

Advanced Workshop in Regulation and Competition

21st Annual Western Conference

Hyatt Regency, in Monterey, California, on June 18-20, 2008

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

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

Who should attend:

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

Featured Speaker: **William E. Kovacic**, Chairman – FTC
Dinner Speaker: **G. Mitchell Wilk**, Managing Director,
LECG, Inc. San Francisco CA

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 18, 2008

| | | |
|-------------|---|-----------------------------------|
| 3:00 - 4:00 | Registration | <i>Windjammer 1&2</i> |
| 4:00 - 6:00 | Welcome to Conference: Michael A. Crew Carl Pechman : Enron in the West William E. Kovacic : Regulatory Archipelago | |
| 6:00 - 7:00 | Cocktail Hour | <i>Oak Tree 1-3 & Terrace</i> |
| 7:00 - | Dinner & Keynote Speech: G. Mitchell Wilk , Managing Director, LECG, Inc. San Francisco CA | <i>Cypress Room</i> |

THURSDAY, JUNE 19, 2008

| | | |
|---------------|--|---|
| 8:00 - 9:40 | <i>Concurrent Sessions</i> | <i>Windjammer 1&2, 3&4</i> |
| | DEREGULATION IMPACT <i>1&2</i> Chair: Marc Ulrich Discussants: Frank Harris, Kevin Woodruff Joe Craig & Scott Savage : Market restructuring and productive Efficiency: Plant-level evidence from U.S. electricity generation John Kelly : Review and Critique of Prominent Analyses of the Effect of Deregulation Policies on Retail Rates Carl Peterson : Efficiency in the US Electric Industry – the Influence of Regulatory Policy | CAPACITY <i>3&4</i> Chair: John Yu Discussants: Keith Casey, Robin J. Walther Matthew Barmack & Sebastien Csapo : New Reliability Challenges C. Chaton, F. Gasmi, M. Guillerminet, & J. Oviedo : Gas release and transport capacity investment as instruments to foster competition in gas markets David Salant : Auction Design for Capacity Markets |
| 9:40 - 10:00 | Coffee Break | |
| 10:00 - 11:40 | <i>Concurrent Sessions</i> | <i>Windjammer 1&2, 3&4</i> |
| | GREEN HOUSE GASES I <i>1&2</i> Chair: Dennis Stevens Discussants: Carl B. Linvill Michael Jaske & Lana Wong : Scenario analyses of California's electricity system to achieve GHG emission reduction goals Scott Murtishaw, Adam Langton & Karen Griffin : Developing a Greenhouse Gas Reduction Program for California's Electricity Industry Gary Stern : Allowance Allocation under a Cap & Trade System for GHG Reduction – Some Alternatives to Consider | REGULATORY TRENDS <i>3&4</i> Chair: Rami Kahlon Discussants: Fred Curry & Victor Glass G. Duncan, J. Huber, & W.K. Viscusi : Estimating Willingness to Pay for Clean Water by Means of Adaptive, Sequential Conjoint Experiment Chris Grier & Linda Thompson : Compliance Framework to Help an Electric Utility Meet Regulatory Requirements Julie Kelly, John Fry and Laurina Prantil : Telecom Pricing Simplification in the Department of Defense |
| 11:40 - 1:00 | Lunch Break | |
| 1:00 - 2:30 | <i>Concurrent Sessions</i> | <i>Windjammer 1&2, 3&4</i> |
| | GREEN HOUSE GASES II <i>1&2</i> Chair: Irene Balotro Discussants: Adam Langton & Dennis Stevens Jasmin Ansar & Roger Sparks : Experience Economies and Energy-Saving Investments Ted Howard & Raj Naidu : How Water Utilities can Improve Energy Efficiency and Reduce Greenhouse Gas Emissions | PRICING DESIGN <i>3&4</i> Chair: Eric Ackerman Discussants: Phillip McLeod, Carl Silsbee, Howard Spinner Robert Earle, Ahmad Faruqui & Ryan Hledik : Evaluating alternative dynamic pricing designs Carl Danner : Marking Up Retail Energy Prices for Externalities Robert D. Levin : Pricing Electricity for Cars: Impact of Electric Rate Design on EVs, Utilities, and the Environment |
| 2:30 - 4:00 | <i>Concurrent Sessions</i> | <i>Windjammer 1&2, 3&4</i> |
| | RENEWABLES <i>1&2</i> Chair: Fred Curry Discussants: Paul Douglas, Tom Frantz & Colin Loxley Robert Michaels : Why so little compliance with state renewable electricity requirements? Steve Rahon & James Magill : Promoting Renewables – Options and Impacts Terry Urbine : When is a Windmill Dirty? | TRANSMISSION/RELIABILITY <i>3&4</i> Chair: Kevin O'Beirne Discussants: Cliff Rochlin & Kevin Woodruff Philippe Auclair : California's Hybrid Transmission Benefit Evaluation Methodology Timothy Mount, et al. : The Economic Value of Improving the Reliability of Supply on a Bulk Power Transmission Network Farrokh Rahimi : Comparison of Market Designs, Opportunities, and Risks |

FRIDAY, JUNE 20, 2008

8:45 - 10:40

*Concurrent Sessions***DEFAULT SERVICE**

1&2

Chair: Menahem Spiegel

Discussants: Christian Jaag, Frank Harris

Laurie Duhan & Sheldon Switzer: Utility Standard Offer Service Service – Beauty ‘or’ the Beast?**Steve Parsons:** Broadband and Mobility – The New Paradigm for Universal Service**Steve Watson:** Eliminating the Regulatory Gap*Windjammer 1&2, 3&4***ENERGY CONSERVATION**

3&4

Chair: Joseph Abhulimen

Discussants: Eric Ackerman

Larry Dale & Michael Hanemann: Impact of Changes in Household Energy and Water Rates, Rate Structures**Carl Danner:** Economics of Energy Efficiency Programs**Joseph Wharton, Ahmad Faruqui & Sunita Surana:** Conditions for Equivalence of Three Shareholder Incentive Mechanisms for Demand Side Management

10:40 – 11:00

Coffee Break

11:00 - 12:55

*Concurrent Sessions***PROPHETS & PROFITS**

1&2

Chair: Michael A. Crew

Discussants: Phillip McLeod

Paul Hunt: Utility cost of capital – expanding the set of financial models**Menahem Spiegel:** Real Time Pricing with Switching Costs**Karl McDermott:** The Uncertain Role of Profit in Regulation – A Love-Hate Affair*Windjammer 1&2, 3&4***DEMAND RESPONSE**

3&4

Chair: Muir Davis

Discussants: Paul Nelson, Aram Shumavon & Robin J. Walther

Robert Entriken: Agents of Demand Response: A Plug-In Hybrid Electric Vehicle Agent**Jordan Prassinis:** Behind the Veil of Demand Response**Eric Woychik:** Business Case for Demand Response Valuation – A Roadmap of Operations and Economics**SPEAKERS DISCUSSANTS & CHAIRS****Joseph Abhulimen,** Program Supervisor, California Public Utilities Commission**Eric Ackerman,** Senior Manager – Regulatory Policy, Edison Electric Institute**Jasmin Ansar,** Manager of Environmental Policy, Pacific Gas & Electric**Phillippe Auclair,** Energy Policy and Economics, Auclair Consulting**Irene Balotro,** Manager, Huron Consulting Group**Matthew A. Barmack,** Principal Policy & Planning Analyst, Pacific Gas & Electric**Keith Casey,** Director-Market Monitoring, CAISO**Joe Craig,** University of Colorado at Boulder**Michael A. Crew,** Director – CRRI, Rutgers University**Sebastien Csapo,** Case Manager - Energy Proceedings, PG&E**Fred Curry,** Chief, Water Branch, California Public Utilities Commission**Larry L. Dale,** Lawrence Berkeley National Laboratory**Carl R. Danner,** Director, Wilk & Associates/LECG**Muir Davis,** Project Manager, Demand Resource Integration, Southern California Edison**Paul Douglas,** California Public Utilities Commission**Laurie H. Duhan,** Director, Choice Programs, BGE**Gregory M. Duncan,** Managing Director, Huron Consulting Group**Robert L. Earle,** Principal, The Brattle Group**Robert Entriken,** Manager Policy Analysis, EPRI**Tom Frantz,** Director - Electric Division, New Hampshire Public Utilities Commission**John Fry,** Institute for Defense Analyses**Farid Gasmî,** Professor of Economics, IDEI - Universite des Sciences Sociales**Victor Glass,** Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.**Chris Grier,** Director Advisory, KPMG LLP**Frank Harris,** Financial Analyst, Southern California Edison**Ted Howard,** Division of Strategic Planning, California Public Utilities Commission**Paul T. Hunt, Jr.,** Manager of Regulatory Finance and Economics, Southern California Edison**Christian Jaag,** Economist, Swiss Post, University of St. Gallen**Michael R. Jaske,** California Energy Commission**Rami Kahlon,** Director of the 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**William E. Kovacic,** Chairman, Federal Trade Commission**Adam Langton,** Regulatory Analyst, California Public Utilities Commission**Robert D. Levin,** Regulatory Analyst, California Public Utilities Commission**Carl B. Linvill,** Director Energy Planning and Analysis Division, Aspen Environmental Group**Colin Loxley,** Director-Resource Planning, PSE&G**Karl A. McDermott,** Ameren Professor of Government and Business, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting**Phillip McLeod,** Principal**Robert J. Michaels,** Professor, California State University at Fullerton**Timothy D. Mount,** Professor, Cornell University**Scott Murtishaw,** Senior Analyst, Climate Change, California Public Utilities Commission**Raj Naidu,** Water & Audits Division, California Public Utilities Commission**Paul Nelson,** Senior Regulatory Economist, Southern California Edison**Kevin O'Beirne,** Regulatory Case Manager, San Diego Gas & Electric Company**Steve G. Parsons,** President, Parsons Applied Economics, L.L.C.**Carl Pechman,** President, Power Economics**Carl R. Peterson,** Senior Consultant, NERA Economic Consulting**Laurina Prantil,** Research Staff Member, Institute for Defense Analyses**Jordan N. Prassinis,** Arizona Public Service Company**Farrokh Rahimi,** Vice President, Market Design and Consulting, Open Access Technology International, Inc.**Steve Rahon,** Director - Regulatory Policy and Analysis, SDG&E**Cliff Rochlin,** Market Consultant, Southern California Gas Company**David J. Salant,** Columbia, Clemson and CRA**Aram Shumavon,** California Public Utilities Commission**Carl Silsbee,** Manager of Regulatory Economics, Southern California Edison**Menahem Spiegel,** Associate Professor, Rutgers University**Howard Spinner,** Director, Division of Economics and Finance, Virginia State Corporation Commission**Gary A. Stern,** Director of Market Monitoring and Analysis, Southern California Edison**Dennis Stevens,** Principal Economist, United States Postal Service**Sunita Surana,** Associate, The Brattle Group**Sheldon Switzer,** Director, Pricing and Tariffs, BGE**Linda Thompson,** Ethics & Compliance Director, Arizona Public Service Company**Marc Ulrich,** Director of Energy Planning, Southern California Edison**Terry F. Urbine,** Analyst, Arizona Public Service Company**Robin J. Walther,** Consultant**Steve Watson,** Capacity Products Staff Manager, Southern California Gas Co.**Joseph B. Wharton,** Principal, The Brattle Group**G. Mitchell Wilk,** Managing Director, LECG, Inc. San Francisco CA**Kevin Woodruff,** Principal, Woodruff Expert Services**Eric Woychik,** Principal, Strategy Integration, LLC**John Yu,** Operations & Statistical Research Analyst, Los Angeles Department of Water and Power

ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas and Electric)
Michael A. Crew (Rutgers University)
Fred Curry (California Public Utilities Commission)
Carl Danner (Wilk & Associates/LECG)
Robert Earle (Brattle Group)
Robert Entriken (EPRI)
Ahmad Faruqui (Brattle Group)
Dennis Keane (Pacific Gas & Electric)
Carl Pechman (Power Economics)
Cliff Rochlin (Southern California Gas)
David Salant (Columbia, Clemson and CRA)
Carl Silsbee (Southern California Edison)

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, 2008. 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: 21st Annual Western Conference

Name _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____

Fax: _____

Email: _____

Billing Information:

Payment enclosed \$1,045 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 \$560

Card # _____

CANCELLATION POLICY: Until May 5, 2008 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

Home Page: www.crr.i.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.i@rbs.rutgers.edu (Jose Lugo)

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 15, 2008. Registrations received after May 15, 2008, 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 **Jose Lugo** at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 19, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.