

**From:** Mike Smith  
**To:** Jim Boyd; Karen Douglas  
**CC:** Claudia Chandler; Diana Schwyzer; Gordon Schremp; Jim Page; Susan Br...  
**Date:** 11/26/2008 4:40 PM  
**Subject:** Re: Fwd: AB 868 - Version 11 - Draft Staff Report  
**Attachments:** AB 868 - Final Staff Report 11-26-08 ver2.doc.

Jim/Karen

Attached is a copy of the report that I am sending to Bob Aldrich to post this evening.

Please note that we adjusted the Executive Summary and the body of the report to address Jim's concerns. The Executive Summary now reflects all options (i.e., mandatory ATC, permissive ATC and mandatory reference temperature change). The question and answer regarding the willingness of consumers to pay the added expense has been deleted from the Executive Summary and the body of the report.

Also, regarding process, this document will be posted as a "Staff Report." Following the committee workshop, the report will be revised as needed and labeled as a "Committee Report" that will then be taken to the full commission for approval. This is in keeping with our normal process. We are not planning a second committee.

Please let me know if you have any questions.

Mike.



>>> Jim Boyd 11/26/2008 3:46 PM >>>

Claudia/Mike -- Good news, it's labeled a draft staff report; Bad news, the Executive Summary is totally slanted to one conclusion but there's no way to fix now BUT the last bullet question on page 3 and the response thereto on page 4 HAVE GOT TO GO. You cannot speak for the consuming public in a way that leaves no other conclusion than go with ATC, it's so cheap..... without us hearing testimony and a record being developed to support that conclusion.



>>> Jim Page 11/26/2008 1:04 PM >>>

Edited report attached. Changes discussed this morning are highlighted in yellow on pp. 3, 4, & 88-90. Permissive ATC is now a new chapter. We have also eliminated the final conclusion (including similar language in the Abstract), and all references that we could find that characterize costs as "insignificant", "extremely small", etc.

**From:** Mike Smith  
**To:** Jim Boyd, Diana Schwyzer, Jim Page, Kelly Birkinshaw, Karen Douglas, Sus...  
**CC:** Claudia Chandler, Susanne Garfield  
**Date:** 11/26/2008 11:11 AM  
**Subject:** Re: Alternative Primary Conclusion

Based on our conversation this morning we are not going to include the conclusionary paragraph in the Executive Summary and will adjust the text in the body of the report accordingly.

-----Original Message-----

**From:** Jim Boyd

**To:** Diana Schwyzer <Dschwyze@energy.state.ca.us>  
**To:** Jim Page <Jpage@energy.state.ca.us>  
**To:** Kelly Birkinshaw <Kbirkins@energy.state.ca.us>  
**To:** Karen Douglas <KLdougl@energy.state.ca.us>  
**To:** Susan Brown <Sbrown@energy.state.ca.us>  
**Cc:** Claudia Chandler <Cchandle@energy.state.ca.us>  
**Cc:** Mike Smith <Msmith@energy.state.ca.us>  
**Cc:** Susanne Garfield <Sgarfiel@energy.state.ca.us>

**Sent:** 11/26/2008 10:50:03 AM  
**Subject:** Re: Alternative Primary Conclusion

Apparently we are not communicating..... This statement, despite the opening sentences ends up in the same place, advocating the staff's position

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>>> Jim Page 11/26/2008 8:58 AM >>>

I suggest the following Primary Conclusion. I think it ties up some loose ends and presents policy makers with the appropriate choice without a veiled staff recommendation. We can discuss shortly. Thanks

Jim

**From:** Kelly Birkinshaw  
**To:** Gordon Schremp; Jim Page  
**CC:** Jim Boyd; Mike Smith; Susan Brown  
**Date:** 8/19/2008 9:42 AM  
**Subject:** Follow-up to the WSPA meeting on hot gas



Jim, Gordon--

I found the presentation by Dr Topel quite compelling. I know economics is a black art however, and I'm no economist. A couple of questions: do you have the data and analysis from this study? and, do you plan to do a critical review of this study and independently assess its conclusions?

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California Energy Commission  
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916 654-4542  
Email: kbirkins@energy.state.ca.us

**From:** Kelly Birkinshaw  
**To:** Gordon Schremp; Susan Brown  
**CC:** Jim Page; Mike Smith; Nick Janusch; Paul Deaver  
**Date:** 8/12/2008 4:35 PM  
**Subject:** Re: WSPA Economist Background - AB 868

quite impressive...

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>>> Gordon Schremp 8/12/2008 4:03 PM >>>  
Susan and Kelly:

Please see the attached file for some background information concerning Mr. Robert Topel, the economist mentioned by Don Craven at this morning's meeting with Valero. He will be the person expressing WSPA's econometric interpretation of the ATC issue for the California market.

Regards,

Gordon