NOTICE OF WORKSHOP
SPONSORED BY THE RESOURCES AGENCY

In the matter of:	)	Energy Commission
	)	Docket No. 05-LNG-1
Preparation for the Governor's Potential Decisions on Offshore LNG Import Terminal Applications	)	
	)	Notice of Public
	)	Workshop on LNG
	)	ACCESS ISSUES AND
	)	DELIVERABILITY OF
	)	SUPPL Y
	)	

The California Resources Agency (Resources Agency), in coordination with the California Energy Commission (Energy Commission) and the California Public Utilities Commission (CPUC), will conduct a joint workshop to explore ways to maximize the potential economic benefits of any natural gas imported to California in the form of liquefied natural gas (LNG) and safeguard California's natural gas markets. The workshop is also intended to facilitate a discussion on the terms of access to LNG regasification services at offshore terminal facilities, and what, if anything, should be done to help ensure deliverability of supply.

Information stemming from this workshop will be used to prepare the state for rendering future decisions on offshore LNG terminal applications. The workshop will be held on:

WEDNESDAY, JUNE 1,2005 from 9:30 am to 4:00 pm and THURSDAY, JUNE 2, 2005 from 9:00 am to 4:00 pm at the **Secretary of State Office Auditorium 1500 11th Street, First Floor, Sacramento, CA**
(Wheelchair Accessible)

Audio from this meeting will be broadcast over the Internet.
For details, please go to: www.energy.ca.gov/webcast/

Purpose of the Workshop

The objectives of this workshop are to:

1) explore ways to maximize the potential cost saving benefits to natural gas,
2) identify what can be done to: (a) ensure that potential licensees for offshore terminals operate terminals in a manner that maximizes potential cost saving benefits to consumers, and (b) guard against potential market problems,
3) explore if LNG, whether imported directly to California or indirectly through another state or country, will be a secure source of supply, and what, if anything, should be done to ensure a secure source of supply, and
4) facilitate a discussion on these issues in order to elicit additional information that should be considered by the Administration.

Background

The focus of this workshop will be to consider what should be done, if anything, to maximize the potential economic benefits to consumers and to protect California from any potential market problems. The scope of this inquiry will include discussion of both direct importation of LNG to California and indirect importation to California through another state or country.

One issue of importance for maximizing potential economic benefits is who will be given access to regasification services by the terminal operator. The Deepwater Port Act allows for either exclusive use of the terminal by the licensee or for other parties to also use the terminal, assuming they pay a reasonable fee to the licensee and meet other terms and conditions of such use set by the licensee. 33 U.S.C. § 1507(d). At this point it is not clear how access would work at the proposed terminals. It is also not clear whether any safeguards are necessary to protect California from any potential market problems.

Another issue of importance for maximizing potential economic benefits is adequate supply. In particular, unanticipated physical loss of supply could have adverse implications for natural gas consumers. In addition, interference with commercial supply arrangements could have adverse implications for natural gas consumers. At this point it is not clear whether there are supply risks associated with importation of LNG directly or indirectly to California. If there are such risks, it is also not clear whether these risks are of sufficient concern that steps should be taken to mitigate such risks.

The Resources Agency will host further workshops later this year on LNG issues not covered by the EIS/EIR to explore additional subjects relevant to the proposals. Information regarding such workshops will be provided as soon as it is available. This workshop reinforces the state's desire to provide broad energy choices and at the same time meet environmental and public health and safety

requirements. The state must also encourage private companies to invest in California in a manner that meets its consumer, environmental, and public health and safety needs.

Opportunities to Provide Input for the Workshop and Resulting Report

The final agenda will be posted on the Energy Commission's Web site by May 25, 2005. A bibliography of information relevant to this topic is also attached and some of the materials that appear on this bibliography will be posted on the Energy Commission's Web site.

Oral Presentations

Several individuals with expertise relating to the subject of the workshop have been invited to present their views on relevant issues. In addition, panels of interested parties with relevant knowledge are being assembled. Interested parties that wish to participate in a panel to address questions raised in the attached list of topics should send an e-mail by May 18, 2005 to Mary Dyas at mdyas@energy.state.ca.us that includes the following information: (1) the identity of the proposed panel participant; (2) the questions the proposed participant wishes to address; (3) contact information for the proposed panel participant including telephone number, email address, and street address. Such requests to make presentations will be accommodated to the extent possible given time constraints for the workshop.

There will be an opportunity for additional public comment at the end of the prepared presentations both days, although these comments may be limited to three minutes per speaker to allow for as many speakers as possible to offer comments.

Written Materials

Interested parties are encouraged to file comments on the topics and questions to be addressed prior to the workshop and to file comments after the workshop by June 15, 2005. Comments filed after June 15, 2005 will not be considered in the workshop report the Energy Commission staff will prepare that will summarize the workshop. This workshop report will be filed by July 15, 2005.

All written comments, the workshop report, and any other comments shall be filed in the LNG docket (05-LNG-1) at the Energy Commission at the following address:

California Energy Commission
Re: Docket No. 05-LNG-1
Docket Unit, MS-4

1516 Ninth St.
Sacramento, CA 95814-5504
E-mail: docket@energy.state.ca.us

All the presentations, comments, workshop report will be posted on the Energy Commission's Web site.

Public Participation

The Resources Agency encourages all interested stakeholders to participate in its meetings, hearings, workshops, and proceedings. If you have questions regarding how you can participate in this workshop, please contact Margret J. Kim, the Energy Commission's Public Advisor, by phone at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at pao@energy.state.ca.us.

For technical information about the workshop, please contact: David Maul, by phone at (916) 654-3941 or at dmaul@energy.state.ca.us

The workshop location is accessible to people with disabilities. If you have a disability, and require assistance to participate in this workshop, please contact Lou Quiroz of the Energy Commission at (916) 654-5146 at least five days in advance of the workshop.

This workshop will be Webcast live and the presentations will be available on the Web. Please visit the Energy Commission's Web site at www.energy.ca.gov the morning of this workshop for instructions on listening to the audio and viewing all available presentations.

Participants are encouraged to use mass transit and carpooling to reach the workshop site in order to reduce our transportation energy demand.

Mike Chrisman

MIKE CHRISMAN, SECRETARY
Resources Agency

Enclosures