

Advanced Workshop in Regulation and Competition
27th Annual Western Conference

Hyatt Regency, Monterey, California, on June 25-27, 2014

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

Dinner Speaker: Hal R. Varian, Google, Inc.

CENTER FOR
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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 over thirty five 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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WEDNESDAY, JUNE 25, 2014

2:00 - 4:00	Registration		<i>MGB Terrace</i>
4:00 – 6:00	Welcome to Conference: Michael A. Crew		<i>PacificRoom</i>
	Hung-po Chao and Robert Wilson: A Dynamic Economic Framework for Transmission Planning Under Uncertainty		
	Ahmad Faruqui and Charlie Gibbons: The Application of Quantile Regression to Forecasting Peak Demand		
	John Mayo, T. Randolph Beard and Jeffrey T. Macher: Market Structure, Quality and Consumer Behavior – Exit, Voice and Loyalty Under Increasing Competition		
6:00 - 7:00	Cocktail Hour		<i>MGB Terrace</i>
7:00 – 9:00	Dinner & Keynote Speech: Hal R. Varian, Chief Economist, Google, Inc.		<i>Beach Room</i>
9:00 – 10:00	Reception		<i>MGB Terrace</i>

THURSDAY, JUNE 26, 2014

8:00 - 9:40	<i>Concurrent Sessions</i>		
	RESIDENTIAL RATES	<i>Grove</i>	POWER MARKETS I
	Chair: Bob Kelly		Chair: Gene Meehan
	Discussants: Fred Curry, Carl Danner, Scott Murtishaw		Discussants: Robert Lane
	Russ Garwacki and Andre Ramirez: Affordability Considerations for Utility Residential Rate-Making		Matt Arenchild: FERC's Market Power Review – Recent Developments and their Impact on Electric Markets
	Ryan Hledik: Residential Demand Charges – A Rate Design Revolution?		Kevin Woodruff: Implications of Possible FERC Pre-Emption for Electric Capacity Costs in California
	Richard McCann: Appropriate Ratemaking Treatment to Encourage Customers' Energy Management.		Toru Hattori: Retail Competition and Electricity Prices for Residential Customers in the US
9:40 – 10:00	Coffee Break		<i>MGB Terrace</i>
10:00 - 11:40	<i>Concurrent Sessions</i>		
	TARIFFS & PRICING	<i>Grove</i>	SOLAR/STORAGE
	Chair: Nguyen Quan		Chair: Charlotte Chitadje
	Discussants: Neil Lessem		Discussants: Robert Earle, Michael Alexander
	Robert Levin and Elise Torres: Can Arizona's Success With Time-of-Use Rates Be Replicated in California?		Robert Enriken, C. Roe, and N. Taheri: Analysis of Automatic Control Data for Storage Operations
	Carl Linvill: Designing Distributed Generation Tariffs Well: Fair Compensation in a Time of Transition		Cynthia Fang: Revisiting Rate Structure Reform to Meet a Low Carbon Future
	Janos Kakuk & Joanna Hsu: Potential Solutions to Achieve Distributed Generation Policy Objectives		Udi Helman: Economic Valuation of Large-Scale Solar Plants
11:40 - 1:00	Lunch Break		
1:00 - 2:30	<i>Concurrent Sessions</i>		
	DSM	<i>Grove</i>	UTILITY BUSINESS MODEL
	Chair: Menahem Spiegel		Chair: Anna Ching
	Discussants: Richard Aslin		Discussants: Karl McDermot
	Ahmad Faruqui and Neil Lessem: Demand Side Management – An Asian Experiment		Michael Crew and Eric Woychik: Developing New Business Models for Utilities with Renewables, Conservation and the Smart Grid
	Richard Song: Direct Load Control Diagnostics through AMI Data		Philip Hanser and Kai van Horn: The Repurposed Electric Distribution Utility
	Armando Levy: Estimating Program Impacts in the Presence of Demand Shocks		Paul Hunt: Customer Investments
2:30 - 4:00	<i>Concurrent Sessions</i>		
	WATER	<i>Grove</i>	POWER MARKETS II
	Chair: Fred Curry		Chair: Tracy Fok
	Discussants: James Fine, Richard McCann		Discussants: Kevin Woodruff, Robert Lane
	Janie Chermak and Robert Patrick: The Energy, Water, and Environmental Regulation Nexus – Incentives for Goods, Bads, and Quality		Amparo Nieto: Generation Capacity Markets Put to the Test – New Approaches to Meet Evolving Reliability Needs
	Michael Crew and Rami Kahlon: Efficient Water Pricing in California		Todd Schatzki: Alternatives for Addressing Reliability Concerns from Shifting Resource Mixes
	Mark Martinez, Laurene Park and Eric Woychik: Taking the Plunge – Engaging the Water Sector as a Preferred Resource to Meet Local Energy Needs		Paul Nelson: Price Discrimination in the CAISO's Energy Imbalance Market (EIM) – Impacts of Economic Output and Equity

FRIDAY, JUNE 27, 2014

8:45 - 10:40

Concurrent Sessions

GHG

Chair: Rami Kahlon

Discussants: Carl Silsbee, James Fine

Amelia Blanke and Erdal Kara: Integration of Electricity

Prices in the Western U.S – Measuring the Impact of

California's Greenhouse Gas Cap-and-Trade Program

Cliff Rochlin, Rod Hite and Jeff Huang: CHP and the

Greening of the Electric Grid

Samuel Wade, Stefanie Tanenhaus, and Ray Williams:

Comparison of Greenhouse Gas Abatement Costs in

California's Transportation Sector through 2030?

Grove

VALUATION IMPACTS

Chair: Carl Danner

Discussants: Carl Peterson,

Luke Nickerman and Richard Aslin: Mitigating the Potential for Stranding "To Code" Energy Efficiency Savings**Bishu Chatterjee and Carlos Penikis:** How Effective is the Communication between the Regulators and the Market in Assessing Utility Safety Violations?**Michael Vilbert, Joseph Wharton, Charles Gibbons, and****Melanie Rosenberg:** Empirical Analysis of the Impact of Decoupling on the Cost of Capital of Electric Utilities

Pacific

10:40 – 11:00

Coffee Break

MGB Terrace

11:00 - 12:45

Concurrent Sessions

RENEWABLE INTEGRATION

Chair: Joseph Abhuliman

Discussants: Robert Earle, Scott Murtishaw

Robert Entriiken, Eamonn Lannoye, Edward Lo, Russ**Philbrick, and Taiyou Yong:** Stochastic Reserve

Determination – Case Study with the California ISO

Tim Mount, Wooyoung Jeon, and Jung Youn Mo:

Modeling Stochastic Wind Generation and the Implications for System Costs

Aidan Tuohy and Eamonn Lannoye: Power System

Flexibility Assessment Metrics

Grove

COMPLIANCE COST

Chair: Donna Wagoner

Discussants: Fred Curry, Carl Peterson, Catherine Elder

Stephen St. Marie: The Total Cost of Energy-Related Household Services – It is Not Just What is On the Electric and Gas Bills**Don Wagenet:** Environmental Regulatory Reform –

Compliance Costs, Benefits, and Recommended Reforms

Matthews Williams: Can Utilities Afford the Proliferation of Conservation and/or Renewable Energy?

Pacific

12:45- 12:50

Concluding Remarks-Michael A. Crew

SPEAKERS DISCUSSANTS & CHAIRS**Joseph Abhuliman,** Supervisor, ORA, Californial Public Utilities Commission**Michael Alexander,** Manager, Energy Projects, Southern California Edison**Matthew Arenchild,** Director, Navigant Consulting, Inc.**Richard Aslin,** Principal Strategic Analyst, PG&E**Amelia Blanke,** Senior Market Monitoring Analyst, CAISO**Hung-Po Chao,** Director, Market Strategy and Analysis, ISO New England, Inc.**Bishu Chatterjee,** California Public Utilities Commission**Janie M. Chermak,** Professor and Chair, University of New Mexico**Anna Ching,** Project Manager, Regulatory Policy Strategy, Southern California Edison**Charlotte Chitadje,** Water Division, California Public Utilities Commission**Michael A. Crew,** CRRRI Professor of Regulatory Economics, Rutgers University**Fred Curry,** Consultant, Submission Solutions**Carl Danner,** Chief Internal Auditor, California Public Utilities Commission**Robert Earle,** Vice President, Analysis Group**Catherine Elder,** Practice Director, Energy Resource Economics, Aspen Environment Group**Robert Entriiken,** Senior Manager, Policy Analysis, EPRI**Cynthia Fang,** Electric Rates Manager, San Diego Gas & Electric**Ahmad Faruqui,** Principal, The Brattle Group**James Fine,** Senior Economist, Environmental Defense Fund**Tracy Fok,** Water Division, California Public Utilities Commission**Russ Garwacki,** Director, Pricing Design and Research, Southern California Edison**Toru Hattori,** Economist, Central Research Institute of Electric Power Industry**Udi Helman,** Consultant**Ryan Hledik,** Senior Associate, The Brattle Group**Paul Hunt,** Director of Regulatory Finance, Economics, and Risk Operations, Southern California Edison**Rami Kahlon,** Director of Water Division, , California Public Utilities Commission**Janos Kakuk,** Principal Manager, Market Strategy and Resource Planning, Southern California Edison**Erdal Kara,** Senior Market Monitoring Analyst, CAISO**Bob Kelly,** Vice President Regulatory Affairs, Suburban Water Systems**Justin Kubassek,** Southern California Edison**Robert Lane,** Director, San Diego Gas & Electric**Neil Lessem,** Consultant, The Brattle Group**Robert Levin,** Senior Analyst, Energy Division, California Public Utilities Commission**Armando Levy,** Principal, The Brattle Group**Carl Linvill,** Director, Energy Planning and Analysis, The Regulatory Assistance Project**Mark S. Martinez,** Customer Programs and Services, Southern California Edison**John Mayo,** Professor of Economics, Business and Public Policy, Georgetown University**Richard McCann,** Energy Resource Analysis, Aspen Environmental Group**Karl A. McDermott,** Ameren Professor of Government and Business, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting**Gene Meehan,** Senior Vice President, NERA Economic Consulting**Timothy D. Mount,** Professor, Cornell University**Paul Nelson,** Market Design Manager , Southern California Edison**Scott Murtishaw,** Energy Advisor to President Michael Peevey**Amparo Nieto,** Vice President, NERA Economic Consulting**Robert H. Patrick,** Associate Professor, Rutgers University**Carl Peterson,** Assistant Professor, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting**Nguyen Quan,** Manager - Regulatory Affairs Golden State Water**Cliff Rochlin,** Market Advisor, Southern California Gas Company**Todd Schatzki,** Vice President, Analysis Group**Carl Silsbee,** Principal Manager, Resource Economics, Southern California Edison**Richard Song,** Southern California Edison**Menahem Spiegel,** Professor, Finance and Economics, Rutgers University**Stephen St. Marie,** Policy & Planning Division, California Public Utilities Commission**Elise Torres,** Regulatory Analyst, ORA, California Public Utilities Commission**Aidan Tuohy,** Senior Scientist, EPRI**Kai Van Horn,** Summer Associate, Principal, The Brattle Group**Michael Vilbert,** Principal, The Brattle Group**Sam Wade,** Principle, Long Term Energy Policy, PG&E**Don Wagenet,** Associate Director, Energy, Navigant**Donna Wagoner,** Program and Project Supervisor, California Public Utilities Commission**Joe Wharton,** Principal, The Brattle Group**Matthews Williams, Jr.,** Consultant**Ray Williams,** Director, Long Term Energy Policy, PG&E**Kevin Woodruff,** Principal, Woodruff Expert Services**Eric C. Woychik,** Executive Consultant and Principal, Strategy Integration, LLC

ORGANIZING COMMITTEE

Matthew Arenchild (Navigant Consulting, Inc.)
Sandra Bennett (AEP Southwestern Electric Power Company)
Michael A. Crew (Rutgers University)
Fred Curry (Submission Solutions)
Carl Danner California Public Utilities Commission)
Robert Earle (Analysis Group)
Robert Entriiken (EPRI)
Ahmad Faruqui (Brattle Group)
Rami Kahlon (California Public Utilities Commission)
Dennis Keane (Pacific Gas & Electric)
Carl B. Linvill (Aspen Environmental Group)
Amparo Nieto (NERA Economic Consulting)
Cliff Rochlin (Southern California Gas)
Carl Silsbee (Southern California Edison)
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CONTACTING CRRRI

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HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Hyatt Regency Monterey for all of the Conference participants. Reservations should be received by **June 2, 2014**. Hotel reservation can be made by using the following Passkey Link:

<https://resweb.passkey.com/go/RutgersUniversity>

Hyatt Regency Monterey
1 Golf Course Road
Monterey, California, 93940, USA
1-888-421-1442

If you are not making reservations through the link above please identify yourself as being held under the group block: Rutgers University CRRRI Program.

REGISTRATION INFORMATION

To Register: Please complete and return the form to CRRRI. 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, 2014. Registrations received after May 15, 2014 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 25, 2014, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.

REGISTRATION FORM: 27th Annual Western Conference

Name _____
Title: _____
Company: _____
Complete Address: _____
Telephone: _____ Fax: _____
Email: _____

Billing Information:

Payment enclosed \$1,100 U.S. Dollars
 Send invoice to participant at above address.
 Send invoice to _____
 Credit Card: VISA MC Exp. ____/____ CVC Code: ____ Card # _____

GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.
 I would like to apply for the govt rate of \$590

CANCELLATION POLICY: Until May 2, 2014 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: _____