



California Public Utilities Commission

Annual Report on Trusts and Entities Created by the CPUC

2010 Report to the Legislature per Assembly Bill 1338 (2008)



California Clean Energy Fund



DCISC

DIABLO CANYON
INDEPENDENT SAFETY COMMITTEE



Submitted January 2011

TABLE OF CONTENTS

REPORT ON ENTITIES OR PROGRAMS ESTABLISHED BY THE COMMISSION (PURSUANT TO ASSEMBLY BILL 1338)

I. ENTITIES OR PROGRAMS ESTABLISHED BY THE COMMISSION (SECTION 326.5 A)

- A. *THE PACIFIC FOREST AND WATERSHED LANDS STEWARDSHIP COUNCIL*
- B. *CALIFORNIA CLEAN ENERGY FUND*
- C. *THE CALIFORNIA EMERGING TECHNOLOGY FUND*
- D. *THE DIABLO CANYON INDEPENDENT SAFETY COMMITTEE*
- E. *NUCLEAR DECOMMISSIONING TRUSTS*

II. ENTITIES OR PROGRAMS ESTABLISHED BY THE COMMISSION ACCORDING TO STATUTORY AUTHORIZATION (PUBLIC UTILITIES CODE SECTION 326.5 B)

APPENDICES
ATTACHMENTS

INTRODUCTION

In September 2008, the California Legislature passed AB 1338, the state budget bill. The bill included a rider creating new Section 326.5 of the California Public Utilities Code. Among other things, the new law requires the California Public Utilities Commission (Commission or the CPUC) to report to the Legislature certain information concerning entities or programs created by order of the Commission. This report is submitted by the CPUC to meet the statutory reporting requirement of AB 1338.

Section 326.5 to the Public Utilities Code reads as follows:

SEC. 20. Section 326.5 is added to the Public Utilities Code, to read:

326.5. By January 10, 2009, and by January 10 of each year thereafter, the commission shall report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature, on all sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years and for the proposed fiscal year, including any costs to ratepayers, related to both of the following:

(a) Entities or programs established by the commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council. The report shall contain descriptions of relevant issues, including, but not limited to, all of the following:

- (1) Any governance structure established for an entity or program.
- (2) Any staff or employees hired by or for the entity or program and their salaries and expenses.
- (3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.
- (4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.
- (5) The public process and oversight governing the entity or program's activities.

(b) Entities or programs established by the commission, other than those expressly authorized by statute, under the following sections:

- (1) Section 379.6.
- (2) Section 399.8.
- (3) Section 739.1.
- (4) Section 2790.
- (5) Section 2851.

This report includes annual reporting of 5 entities created by the CPUC as listed in the Table of Contents as well as for the various programs established by the Commission.

I. ENTITIES OR PROGRAMS ESTABLISHED BY THE COMMISSION (PUBLIC UTILITIES CODE SECTION 326.5 A)

A. THE PACIFIC FOREST WATERSHED LANDS STEWARDSHIP COUNCIL

BACKGROUND

The Pacific Forest and Watershed Lands Stewardship Council was formed as a result of CPUC Decision 03-12-035 dated December 18, 2003: *“Opinion Modifying the Proposed Settlement Agreement of Pacific Gas & Electric Company, PG&E Corporation and the Commission Staff, and Approving the Modified Settlement Agreement”*. Paragraph 6 of Section VI, Subsection C specified that a total of \$100 million would be provided to the Stewardship Council for The Land Conservation Commitment and to provide Environmental Opportunity For Urban Youth. Paragraph 6 further stipulated that funding would be paid over 10 years, to be recovered in retail rates. The Stewardship Council does not receive any additional sources of funding at this time.

ANNUAL REPORT

The Stewardship Council has established an independent Audit Committee which oversees a full financial audit of the organization’s financial statements and internal controls processes. This annual audit is available to the public via the Stewardship Council’s website, as is the organization’s IRS form 990: Return of Private Foundation. There reports can be found at:

http://www.stewardshipcouncil.org/public_information/audited_financial_statements.htm

In addition to supplying the most recently available audit report and tax return, this report outlines the additional information required by the Public Utilities Code 326.5.

(1) Any governance structure established for an entity or program.

a. Articles of Incorporation

http://www.stewardshipcouncil.org/documents/Articles_of_Incorporation.pdf

b. Bylaws

http://www.stewardshipcouncil.org/documents/Corporate_Bylaws_Amended%2008.3.07.pdf

c. Settlement Agreement

http://www.stewardshipcouncil.org/documents/Settlement_Agreement.pdf

d. Stipulation Agreement

http://www.stewardshipcouncil.org/documents/Stipulation_Agreement.pdf

e. Policies and Procedures Supplied as a separate document – **Addendum 1** (available on CD) the Pacific Forest and Watershed Lands Stewardship Council Policies and Procedures (P&P) Manual adopted 28.08.05.pdf.

(2) Any staff or employees hired by or for the entity or program and their salaries and expenses.

a. Schedule of Employees and Compensation:

A summary of staff salaries and benefits are provided in **Table 1**, a more detailed breakdown of salaries and benefits for the top 5 officers are given in **Appendix 1.1**.

Table 1 general breakdown of staff costs for 5 years to Dec 31, 2010:

Year	Gross Pay	Benefits	401K	Total
2006	\$630,349	\$115,254	\$17,616	\$763,220
2007	\$616,416	\$115,837	\$17,951	\$750,202
2008	\$1,104,093	\$197,132	\$28,382	\$1,330,496
2009	\$1,341,280	\$250,658	\$39,568	\$1,631,506
2010 (prelim)	\$1,657,798	\$314,535	\$48,442	\$2,020,775

Year	Gross Pay	Benefits	401K	Total
2006	\$630,349	\$115,254	\$17,616	\$763,220
2007	\$616,416	\$115,837	\$17,951	\$750,202
2008	\$1,104,093	\$197,132	\$28,382	\$1,330,496
2009	\$1,341,280	\$250,658	\$39,568	\$1,631,506
2010 (prelim)	\$1,657,798	\$314,535	\$48,442	\$2,020,775

(3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.

No State staff are currently or ever have been loaned to this organization.

(4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.

a. Under the Settlement Agreement, Section 17(c), PG&E is obligated to fund the Stewardship Council annually over a ten year period and is authorized by the Commission to recover these payments in rates. However, the Commission is not a party to any of the contracts entered into by the Stewardship Council.

b. Schedule of professional fees

See **Appendix 1.2**

(5) The public process and oversight governing the entity or program's activities.

a. The Stipulation Agreement provides that:

1. "The meetings of the Governing Board [of the Stewardship Council], including

meeting minutes, will be public... The Stewardship Council will publish notice of its meetings in newspapers of general circulation in the counties where affected parcels are located and will maintain a public web site... Before making decisions regarding the disposition of any individual parcel, the Stewardship Council will provide notice to the Board of Supervisors of the affected county, each affected city, town, and water supply entity, each affected Tribe and/or co-licensee, and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner.” (Section 11(c).

2. “The Governing Board will make each decision by consensus” (Section 11(a)) “Each member of the Governing Board will report to, and back from, the entity he or she represents before the Governing Board takes any programmatic action ... in order to ensure that consensus represents the views of that entity.” (Section 11(b)

3. “The Stewardship Council will provide semi-annual progress reports to the Commission... Each such report will state (1) actual expenditures and progress achieved towards the stated purpose of the Land Conservation Commitment; (2) unresolved disputes within the Governing Board; and (3) anticipated expenditures and actions during the next reporting period.” (Section 14)

b. The Stewardship Council’s corporate bylaws provide as follows:

Section 11. Public Notice of Meetings.

1. All meetings of the Board, including meeting minutes, shall be public; provided, however, that the Board shall have the authority to undertake a closed meeting in appropriate circumstances. The Board shall publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting and shall maintain a public web site that provides notices of its meetings and copies of all meeting minutes. Upon request, all information available on the web site shall be made available in hard copy to members of the public at cost.
2. Before the Board makes any decision regarding any individual parcel of land, the Board shall provide notice to the Board of Supervisors of the affected county, each affected city, town and water supply entity, each affected tribe and/or co-licensee and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner within a reasonable time prior to the meeting at which the Board will make the decision regarding that land.

c. The board-adopted Policies and Procedures include the following:

Public Noticing

The Stewardship Council is required to “publish notice of its meetings in newspapers of general circulation in the counties where affected parcels are located...” It is also required by its Bylaws to “publish notice of its meetings in newspapers of general circulation in the affected counties within a reasonable time prior to any meeting...” Staff will be responsible for meeting the letter and spirit of these requirements through an inclusive and comprehensive public outreach effort.

Stewardship Council 2010 Public Outreach Activities, Targeted Media Outreach and Noticing

1. In 2010, the Stewardship Council sent out 71 stakeholder e-mails announcing Youth Investment Program updates and information, Land Conservation program updates and information, and Public Board Meeting announcements, totaling more than 189,514 individual e-mails sent.
2. The Stewardship Council hosted seven Native American Outreach meetings in the watershed lands to provide an overview of the Stewardship Council and its land conservation planning process, requirements, and opportunities and to solicit input on the land conservation program, and on important issues to Native American entities. Fifty-eight attendees represented thirty-seven tribes at these meetings.
3. 126 “within-a-mile” postcards were mailed as a courtesy to neighboring property owners, stakeholders and Native American entities announcing a proposed action of the Stewardship Council concerning the Carrizo Plain planning unit. .
4. News releases announcing public board meetings were drafted and issued to the Stewardship Council media database. The media database includes more than 480 media outlet representatives. Follow-up phone calls regarding the board meeting were made to specific media outlets in the watershed lands.
5. The news release announcing the closing of the Interested Donee Registry was sent to all Stewardship Council media contacts in the watershed areas and major media in urban areas.
6. The Stewardship Council requested 10 legal notices to be printed in local papers, noticing the five public board meetings. Notices were printed in the paper where the board meetings were held, and in the major publication covering specific land issues.
7. A notice requesting public comment on the draft guidelines regarding the satisfaction of property tax neutrality was sent to the Stewardship Council database. Additionally, 44 letters regarding this issue were sent to the Board of Supervisors and County Administrative Officers in the 22 counties where PG&E watershed lands are located.
8. One newsletter and the 2009 annual report were produced and distributed online to the stakeholder database,
9. The Stewardship Council database included 11,644 individuals or organizations as of Jan. 1, 2011.

B. THE CALIFORNIA CLEAN ENERGY FUND

BACKGROUND

The California Clean Energy Fund (CalCEF) was established via the bankruptcy settlement between Pacific Gas and Electric Company and the California Public Utilities Commission with CPUC Decision 03-12-035 in Investigation 02-04-026. Funding for CalCEF, \$30 million distributed by PG&E over five years, derives from shareholders, not ratepayers, per the terms of the settlement agreement. CalCEF is structured as an independent 501(c)4 nonprofit corporation, and deploys these settlement funds consistent with its nonprofit mission: supporting clean technology development via investment partnerships, business strategies and public policy initiatives. CalCEF Innovations, a related but legally separate 501(c)3 corporation, receives grant funding from CalCEF and outside entities to support its public policy and market development efforts. In no instances has CalCEF or CalCEF Innovations received funding from utility ratepayers.

ANNUAL REPORT

(1) Any governance structure established for an entity or program.

CalCEF is governed by a board of 9 directors under its incorporation charter and bylaws filed in 2004; copies of the both charter and bylaws are provided in separate documents (**Addendum2**) (Available on CD).

a. *Articles of Incorporation:*

CalCEF Articles of Incorporation and Charter are provide in a separate file: **Addendum2** CalCEF Incorporation and Bylaws. (Available on CD)

b. *Bylaws:*

CalCEF Bylaws are provided in a separate document: **Addendum 2** CalCEF Incorporation and Bylaws (Available on CD)

CalCEF Innovations bylaws are provided in a separate document:
Addendum 3 CalCEF Innovation Bylaws (Available on CD)

c. *Settlement Agreement:*

D.03-12-035 appendix B 18 a-c

http://docs.cpuc.ca.gov/Published/Final_decision/32687.htm

d. *Stipulation Agreement:*

No Stipulation Agreement found

e. *Policies and Procedures:*

CalCEF policies and Procedures are provided in a separate document: **Addendum 2** CalCEF Incorporation and Bylaws (Available on CD)

(2) Any staff or employees hired by or for the entity or program and their salaries and expenses.

CalCEF and its sister organization CalCEF Innovations employ 2 staff members directly. A summary of staff salaries and benefits are provided in **Table 2**:

General breakdown of staff costs for five years to December 31, 2009:

Year	Gross Pay	Benefits	Total
2005	\$175,000	\$1,848	\$176,848
2006	\$145,833	\$3,707	\$149,590
2007	\$210,000	\$5,234	\$215,234
2008	\$162,083	\$6,347	\$168,430
2009	\$189,600	\$18,600	\$208,200

Note: CalCEF Tax returns are submitted mid-year, so 2010 returns will not be prepared until mid-2011; therefore information is provided on the five most recently available years.

(3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.

No State staff are currently or ever have been loaned to this organization.

(4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.

CalCEF's initial funding of \$30 million comes from PG&E shareholders. The funding schedule extends over a five-year period as follows: \$2 million in 2004, \$4 million in 2005, \$6 million in 2006, \$8 million in 2007, and \$10 million in 2008. Minor funding from other entities has been made by way of donations to CalCEF (Appendix 2.1). PG&E's role in CalCEF is limited to providing the initial \$30 million in funding and appointing three of the initial nine Board members. Authority for this funding was given in CPUC decision D03-12-035, upon settlement of PG&E's bankruptcy.

CalCEF has invested in new technology ventures by entering into partnering contracts with three for profit venture capital partners: Nth Power; VantagePoint Venture Partners; Element Partners (a list of investment ventures is provided in Appendix 2.2). In 2006 CalCEF made a grant of \$0.5 million to UC Davis for the development of the Energy Efficiency Center, and in 2007 made a second grant of \$0.5 million per the terms of the grant agreement. In 2008 the CalCEF Clean Energy Angel Fund was established and in 2008 the sister organization CalCEF Innovation was set-up with \$0.5 million to address important gaps in public policy regarding motivation of clean energy technology and business solutions, and to pursue needed policy making and public benefit goals. The investment objectives and distribution of funding among the partners and grantees is shown in Table 3.

Table 3 – Breakdown of investment distribution between venture capital management partners and grantees

Year of Investment	Investment Partner	Objective	Total Investment/Grant
2005	DFJ Element Clean Energy Fund, LLP	Support companies solving resource constraint problems	\$8 million
2005	Nth Power Clean Energy Fund, LLP	Build relationships that speed the growth of new energy technologies	\$8.5 million
2006	Vantage Point Venture Partners	New Clean Energy Technology Investment	\$8 million
2006	UC Davis	Energy Efficiency Center	\$1 million
2007	CalCEF Clean Angel Fund	Start-up/seed stage investment fund in the clean energy and related technologies markets.	\$1 million
2008	CalCEF Innovations	Provide funding for public policy and market strategy development.	\$0.5 million

(5) The public process and oversight governing the entity or program's activities.

CalCEF is an non-profit 501(c)4 corporation. It is not funded through either direct taxation or via energy ratepayers; it is subject to public oversight as suits its nonprofit organization status.

C. THE CALIFORNIA EMERGING TECHNOLOGY FUND

BACKGROUND

The California Emerging Technology Fund (CETF) was established as a non-profit corporation pursuant to orders from the California Public Utilities Commission (CPUC) in approving the mergers of SBC-AT&T and Verizon-MCI in 2005. As a condition of approval of the mergers, AT&T and Verizon were required to contribute to CETF a total of \$60 million over 5 years "for the purpose of achieving ubiquitous access to broadband and advanced services in California, particularly in underserved communities, through the use of emerging technologies by 2010."

The CPUC stated that CETF should pursue the goals of expanding adoption and usage of broadband technology in addition to promoting ubiquitous access: "We understand that without computers and computer literacy neither availability nor access will ensure use. It is low use that is at the heart of the digital divide. CETF should consider the possibility of public/private partnerships to develop community broadband access points that provide both."

ANNUAL REPORT

(1) Any governance structure established for an entity or program.

- a. Articles of Incorporation.
See <http://cetfund.org/governance/incorporation>.
- b. Bylaws.
See <http://cetfund.org/governance/articles>.

(2) Any staff or employees hired by or for the entity or program and their salaries and expenses.

Schedule of employees with salaries and expenses. New staff in Fall 2010: 2 NTIA Portfolio Managers

Year	Gross Pay	Benefits	Total
July 2008-June 2009	\$ 977,577	\$ 63,423	\$ 914,004
July 2009-June 2010	\$1,126,019	\$128,624	\$1,254,643
July 2010-June 2011*	\$1,350,000	\$120,000	\$1,470,000

*This includes actual expenses for July-October and projections for November-June.

(3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.

None. There are no state employees at CETF, nor are there any loaned or transferred state employees. CETF was the fiscal manager for the School2Home program. School2Home is a program of CETF.

(4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.

- a. Schedule of contracts.

There are professional contracts and agreements with grantees. The contracts are listed below. For the grantees the Status of Current Grants, in Attachment A, describes the project, the grant amount and the deliverables and outcomes. The deliverables and outcomes are important to establish the management and oversight of the grantees. There is also a list of completed grants in Attachment B.

IT Tech Support

IS Logistics

Total \$18,000

Legal Counsel

Melinda Guzman, Esq.

Total \$25,000

Plan Administrators

Inline Plans, Inc.

Administrators

Total \$6,000

Accounting

RINA \$28,500

CoreBooking Business Services \$26,000

Total \$54,500

Website Support

CyberGrants Online Grant Service

\$12,000

Urban Insight Website Support \$16,000

Total \$28,000

Grantee Best Practices Training

Glen Price Group

Total \$33,000

- b. Source of funding for contracts: Under the mergers of AT&T/SBC and Verizon/MCI approved by the CPUC, both companies are obligated to fund CETF annually over a five year period for a total of \$60 million. This funding is from the shareholders of each company and not the ratepayers.

(5) The public process and oversight governing the entity or program's activities.

CETF is incorporated as a California 501(c)3 non-profit corporation as a public benefit corporation. It has a Board of Directors that provides oversight. CETF was established with shareholder funds from AT&T and Verizon. There were no ratepayer funds in the seed capital that funded CETF.

CETF does share a progress report with the CPUC annually. Sunne Wright McPeak, President and CEO of CETF presented to the CPUC October 14, 2010. A copy is in Attachment C.

CETF publishes an annual report describing the grants to date, the metrics, and outcomes of the investments, and detailed financial information. In addition to mailing printed copies CETF distributes an electronic copy to everyone who signed up on the CETF website. It is also posted on the organization's website at: <http://www.cetfund.org/annualreports>.

The IRS 990s for the past three years are in Attachment D-F.

CETF hosts a wide range of public forums during the year, including a meeting with its Expert Advisors, Rural and Urban Consortia, all designed to provide and solicit information about the grants and future directions.

CETF is required by California law to comply with the Non-Profit Integrity Act of 2004. CETF has established an independent Audit Committee which oversees a full financial audit of the financial statements. All the audits are on the CETF website at: <http://www.cetfund.org/aboutus/finances/audit>.

(6) All sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years, and for the proposed fiscal year, including any costs to ratepayers.

- a. Sources and amounts of funding. Under the mergers of AT&T/SBC and Verizon/MCI approved by the CPUC, both companies were obligated to fund CETF annually over a five year period for a total of \$60 million. This funding is from the shareholders of each company and not the ratepayers and is paid in full.
- b. Actual and proposed expenditures. The financial statements are attached for fiscal years 2007-08 and 2008-09 and 2009-2010 are included in Attachment G and represent the actual expenditures. The figures included for 2010-2011 are include actual for July – October and projected budgeted for November – June.
- c. Costs to ratepayers. None of the costs are charged to ratepayers.

Quick Facts

- a. Contributions from AT&T and Verizon as of December 2010, \$60,000,000.
- b. Grants approved through October 2010, \$22,975,296.
- c. Seed Capital committed through October 2010, \$25,700,000.
- d. Four fold match goal of seed capital exceeded as of October 2010 (3:8), \$86,207,222.

Major Highlights and Accomplishments from 2010

- a. Awarded two federal grants from the National Telecommunication Information Agency (NTIA) totaling \$14.2 on behalf of 19 partners that will increase adoption by over 141,000 in California.
- b. Expanded, through NTIA grants, public awareness and education program called **Get Connected!** (www.GetConnectedToday.com) to assist non-subscribers understand the benefits of being connected to broadband. The media from coverage has generated 27 million broadcast impressions through earned media and over 690 million impressions through the paid television and radio commercials.
- c. Secured support from 38 counties representing 66% of the population for the **Get Connected!** resolution indicating broadband is an increasing priority for local government. A map showing the status of each county is Attachment G.
- d. Published a local resource guide for local government to use in making broadband a priority.
- e. Contributed to the significant increase in adoption among low-income populations, especially in Los Angeles and the Central Valley, as measured by the survey the Public Policy Institute of California (2010) conducts annually. The latest survey results from PPIC are from August 2010.

	Internet Use		Broadband at Home	
	2008	2010	2008	2010
All Californians	70%	81%	55%	70%
Under \$40,000 AHI	49%	66%	33%	49%
Latinos	48%	65%	34%	50%
With Disability	57%	68%	36%	55%
Los Angeles	61%	78%	48%	67%
Rural	63%	81%	51%	69%

- f. Succeeded in having 98% of the grantees between 2007 and 2009 complete Accessibility Plans.

- g. Supported the completion of 5 demand aggregation studies from the rural regions, many were then able to assist providers secure CASF and federal stimulus funding.
- h. Contributed to the California Digital Literacy Report issued as a result of the Governor's Executive Order Digital Literacy.
- i. Launched School2Home in the of Fall 2009 and began year 2 in the of Fall 2010 at Stevenson Middle School in Los Angeles and Central Middle School in Riverside resulting in over 200 teachers and administrators, 1,800 students, and over 800 parents trained on using high speed broadband to improve the teaching, learning and communication. Each student has a broadband enabled netbook and the vast majority has a broadband connection at home.

Please feel free to contact Sunne Wright McPeak or Susan Walters at 415-744-2383 if you have questions or need additional information.

D. THE DIABLO CANYON INDEPENDENT SAFETY COMMITTEE

BACKGROUND

The Diablo Canyon Independent Safety Committee (“DCISC”) was established as a part of a settlement agreement entered into in June 1988 between the Division of Ratepayer Advocates of the California Public Utilities Commission (“PUC”), the Attorney General for the State of California, and Pacific Gas and Electric Company (“PG&E”) concerning the operation of the two units of PG&E’s Diablo Canyon Nuclear Power Plant (“Diablo Canyon”). The agreement provided that:

“An Independent Safety Committee shall be established consisting of three members, one each appointed by the **Governor of the State of California**, the **Attorney General** and the **Chairperson of the California Energy Commission**, respectively, serving staggered three-year terms. The Committee shall review Diablo Canyon operations for the purpose of assessing the safety of operations and suggesting any recommendations for safe operations. Neither the Committee nor its members shall have any responsibility or authority for plant operations, and they shall have no authority to direct PG&E personnel. The Committee shall conform in all respects to applicable federal laws, regulations and Nuclear Regulatory Commission (‘NRC’) policies.”

The committee acts as an advisory body and has no independent budget.

E. NUCLEAR DECOMMISSIONING TRUSTS

BACKGROUND

In investigation proceeding OII 86, the Commission conducted an investigation into methods of financing the cost of decommissioning California's nuclear power plants. As a result, in D.87-05-062, the Commission adopted externally managed trusts as the vehicles for accruing decommissioning funds. Two types of funds were established.

1. The *Qualified Trust* funds are contributions that qualify for an income tax deduction under Section 468A of IRS Code.
3. The *Non-qualified Trust* funds are those contributions that do not qualify for an income tax deduction.

Each utility has a Committee made up of 5 members who are responsible for directing and managing their decommissioning trusts. Two of the Committee members are utility affiliated. The three that are not affiliated with the utility are the Commission-approved members that serve a term of five years. The Committee appoints trustees and investment managers. On November 25, 1987, Resolutions E-3060, E-3048, and E-3057 approved, respectively, San Diego Gas & Electric's (SDG&E), PG&E's, and Edison's (SCE) Master Trust Agreements.

The utilities employ a stable of investment managers and advisors for their decommissioning trusts.

Investment Managers

SDG&E:

- NISA Investment Advisors, L.L.C [Fixed income]
- State Street Global Advisors [US & Foreign equity]
- TCW Asset Management [Fixed income for qualified trust]
- Payden & Rygel [Fixed income for non-qualified trust]
- UBS Asset Management [Foreign equity]

PG&E:

- Black Rock Financial Management [Qualified/non-qualified trust fixed income].
- NISA Investment Advisors [Qualified trust fixed income]
- State Street Global Advisors [Qualified/non-qualified trust US equities]
- PanAgora Asset Management [Non-US equities]
- Black Rock Financial Management [Non-qual. fixed income]

SCE:

- SCW Fixed income management [Qualified trust fixed income]
- Black Rock Financial Management [Qualified trust fixed income]
- Stanford C. Bernstein [Qualified trust fixed income]
- PanAgora Asset Management [Qualified trust international equity assets]
- Alliance Capital [Qualified trust US equity assets]

- RCM [Non-qualified trust US equity assets]
- SSgA [Qualified/non-qualified US equity assets]
- PIMCO [Qualified/non-qualified fixed income assets]

Trustee

Mellon Bank N.A. acts as the trustee for SDG&E, PG&E and SCE Decommissioning Trusts by providing custody, record keeping, accounting, taxation, and reporting services on behalf of the trusts.

The Nuclear Regulatory Commission (NRC) has some basic regulations that must be followed regarding decommissioning. These are:

1. Licensees are required to have sufficient funds to decommission the plant in case of termination of the license by the NRC. [10 CFR 50.75]. The utilities with nuclear plants file a report every two years with the NRC showing estimated decommissioning costs according to the NRC methodology, and how much money has been set aside for that purpose. The NRC definition of decommissioning is related only to the 'nuclear' portion of the plant. In California, decommissioning also includes restoring the site to its original condition, which includes additional activities and which requires accumulation of more funds.
2. After permanent plant shutdown, certain activities may not be performed that would prevent completion of decommissioning [10 CFR 50.82(6)].

II. ENTITIES OR PROGRAMS ESTABLISHED BY THE COMMISSION PURSUANT TO STATUTE (PUBLIC UTILITIES CODE SECTION 326.5 B)

1) PU Code Section 379.6 -SGIP – Self Generation Incentive Program

Administration of SGIP is shared with State Energy Resource Conservation and Development Commission under Section 379.6

379.6. (a) (1) The commission, in consultation with the State Energy Resources Conservation and Development Commission, shall administer, until January 1, 2012, the self-generation incentive program for distributed generation resources originally established pursuant to Chapter 329 of the Statutes of 2000.

No additional entities have been established beyond the scope of the above statute to manage or otherwise engage with this program.

2) PU Code Section 399.8 - Energy Efficiency (EE)

The administration of EE programs is done by the Investor Owned Utilities under Section 399.8.2(c)(1)

The commission shall require each electrical corporation to identify a separate rate component to collect revenues to fund energy efficiency, renewable energy, and research, development and demonstration programs authorized pursuant to this section beginning January 1, 2002, and ending January 1, 2012. The rate component shall be a non-bypassable element of the local distribution service and collected on the basis of usage.

No additional entities have been established beyond the scope of the above statute to manage or otherwise engage with the programs.

3) PU Code Section 739.1 -California Alternative Rates for Energy (CARE)

739.1(a) The commission shall establish a program of assistance to low income electric and gas customers, with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels the cost of which shall not be borne solely by any single class of customer. The program shall be referred to as the California Alternate Rates for Energy or CARE program. The commission shall ensure that the level of discount for low-income electric and gas customers correctly reflects the level of need.

No additional entities have been established beyond the scope of the above statute to manage or otherwise engage with this program.

4) PU Code Section 2790– Low Income Energy Efficiency (LIEE)

2790. (a) The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers, as determined by the commission under Section 739, if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the

cost-effectiveness of the services and the policy of reducing the hardships facing low-income households.

No additional entities have been established beyond the scope of the above statute to manage or otherwise engage with this program.

5) PU Code Section 2851 - California Solar Initiative (CSI)

2851. (a) In implementing the California Solar Initiative, the commission shall do all of the following:

(1) The commission shall authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems that meet the eligibility criteria established by the State Energy Resources Conservation and Development.....

(2) The commission shall adopt a performance-based incentive program so that by January 1, 2008, 100 percent of incentives for solar energy systems of 100 kilowatts or greater and at least 50 percent of incentives for solar energy systems of 30 kilowatts or greater are earned based on the actual electrical output of the solar energy systems.....

(3) By January 1, 2008, the commission,, shall require reasonable and cost-effective energy efficiency improvements in existing buildings as a condition of providing incentives for eligible solar energy systems, with appropriate exemptions or limitations to accommodate the limited financial resources of low-income residential housing.

(4) (A) Notwithstanding subdivision (g) of Section 2827, the commission shall require time-variant pricing for all ratepayers with a solar energy system. The commission shall develop a time-variant tariff that creates the maximum incentive for ratepayers to install solar energy systems so that the system's peak electricity production coincides with California's peak electricity demands and that assures that ratepayers receive due value for their contribution to the purchase of solar energy systems and customers with solar energy systems continue to have an incentive to use electricity efficiently.....

No additional entities have been established beyond the scope of the above statute to manage or otherwise engage with this program.

APPENDICES

Appendix 1.1 Pacific Forest and Watershed Lands Stewardship Council

Active Employees as of 12/31/2010

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	175,000	22,671	7,000	204,671
Director of Land Conservation	153,513	21,727	3,070	178,310
General Counsel	153,801	17,560	6,152	177,512
Director of Youth Investment	125,033	23,093	5,001	153,127
Director of Finance	100,000	17,557	3,667	121,224
Other Staff (16 positions)	950,451	211,928	23,552	1,185,931
Grand Total (21 positions)	1,657,798	314,535	48,442	2,020,775

Active Employees as of 12/31/2009

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	153,125	20,795	3,500	177,420
Director of Land Conservation	146,000	20,834	7,790	174,624
General Counsel	147,700	21,180	2,708	171,588
Director of Youth Investment	120,492	20,066	5,373	145,931
Director of Finance	89,216	18,593	3,569	111,377
Other Staff (15 positions)	684,747	149,190	16,629	850,566
Grand Total (20 positions)	1,341,280	250,658	39,568	1,631,506

Active Employees as of 12/31/2008

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	181,111	23,302	7,244	211,657
Director of Land Conservation	139,833	18,923	3,553	162,310
General Counsel	139,941	21,410	0	161,351
Director of Youth Investment	113,328	19,055	4,533	136,916
Finance Manager	84,276	16,231	3,208	103,715
Other Staff (10 positions)	446,494	98,211	9,843	554,548
Grand Total (15 positions)	1,104,983	197,132	28,382	1,330,496

Active Employees as of 12/31/2007

Title	Gross Pay	Medical & Fringe	401k	Total
Executive Director	172,323	22,242	6,893	201,457
Director of Youth Investment	96,688	17,378	3,868	117,933
Finance Manager	80,732	15,632	3,229	99,593
Other Staff (8 positions)	266,674	60,585	3,961	331,218
Grand Total (11 positions)	616,416	115,837	17,951	750,202

Appendix 1.2 Pacific Forest and Watershed Lands Stewardship Council

Schedule of Professional Fees
As of 12/31/2009 - Preliminary
Presented by G/L Category

G/L Category	Total Paid
Total Legal Fees:	\$61,644.88
Total Accounting Fees:	\$30,130.00
Total Investment Management Fees:	\$30,000.00
Total Land Planning	\$587,201.86
Total Youth Investment	\$165,628.75
Total Professional Services	\$34,636.40
Total Graphics/Media/PR:	\$42,797.43
Total Consultant Expense	\$952,039.32

Appendix 2.1 – California Clean Energy Fund

Donating Entities to CALCEF

Date Contributing Entities Contribution

2005 Dewy Ballantine LLP \$20,000
2005 Cooley Goward \$10,000
2005 PG& E \$4,050,000
2006 Dewy Ballantine LLP \$20,000
2006 PG&E \$6,000,000
2007 Dewey Ballantine LLP \$20,000
2007 Nth Power Clean Energy Fund LP \$20,000
2007 DFJ Alta Terra Clean Energy Fund \$20,000
2007 PG&E \$8,000,000
2008 PG&E \$10,000,000

Appendix 2.2 California Clean Energy Fund

Investment Summary

CalCEF has invested in the following projects via their four venture capital partners , Nth Power, VantagePoint Venture Partners, Element Partners, and the CalCEF Clean Energy Angel Fund.

Year of First Investment	Entity
2005	CoalTek Inc.
2005	Imperium Renewables
2005	SpectraSensors Inc.
2005	SuperProtonic Inc.
2006	Angstrom Power
2006	Arxx Corporation
2006	Blue Egg Inc.
2006	Bright Source Energy Inc.
2006	Chemrec AB
2006	Cobalt Technologies Inc.
2006	Deeya Energy Inc.
2006	Fat Spaniel Tech. Inc.
2006	Imara Corporation
2006	Mascoma Corp.
2006	Miartech Inc.
2006	Microposite Inc.
2006	Microposite Inc.
2006	PPT Research Inc.
2006	Solar Century
2006	Soliant Energy Inc.
2006	Synapsense Corp.
2006	Tesla Motors Inc.
2006	Thetus Corp.

2007	BioFuelBox Corporation
2007	BridgeLux
2007	DynaPump Inc.
2007	Earthanol Inc.
2007	Energex
2007	LumaSense LLC.
2007	Petra Solar Inc.
2007	Premium Power Corp.
2007	TerraPass Inc.
2007	Think Global AS
2007	Tioga Energy Inc.
2007	Wasatch Wind Inc.
2007	Xerocoat
2007	Ze-gen
2008	EdenIQ
2008	Senergen
2009	Allopartis Biotechnologies
2009	HID Labs
2010	Alphabet Energy

Appendix 3.1 CALIFORNIA EMERGING TECHNOLOGY FUND (CETF)

Consultant Fees and Expenses

Schedule of Consultant Expenses FY July 2006-June 2007

Presented by G/L Category G/L Account Total Paid

Legal Fees \$4,200
Plan Administrators \$1,950
Accounting \$13,055
Website Support \$15,250
Total Consultant Expenses \$34,455

Schedule of Consultant Expenses FY July 2007-June 2008

Presented by G/L Category G/L Account Total Paid

Team Assistance \$124,140
Plan Administrators \$3,195
Bookkeeping \$11,000
Accounting \$10,456
Advisor Fees \$83,289
IT Tech Support \$10,965
Website Support \$24,746
Online Grants Service \$10,000
Total Consultant Expenses \$277,791

Schedule of Consultant Expenses July 2008- Nov 2008

Presented by G/L Category G/L Account Total Paid

Plan Administrators \$2,505

Bookkeeping \$6,000

Accounting \$5,000

Annual Audit \$11,250

Advisor Fees \$45,245

IT Tech Support \$4,660

Website Support \$17,429

Get Connected \$768,000

Total Consultant Expenses \$860,089

Schedule of Consultant Expenses FY July 2008-June 2009

Presented by G/L Category G/L Account Total Paid

Legal Fees \$6,888

Plan Administrators \$23,087

Accounting \$46,300

Website Support \$37,799

Conferences \$69,814

Get Connected \$809,377

Other \$6,222

Total Consultant Expenses \$999,487