barriers and opportunities analysis of light duty vehicle electrification in California	R. Entriken, T. Burgess, M. Lauby, K. Forsten & W. Jewell: Technical Summit: Extreme Weather Impacts on Reliability
	Robert Entriken & Marcus Alexander: Preliminary Assessment of Plug-In Hybrid and Electric Vehicle Value Elements: Energy Storage Valuation Case Studies	C. Linvill, C. Cooke & R. McCann: Demand Forecasting Methodologies and the Attribution of Efficiency Effects
	T. Mount, et. al: A Symbiotic Role for Plug-In Hybrid Electric Vehicles	S. Wadalawala, A. Svoboda & W. Tom: Evaluation of Risk in the Transition to a New Market Design: the Case of MRTU

FRIDAY, JUNE 19, 2009

8:45 - 10:40

*Concurrent Sessions***ROLE OF DEMAND RESPONSE***Spyglass 1-2**Big Sur 1-3*

Chair: Fred Curry

Discussants: Richard Aslin, John Kelly

Ahmad Faruqui & Sanem Sergici: A Comparative Evaluation of Two Dynamic Pricing Pilots**Cliff Rochlin:** The Alchemy of Demand Response Programs: Turning Demand into Supply**Carl Silsbee:** Where Do Markets End? The choice Between Event-Triggered and Price-Responsive Demand Response Programs**ELECTRIC RELIABILITY**

Chair: Bob Lane

Discussants: Matt Barmack, Jeffrey Nelson, Kevin D. Woodruff

Eric Hildebrandt: Potential Effectiveness of the Demand Curve Approach for Mitigation of Local Market Power in Capacity Markets**Phillip W. McLeod:** Reliability and the Capacity Market Debate: Making Sense from the Debate**Paul Nelson:** Planning Reserve Margin: a New Perspective

10:40 – 11:00

Coffee Break

Mark Thomas Foyer All

11:00 - 12:55

*Concurrent Sessions***ELECTRIC TRANSMISSION***Spyglass 1-2**Big Sur 1-3*

Chair: Joseph Abhulimen

Discussants: Matthew Arenchild, Philippe Auclair

Michael Oraro: Capacity Access in Telecommunications: Evaluating the Distortionary Effect of Cost-Based Access Prices Using Option Pricing Theory**Kevin D. Woodruff:** Estimating the Economic Value of Transmission Projects: One Practitioner's Experience in Multiple Jurisdictions**Arne Olson:** Remote Renewable and Low-Carbon Resource Options for the Pacific Northwest**ENERGY EFFICIENCY**

Chair: Rami Kahlon

Discussants: Carl Danner, Nguyen Quan

Tim Brennan: Optimal Energy Efficiency Policies and the California Manual: How Well Do They Match?**Robin J. Walther:** Energy Efficiency and the Labor Market: Myths and Reality**Robert Kelly:** Conservation-Orientated Water Rates – A Research Study**SPEAKERS DISCUSSANTS & CHAIRS****Joseph Abhulimen,** Program Supervisor, California Public Utilities Commission**Marcus Alexander,** EPRI**Michael Alexander,** Manager of Energy Projects, Southern California Edison**Art Altman,** Manager of Program #8, Markets and Risk, EPRI**Matthew Arenchild,** Principal, CRA International**Richard Aslin,** Manager - Economics, Forecasting and Load Research -- Pacific Gas and Electric Company**Philippe Auclair,** Principal, Auclair Consulting**David T. Barker,** San Diego Gas & Electric**Matt Barmack,** Director, Market and Regulatory Analysis, Calpine**Timothy Brennan,** Professor, Public Policy and Economics – UMBC and Senior Fellow – Resources for the Future**Michael A. Crew,** CRRI Professor of Regulatory Economic and Director - CRRI**Matthew Crosby,** CPUC PPD**Fred Curry,** Chief – Water Branch, California Public Utilities Commission**Carl Danner,** Director, Wilk & Associates/LECG LLC**Muir Davis,** Project Manager, Demand Resource Integration Southern California Edison**Gregory M. Duncan,** Managing Director, Huron Consulting Group and University of California, Berkeley**Robert L. Earle,** Vice President, Analysis Group**Bjornar Eide,** Director – Risk Management, Sempra Energy Utilities**Robert Entriken,** Manager Policy Analysis, EPRI**Clay Faber,** Director- Regulatory Affairs, Sempra Energy Utilities**Ahmad Faruqui,** The Brattle Group**Kevin F. Forbes,** Center for the Study of Energy and Environmental Stewardship and Department of Business and Economics – The Catholiuc University of America**Victor Glass,** Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.**Eugene Granovsky,** Navigant Consulting, Inc.**Edi Grgeta,** University of California, Berkeley**Frank Harris,** Financial Analyst, Southern California Edison**Udi Helman,** California ISO**Eric Hildebrandt,** California ISO**Paul Hunt,** Manager of Regulatory Finance and Economics, Southern California Edison**Rami Kahlon,** Director of Water Division, California Public Utilities Commission**John Kelly,** Director of Economics and Research, American Public Power Association**Julie Kelly,** Research Staff Member, Institute for Defense Analyses**Robert Kelly,** Southwest Water Utility Group**Steven L. Kline,** Vice President, Corporate Environmental & Federal Affairs, PG&E Corporation**William E. Kovacic,** Commissioner, Federal Trade Commission**Bob Lane,** Sempra Energy**Carl B. Linvill,** Director Energy Planning and Analysis Division, Aspen Environmental Group**John C. Martin,** San Diego Gas & Electric**Karl A. McDermott,** Ameren Professor of Government and Business, University of Illinois-Springfield & Special Consultant. NERA Economic Consulting**Phillip McLeod,** Principal, LECG LLC

Jack Moore, Consultant, Energy & Environmental Economics
Timothy D. Mount, Professor, Cornell University
Scott Murtishaw, Senior Analyst, Climate Change, California Public Utilities Commission
Jeffrey Nelson, Manager- Market Design and Analysis, Southern California Edison
Paul Nelson, Senior Regulatory Economist, Southern California Edison
Chris Oldenburg, Senior Analyst, NERA Economic Consulting
Arne Olson, Energy and Environmental Economics, Inc. (E3)
Michael Oraro, Ph.D Candidate, University of Warwick
Nguyen Quan, Manager, Golden State Water
Farrokh Rahimi, Vice President, Market Design and Consulting, Open Access Technology International, Inc.
Cliff Rochlin, Market Consultant, Southern California Gas Company
Carl Silsbee, Manager of Regulatory Economics, Southern California Edison
Menahem Spiegel, Associate Professor, Rutgers University
Michael Stadler, Staff Scientist, Ernest Orlando Lawrence Berkeley National Laboratory and USA and Center for Energy and Innovative Technologies
Marc Ulrich, Director of Energy Planning, Southern California Edison
Shehzad Wadalawala, Pacific Gas & Electric
Robin J. Walther, Consultant
Ray Williams, Director, Pacific Gas & Electric
Kevin D. Woodruff, Principal, Woodruff Expert Services
Eric Woychik, VP Regulatory Affairs, Comverge
Ralph Zarumba, Navigant Consulting, Inc.
Max Zhang, Cornell University
Ray Zimmerman, Cornell University

ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas and Electric)
Matthew Arenchild (CRA International)
Michael A. Crew (Rutgers University)
Fred Curry (California Public Utilities Commission)
Carl Danner (Wilk & Associates/LECG)
Robert Earle (Analysis Group)
Robert Entriiken (EPRI)
Ahmad Faruqui (Brattle Group)
Dennis Keane (Pacific Gas & Electric)
Carl B. Linvill (Aspen Environmental Group)
Cliff Rochlin (Southern California Gas)
Carl Silsbee (Southern California Edison)
Kevin D. Woodruff (Woodruff Expert Services)

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 May 19, 2009. 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

CONTACTING CRRI

Home Page: www.crr.rutgers.edu

Address: Center for Research in Regulated Industries
Rutgers Business School, Rutgers University,
180 University Avenue
Newark, NJ 07102-1897

Phone: 973-353-5761

Fax: 973-353-1348

Email: mcrew@rbs.rutgers.edu (Michael Crew)
crr.rutgers.edu (Karen Walters)

14th Annual Western Conference of the Advanced Workshop in Regulation and Competition

REGISTRATION INFORMATION

To Register: Please complete and return the form to CRRI. 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 15, 2009. Registrations received after May 15, 2009, 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 at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 17, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.

REGISTRATION FORM: 22nd Annual Western Conference

Name _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____

Fax: _____

Email: _____

Billing Information:

Payment enclosed \$1,080 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 \$575

Card # _____

CANCELLATION POLICY: Until May 4, 2009 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: _____