Application No.: 22-05-002, et al.

Exhibit No.: Council/Leap-02

Witnesses Joseph Desmond

Commissioner John Reynolds

ALJs Garrett Toy and Jason Jungreis

OPENING TESTIMONY OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL AND LEAPFROG POWER, INC.

Application 20-05-002, et al.
Demand Response Programs

August 5, 2022

A.20-05-002, et al. (DR Programs)
OPENING TESTIMONY OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL AND LEAPFROG POWER, INC.

I. EXECUTIVE SUMMARY

This testimony is submitted on behalf of the California Efficiency + Demand Management Council ("the Council") and Leapfrog Power, Inc. ("Leap"). The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.[1] Our member companies employ many thousands of Californians throughout the state. They include energy efficiency ("EE"), demand response ("DR"), and distributed energy resources ("DER") service providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and energy efficient product manufacturers. The Council's mission is to support appropriate EE and DR policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

Leap is a DR Provider ("DRP") founded in 2017 and headquartered in San Francisco, California. The company provides DR services to residential, commercial, industrial, and agricultural customers throughout the state of California. Through its technology platform, Leap enables DER providers in California to provide grid flexibility, delivering revenue for their customers and integrating additional demand-side resources into California electricity system. Leap believes that demand-side resources integrated into California's wholesale electricity market will play an increasingly important role in helping California achieve a resilient and zero carbon future. Leap is a registered DRP, as well as a registered Scheduling Coordinator, with the California Independent System Operator Corporation ("CAISO"). Leap has been a participant in the recent Demand Response Auction Mechanism ("DRAM") procurements and has entered into contracts

[1] Additional information about the Council, including the organization's current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at http://www.cedmc.org. The views expressed by the Council are not necessarily those of its individual members.

with PG&E, SCE, and SDG&E to deliver DRAM capacity. In 2020, Leap filed its 2019 Load Impact Analysis and received net qualifying capacity ("NQC") for the 2021 Resource Adequacy Delivery Year. Since 2021, Leap has contracted with over a dozen Community Choice Aggregators ("CCAs") to deliver DR-based Resource Adequacy.

On July 5, 2022, Assigned Commissioner John Reynolds issued a Scoping Memo and Ruling ("Scoping Memo"). The Scoping Memo stated that the proceeding would be addressed in two Phases and that Phase I would address bridge funding for 2023 and the DRAM.[2] The scoped issue to be addressed as part of Phase I – Auction Mechanism is: "[s]hould the Utilities be directed to conduct Auction Mechanism solicitations in 2023, for 2024 deliveries, as a continued pilot without further technical refinements, and if so, what budget should be authorized?"[3] In addition, the Scoping Memo and the Administrative Law Judge Ruling, dated July 14, 2022 ("July 14 ALJ Ruling") directed parties to provide testimony as to the "DR Auction Mechanism Evaluation Report" submitted by Nexant (now Resource Innovations) and Gridwell Consulting on June 24, 2022 ("DRAM Evaluation").[4]

II. SUMMARY OF THE COUNCIL AND LEAP'S TESTIMONY

The results of the DRAM Evaluation are sufficiently positive to justify a 2023 auction for 2024 delivery. Eliminating DRAM now may eliminate critical capacity when the State needs it most, and discontinuing the DRAM for one year will likely destroy demand among some current participants, even if the Commission ultimately adopts the DRAM for the long-term. A 2023 auction should be approved with a $28 million budget, in light of the $200,000,000 recently adopted in Assembly Bill 205 (2022) for incremental demand-side resources as part of a strategic reliability reserve.

[2] Scoping Memo, at p. 3.
[3] *Id.*, at p. 4.
[4] *Id.*, at p. 3 and July 14 ALJ Ruling, at p. 3.

III. TESTIMONY REGARDING SCOPING MEMO ISSUE 3.2

Q. Please state your name and business address

A. My name is Joseph Desmond. My business address is 849 East Stanley Blvd., #264, Livermore, CA 94550.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the California Efficiency + Demand Management Council ("the Council") and Leapfrog Power, Inc. ("Leap"). My Statement of Qualifications is appended hereto as Appendix

Q. Have you reviewed the DRAM Evaluation?

A. Yes. However, because the report has not been offered into evidence by any party to the proceeding, based on my reading of Rule 10.1 of the Commission's Rules of Practice and Procedure, the Council and Leap, as parties to this proceeding, were not able to conduct any discovery or data requests as to the DRAM Evaluation that could inform my testimony. Neither Resource Innovations, Gridwell Consulting, nor the Energy Division are parties to this proceeding and the Commission's Rules of Practice and Procedure limit discovery to parties.

Q. Do you believe there is sufficient clarity of what constitutes adequate performance to warrant another DRAM auction?

A. No. The Commission has provided no definition of what constitutes sufficiently poor performance to justify suspending the DRAM, while the Commission considers its long-term future in Phase 2 of this proceeding.

Q. Why is this lack of clarity problematic?

A. Clearly defined metrics are necessary for an objective understanding of the DRAM performance. Without a series of objective metrics, there is less transparency in the process to determine whether to adopt a 2023 auction for 2024 delivery because the Commission will be forced to rely on a subjective assessment which risks introducing bias.

Q. Were you provided an opportunity to review and provide feedback on the DRAM Evaluation before it was finalized for this proceeding?

A. No.

Q. Why is this problematic?

A. In my experience, allowing stakeholders an opportunity to provide feedback on a document used by the Commission as evidence in a proceeding helps to ensure that any inadvertent errors or inaccuracies can be corrected. This promotes a high quality product that can serve as a sound evidentiary basis upon which the Commission can make a well-informed decision.

Q. Do you believe DRAM capacity from a 2023 auction would be helpful to maintain reliability in 2024?

A. Yes. In the 2022 auction for 2023 delivery, total IOU procurement was 210 MW.[5] Assuming for the sake of argument that the same amount of capacity would otherwise be procured in a 2023 auction for 2024 delivery, this represents a significant amount of capacity of which the State is in dire need. Foregoing the opportunity to procure capacity for 2024 delivery that is critically needed in the State would be contrary to the recent efforts by the Commission over the past few years in the Integrated Resource Planning proceeding to ensure there are adequate resources available to maintain reliability. In addition, the State Legislature recently passed, and the Governor subsequently signed into law, Assembly Bill 205 which took several significant steps to add new resources, including the provision of $200,000,000 to the California Energy Commission to provide incentives for the Demand Side Grid Support Program.[6] This funding would not have been approved had there not been a need for additional resources.

The need for DRAM capacity in the 2024 delivery year is made more acute given Pacific Gas and Electric's ("PG&E's") recent notification to the Commission that some of

[5] *See* AL 6608-E (PG&E), Als 4802-E and 4802-E-A (SCE), and AL 4013-E (SDG&E).
[6] https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB205, at Section 9.

its “Tranche 2” procurement contracts approved in Resolution E-5140 pursuant to D.19-11-016 will be delayed beyond the August 1, 2022 online date.[7] Though this delay may appear moot in the context of a 2024 delivery year, it serves as an indication of what more may come as the online dates of other procurement tranches approach. Conversely, by way of the DRAM’s existence, we already know that there is third-party DR capacity available to be delivered through DRAM contracts in 2024, so no such uncertainty exists for the DRAM.

Q. What impact on current DRAM participants do you believe discontinuing DRAM for one year would have?

A. Not adopting an auction for 2024 delivery would likely have a significant chilling effect on DRAM participation for some customers. Though DRAM customers participate in order to earn a return on the investments they make and opportunity costs they forego, they also often do so because they are motivated to do what they can to maintain grid reliability. This is comparable to the decision-making process of customers adopting behind-the-meter solar – they want to contribute to the greater good but need it to be economically beneficial for them to do so. Despite these motivations, an “on again, off again” approach to regulatory policy undermines regulatory certainty and sends a message that their participation is not valued. Should the Commission choose not to adopt an auction for 2024 delivery but then adopt the DRAM as a permanent program in Phase 2, some of these customers could be disenfranchised and choose not return to the DRAM. It is critical that the Commission maintain the continuity of the DRAM, at least until it decides on its long-term disposition in Phase 2 of this proceeding.

Q. Do you believe that the results of the DRAM Evaluation support adopting another DRAM auction in 2023 for 2024 delivery?

A. Yes. I would note that in relative terms, the DRAM Evaluation identifies five criteria among the six in which a criterion is met or, at the very least, improvement was

[7] PG&E *Notification Regarding Delay of Projects Approved Under Decision 19-11-016*, July 25, 2022.

observed relative to the first DRAM Evaluation. Though there is some degree of ambiguity and room for interpretation of the results, Table 1-1 in the Executive Summary of the DRAM Evaluation provides a useful summary of its findings. (DRAM Evaluation, at p. 2) Criterion 1 (Were New, Viable Third-Party Providers Engaged?) and Criterion 2 (Were New Customers Engaged?) appear to generally be successes, albeit Criterion 1 saw fewer new DR providers and Criterion 2 saw fewer new customers. Criterion 3 (Were Auction Bid Prices Competitive?) saw falling DRAM contract prices relative to the Long-Run Avoided Cost of Capacity ("LRAC").[8] Criterion 4 (Were Offer Prices Competitive in the Wholesale Markets?) was not considered a success but the DRAM Evaluation acknowledged improvement. Criterion 5 (Did DRPs Meet Their Contractual Obligations?) and Criterion 6 (Were Resources Reliable When Dispatched?) were mixed but Criterion 6 showed improvement.

For Criterion 1, the relatively stable number of participating DR providers is to be expected at some point because eventually every DR provider in the State will have decided whether it is in its best interest to participate, given the rules, requirements, difficulties, and benefits. If the DRAM rules are modified to make participation more or less difficult or more or less costly, the number of DRAM participants will change accordingly.

For Criterion 2, additional new customers are being added which is clearly a positive outcome but it is a reflection of successful recruitment efforts by DR providers. The rate of new customers being added may continue to slow with time as those customers most predisposed to participate are enrolled, but that should be considered a natural evolution of the market and not so much a reflection of the success of DRAM.

For Criterion 3 (Were Auction Bid Prices Competitive?), the DRAM Evaluation indicates that DRAM offers and awarded bids have generally remained stable in nominal terms, but as the LRAC has increased, average DRAM contract prices have improved.[9] The LRAC is the primary proxy used so far to indicate cost effectiveness, so

[8] DRAM Evaluation, at p. 2.
[9] *Id.*, at p. 64.

by this measure, falling average DRAM contract prices demonstrates an improvement in DRAM's cost effectiveness over the course of the DRAM Evaluation assessment period.

For Criterion 4 (Were Offer Prices Competitive in the Wholesale Market?), the challenges experienced by the Consultants in getting access to the necessary data were so significant that the DRAM Evaluation acknowledged that it "may reach a different conclusion given a complete data set to work with that was absent missing data or mapping challenges."[10] As the DRAM Evaluation acknowledges, data quality problems were so severe as to create doubt as to whether a conclusion can even be trusted.

For Criterion 5 (Did DRPs Meet Their Contractual Obligations?), it appears that to the extent any contracts were not meeting the 30 MWh/MW Minimum Energy Requirement, a significant majority were associated with a single DR provider which may have skewed the results. The DRAM Evaluation states, "Most contracts that were not in compliance with the new requirement were held by [REDACTED], with the remaining contracts all meeting, or nearly meeting (at least 90%), the requirement."[11] Poor performance by a single DR provider should not justify suspending the DRAM when other DR providers have a better record of performance. Again, event-based performances have improved year-on-year and as the DRAM Evaluation suggests, it may be skewed by a single under-performing DR provider.[12]

Q. Do you recommend the Commission adopt a 2023 auction for 2024 delivery and if so, at what budget?

A. Yes, with a $28 million budget. This would be double the annual budget currently approved for the 2019-2022 period in D.19-07-009. A larger budget is justified in light of the continued need for demand-side resources that the $200,000,000 of funding that was recently approved under AB 205 is meant to address. If the State Legislature and Governor believe that reliability needs warrant the allocation of such a substantial

[10] DRAM Evaluation, at pp. 76-77.
[11] *Id.*, at p. 125.
[12] *Id.*, at p. 136.

amount of funding to procure additional demand-side resources, the Commission should support that effort by adopting a 2023 auction for 2024 delivery at a higher budget. The multiple DRAM auctions held in 2019 have already demonstrated that there is enough DRAM capacity available to absorb a $28 million budget.

Q. Does this conclude your testimony?

A. Yes, it does.

A.22-05-002, et al. (Demand Response Programs)
OPENING TESTIMONY OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL AND
LEAPFROG POWER, INC.

APPENDIX A

STATEMENT OF QUALIFICATIONS

Joseph Desmond

STATEMENT OF QUALIFICATIONS OF JOSEPH DESMOND

Q1 *Please state your name and business address.*

A1 My name is Joseph Desmond, and my business address is 849 E. Stanley Blvd #264, Livermore, CA 94550. The offices of the California Efficiency + Demand Management Council ("the Council") are located at the same address.

Q2 *Briefly describe your present employment.*

A2 I am the Council's Executive Director. In that role, I oversee the day-to-day operations of the Council leading staff, managing Board activities, and connecting with members. I also direct the Council's regulatory advocacy efforts. My detailed resume is attached.

Q3 *Please summarize your professional and educational background.*

A3 My expertise in California's energy industry spans more than three decades. I joined the Council in 2022 and will lead the Council's strategy and vision to accelerate and expand the markets for energy efficiency, demand response, and distributed energy resources as the state works to achieve its net-zero emissions goal by 2045.

I was previously the President of Catalyst Partners, a consulting firm providing legislative and regulatory services and project development support for biofuels, carbon capture and sequestration, and long-duration energy storage. I was also the Senior Vice President of Marketing and Government Affairs for BrightSource Energy, a leader in design and development of concentrating solar thermal technology. Before BrightSource, I was the Executive Vice President, Chief Marketing and Business Development Officer at Ice Energy, Inc., and Senior Vice President of External Affairs at NorthernStar Natural Gas. I also served numerous executive roles under California Governor Arnold Schwarzenegger, including Deputy Secretary of Energy for the State Resource Agency, Chairman of the California Energy Commission, and Undersecretary for Energy Affairs.

Q4 *Have you previously testified on behalf of the California Efficiency + Demand Management Council or Leapfrog Power, Inc. before the California Public Utilities Commission?*

A4 Yes. On August 3, 2022, the Council served my Reply Testimony in this proceeding. (Ex. Council-01).

Q5 *What is the purpose of your testimony?*

A5 The purpose of my testimony is to sponsor Exhibit Council/Leap-02, the Opening Testimony of the California Efficiency + Demand Management Council and Leapfrog Power, Inc. in A.22-05-002, et al. (DR Programs).

Q6 *Was Exhibit Council/Leap-02 prepared by you or under your supervision?*

A6 Yes.

Q7 *Are the statements made in your testimony true and correct to the best of your knowledge and belief?*

A7 Yes.

Q8 *To the extent that Exhibit Council/Leap-02 contains expressions of opinion, do they represent your best professional judgment?*

A8 Yes.

Q9 *Do you adopt Exhibit Council/Leap-02 as your sworn testimony in A.22-05-002, et al. (DR Programs)?*

A9 Yes.

Q10 *Does this conclude your statement of qualifications?*

A10 Yes, it does.

Joseph Desmond
Livermore, CA 94550
925-785-2878
joseph.desmond@gmail.com

RESUMÉ

Profile

A track record characterized by blending entrepreneurial vision, deep domain expertise and communication skills to successfully navigate complex regulatory and political environments to deliver results. Leadership and stakeholder engagement strategies guided by insights into the utility, legislative and public policy decision-making process at local, state, federal and international levels. An accomplished public speaker and acknowledged authority in the energy industry with three decades experience in start-up and established organizations from the public and private sectors.

Knowledge Base

Biomass Conversion for Fuel and Electricity, Carbon Capture and Sequestration, Carbon Offsets, Demand Response, Distributed Energy Resources, DOE Loan Guarantee Program, Energy Efficiency, Energy Policy, Energy Storage, Environmental Compliance for NEPA and CEQA, Infrastructure Siting and Permitting, Integrated Resource Planning, Issue/Election Campaign Management, Large Account Selling, Liquefied Natural Gas, Lobbying - State and Federal, Low Carbon Fuel Standards, Marketing/Communications, Mass Timber, Media Relations, Metering/Telemetry, Power Plant Siting, Prefab Construction, Produced Water, Project Development, Public Utility Regulation, Renewable Energy, Smart Grid, Solar Thermal Energy, Stakeholder Engagement, Title 24 Building Codes, Wholesale Energy Markets

Experience

Catalyst Partners

President
April, 2018 – Present

Mr. Desmond is President of Catalyst Partners, a consulting firm focused on innovative technology solutions for achieving decarbonization goals. Services include legislative and regulatory strategy, business development communications, marketing, grant application assistance, and project development. Representative clients include bioenergy, bioconversion, carbon capture and sequestration, long-duration energy storage technology companies, and private and non-profit organizations in the forestry/agricultural sectors. In 2019, Mr. Desmond was appointed by the Board of Forestry to the Advisory Council for the Joint Institute for Wood Products Innovation to help guide support for carbon-beneficial, sustainable forest management in California.

Katerra, Inc.

Vice President, Government & Regulatory Affairs
August, 2017 – March, 2018

Katerra is a start-up construction technology and services provider - integrating development, design, technology, material sourcing, prefabricated component manufacturing and labor - into a single offering; the company will start producing cross-laminated timber (CLT) in 2019. At Katerra, Mr. Desmond provided guidance on issues, regulations and legislation impacting the company's technology and manufacturing initiatives and led efforts to secure more than $10 million in state income tax incentives.

Desmond played a pivotal role to grow the U.S. market for engineered wood products by leading a national outreach and education campaign for expanding the use of mass timber for tall wood buildings through the International Code Council (ICC) code amendment process; the ICC Committee adopted a motion 13-1 to recommended approval of the changes in March for consideration by ICC voting members later in the year.

He implemented a software platform for real-time discovery, monitoring and analysis of state and federal legislation and regulation, as well as tracking local building code changes. Most notably, Desmond's lobbying support in Washington State contributed to achieving overwhelming bi-partisan support for SB 5450 – an act directing the State Building Code Council to adopt rules for CLT in residential and commercial construction, consistent with ICC standards, and signed into law by Governor Inslee.

BrightSource Energy, Inc.
Senior Vice President, Marketing & Government Affairs
August, 2011 – July, 2017

BrightSource Energy is a global leader in the design and development of concentrating solar thermal technology used to produce high-value electricity and steam for power, petroleum and industrial process markets worldwide. At BrightSource, Mr. Desmond was the company's spokesman and responsible for all marketing, communications, government and regulatory affairs.

Selected Accomplishments:

- Following permit agency recommendation to reject amendment needed to proceed with $2 billion project, brought in as a member of joint venture team to reverse decision; responsible for state and federal permit agency outreach. Represented company's interests while guiding legal strategy, developing evidence and reviewing testimony. Nine months intensive effort resulted in agency recommendation to approve, a rare reversal of position.
- Produced industry-leading technical report for utilities, regulators, grid operators and policy makers summarizing the economic and reliability benefits of concentrating solar power with thermal energy storage.
- Achieved a 5-0 vote in support of amended Power Purchase Agreements valued >$4 billion by the California Public Utilities Commission; educated regulators to justify differentiating the company's technology and award it enhanced value; managed stakeholder outreach and support plan to overcome significant Commission staff resistance and competitive intervention to proposed contract amendments.
- Successfully leveraged U.S. Government bilateral engagement with China to advance BrightSource's commercial interests, earning the active support of the Departments of Energy and Commerce, the U.S. Commercial Service and the National Renewable Energy Laboratory.
- Launched website featuring improved functionality and content management system to reduce maintenance costs and improve analytics. Optimized website for mobile access, expanded and curated content to drive traffic.
- Obtained extensive earned media coverage in connection with the Ivanpah project, with emphasis on the company's technology and environmental/development best practices; featured in Time Magazine, USA Today, New York Times, National Geographic, C-Span, KCET (PBS) and the Washington Post.
- Expanded brand and project awareness working with Grammy award-winning recording artists, The Fray, whose members are supporters of renewable energy, to use Ivanpah images for their latest album, Helios.
- Managed development and production of the company's IPO Roadshow presentation materials.

Ice Energy, Inc.
Executive Vice President and Chief Marketing & Business Development Officer
August, 2010 – July, 2011

Mr. Desmond developed and drove strategic marketing and business initiatives at Ice Energy, a leading provider of smart grid enabled, distributed energy storage solutions, positioned at the forefront of the emerging energy storage market. To support sales and achieve wide-scale adoption of the company's approach and technology, executed a re-branding of the company while positioning Ice as a thought leader on all things related to distributed storage. Strategy implemented through new identity, messaging, website design, collateral development, content creation, videos and integration of social media tools.

Secured significant earned media through editorial influence and technology award competitions, resulting in steady, favorable press coverage. Leveraged best practices to achieve significant following on social media sites such as Twitter. Website content strategy yielded top Google search results for relevant keywords. Electronic newsletter open rate exceeded 26%. Launched new tradeshow strategy and booth design to dramatically increased traffic and qualified leads.

Lobbied alongside Attorney General (later Governor) Brown's staff to secure passage of AB2514, a landmark bill designed to expand policy support for energy storage in California. Bill was signed into law within the first year of its introduction. Provided leadership on specific sales initiatives, coordinating internal company resources to prepare cost-justification for large scale storage investments within a utility integrated resource planning framework.

NorthernStar Natural Gas
Senior Vice President, External Affairs
December, 2006 – June, 2010

Mr. Desmond was responsible for day-to-day management of the organization's external affairs activities through a diverse team of employees, third-party consultants, attorneys and lobbyists, helping guide the company's Bradwood Landing project to become the first U.S. West Coast LNG import terminal to win approval from the Federal Energy Regulatory Commission for a site to be located on the Columbia River. He integrated relevant legal, engineering, financing and development work into the organization's communication activities to ensure message consistency, accuracy and credibility with all stakeholder groups and was company spokesperson for all media.

The project received three Editorial Board endorsements in a challenging political environment from The Oregonian, the region's largest daily newspaper. A key element of the permitting strategy was the Salmon Enhancement Initiative, reflective of the firm's commitment to sustainable development and environmental, economic and community health. The $59 million initiative far exceeded regulatory requirements and represented the largest private commitment ever made to preserving and enhancing the salmon population in the Columbia River estuary.

He developed successful statewide and local coalitions with community leaders, businesses and unions to support the project. At the County level, Desmond managed a ballot initiative and defended against three County Commissioner recall campaigns while successfully securing land use amendment approvals.

State of California
Undersecretary for Energy Affairs
Chairman, California Energy Commission
Deputy Secretary of Energy, Resources Agency
2004 – 2006

Appointed by Governor Schwarzenegger, Joseph Desmond was responsible for coordinating and implementing energy policy across state agencies in the time period following California's energy crisis, interacting with Federal agencies and neighboring states, and advising the Governor on all energy matters. He served as the primary spokesman to the media on energy matters for the administration. In the first 20 months of public service, he participated in more than 100 speaking engagements on topics including electricity policy, advanced metering, distributed generation, R&D, transportation fuels, renewable energy, LNG, technology investment and energy efficiency. He routinely testified on behalf of the Administration before the legislature, state agencies and Congress.

In his role as Chairman, Desmond was responsible for a 550 person staff, presiding over numerous proceedings and initiatives at the Commission, including siting cases for thermal power plants. During the Governor's first term, California licensed twelve power plants adding 6,260 megawatts to the California grid. Ten power plants began commercial operations, delivering 4,408 megawatts of needed capacity.

Mr. Desmond was actively involved in resource adequacy rules, Investor-owned utility procurement proceedings, transmission and natural gas issues, California Independent System Operator (CAISO) market design, Department of Water Resources (DWR) contract renegotiations, state and federal energy legislation and settlement negotiations connected to ongoing litigation. Mr. Desmond coordinated the Western Governors Association efforts to adopt resolutions in support of developing clean, renewable energy across the West and served as representative to the Western Interstate Energy Board. At the federal level, Desmond led lobbying efforts on key provisions related to the Energy Policy Act 2005 on energy efficiency, renewables and transmission. In California, he was instrumental in crafting landmark legislation that became known as California's Solar Initiative and developing the nation's first Greenhouse Gas performance standard for electricity procurement.

Infotility, Inc.
President & CEO, 2000 – 2004
Chairman, 2004 – 2012

Founded successful research and software development practice focused on systems integration work connecting wholesale and retail energy markets in real-time for risk management applications. Through state and federal research contracts, Infotility pioneered the development of GridAgents, the SmartGrid industry's first intelligent agent-based software for electric grid control applications and integration of Distributed Energy Resources. The company also developed InfoNow, a real-time publish/subscribe software platform for automating demand response. Provided aggregation services through the CAISO; clients included APX and Stanford Linear Accelerator. Project clients included Electric Power Research Institute, California Energy Commission and ConEdison.

In July 2001, Desmond was elected Co-chair for the Silicon Valley Manufacturing Group's Energy Committee, leading SVMG's energy policy advocacy efforts during and after the energy crisis. He continued to serve in

that role until his appointment by Governor Schwarzenegger. He was an active participant in numerous CPUC proceedings on utility procurement, resource adequacy, advanced metering, energy efficiency and PG&E's Proposed Settlement Agreement. Desmond also served on the energy committee for Governor Schwarzenegger's transition team, developing an energy policy document and action plan recommendations for the incoming Administration.

Electronic Lighting, Inc.
President & CEO, 1997 – 2000

Recruited for CEO position at a venture-backed manufacturer of controllable lighting systems for company turn-around and sale. Refined the company's focus and value proposition to expand revenue potential by 10x per project. Arranged corporate bridge financing, implemented new identity and marketing campaign. Discontinued agent network and replaced with direct sales strategy, hiring all new staff. Introduced new product lines and field technical support services. Increased sales pipeline from $300k to $19 million in 18 months. During tenure, relocated manufacturing from China to Mexico and established a joint venture with an Austrian lighting manufacturer.

Parke Industries, Inc.
Vice President, 1996 – 1997
Western Division Manager, 1993 – 1995
Director of Marketing, 1991 – 1992

Parke Industries was an energy services company with emphasis on commercial and industrial lighting retrofits, controls and fixtures for new construction. As Vice President, Mr. Desmond had company-wide P&L responsibility for ten branch offices across the U.S. and corporate marketing. Personally responsible for $3 million in energy savings performance contract sales. Implemented sales force automation program and database driven marketing campaigns. Expanded product offerings.

As Division Manager, increased revenue from $4 million to $11 million with $1.6 million net income in 20 months. Successfully negotiated major project with Los Angeles County for $2.3 million at a 78% energy cost savings, the recipient of EPA's Green Lights Project-of-the-Year Award. Developed marketing collateral and standardized messaging. Implemented B2B sales training programs. Created the "17 Costly Lighting Retrofit Mistakes" marketing campaign, recognized by Energy User News Magazine as the most successful direct response ad campaign in the publication's history.

Taunton Municipal Lighting Plant
Marketing & Demand Planning Administrator, 1987 – 1991

Working in the Power Supply Planning Department of a municipal utility, designed and implemented innovative energy efficiency and demand response programs for residential and commercial customers that garnered national and international attention. Participated in load forecasting, regulatory compliance filings, cost-of-service studies and the development of an integrated resource plan. Also responsible for utility marketing and communications, including annual reports, newsletters and community outreach activities, including support for a proposed circulating fluidized bed coal plant.

Education

Northeastern University

- Bachelor of Science, Magna Cum Laude, 1987
- Concentration: Marketing, Finance and Management
- Recipient, College of Business Outstanding Student Achievement Award

Boards and Affiliations

Mr. Desmond currently serves on the Advisory Council of the Joint Institute for Wood Products Innovation. For seven years, he was a Board Director for the American Council on Renewable Energy (ACORE) and Advisory Board Member for the Precourt Institute for Efficiency at Stanford University. He was Vice-Chair of the U.S. Department of Commerce Renewable Energy and Energy Efficiency Advisory Committee (REEEAC) and was on the Board of Directors of the California Foundation on the Environment and the Economy (CFEE). Desmond served as an Advisor to Clemson University's Wood Utilization and Design Institute and founded the Concentrating Solar Power Alliance (CSPA). Mr. Desmond was a Board member for LIME Energy, Inc., a publicly-traded company, including as a member of its Audit Committee.

Desmond has been active in numerous industry associations, including the Carbon Capture Coalition (CCC), the Carbon Utilization Research Council (CURC), the California Energy Storage Alliance (CESA), the Solar Energy Industry Association (SEIA), the Large Solar Association (LSA), the Concentrating Solar Power Alliance (CSPA), the Center for Energy Efficiency and Renewable Technologies (CEERT), the Produced Water Society, the National Association of Energy Service Companies (NAESCO) and the GridWise Alliance.

Joseph Desmond
Livermore, CA 94550
925-785-2878
joseph.desmond@gmail.com

PUBLIC SERVICE ACCOMPLISHMENTS 2004 – 2006

Public and Stakeholder Outreach

- Conducted more than 100 speaking engagements on energy topics including state electricity policy, advanced metering, combined heat and power/distributed generation, research and development, transportation, liquefied natural gas (LNG), technology investment and energy efficiency
- Initiated the Control Area Network Discussion Organization as a forum for issues between public power systems and the California Independent System Operator (CAISO)
- Attended various groundbreakings and dedications for generation and transmission projects throughout California to highlight State's progress in attracting investment
- Initiated new webcast format for press briefings on relevant energy issues

State

- Advised the Governor on all matters related to Energy Policy
- Played key role in preparing Governor's 10-point energy plan, the response to the 2003/2004 Integrated Energy Policy Report (IEPR) and the Energy Action Plan II
- Actively involved in crafting the Million Solar Roofs Initiative, (later known as the California Solar Initiative) advocating on behalf of the Administration before the legislature and working to develop the framework adopted by the California Public Utilities Commission (CPUC) to fund incentives
- Developed the nation's first Greenhouse Gas (GHG) Performance standard for electricity procured from power generating facilities under long term contracts. At the time it was proposed, the GHG standard represented the most stringent clean energy requirement in the nation, ensuring that any new coal-fired electricity generation serving California must come from power plants that were as clean as the State's natural gas fired power plants on CO2 per Megawatt Hour production basis. The GHG performance standard was subsequently adopted by the California Public Utilities Commission to guide California Investor-owned Utility procurement plans. Similar standards have since been enacted by legislation in other states.

While serving as Chair of the California Energy Commission (CEC):

- Adopted the 2005 Integrated Energy Policy Report
- Adopted the 2005 Strategic Transmission Investment Plan
- Adopted new Appliance Efficiency Regulations
- Adopted the Options for Energy Efficiency in Existing Buildings report
- Updated the Emerging Renewables Guidebook
- Adopted the Renewable Energy Investment Plan and the Public Interest Energy Research 2007-2011 Electricity Research Investment Plan
- Updated the Greenhouse Gas Emissions Inventory
- Continued leadership of the interagency LNG working group
- Upheld and defended previous CEC Executive Director decisions on confidentiality and environmental protections for permits
- Cosponsored the Water/Energy Policy Symposium with the CPUC and Department of Water Resources to investigate options to simultaneously improve the efficiencies of the state's energy and water systems
- Completed an investigation into gasoline price movements following Hurricanes Katrina and Rita in November 2005, and initiated more detailed investigation into the wholesale and retail gasoline and diesel price increased in April 2006
- Hired a new Executive Director for the Energy Commission

- Chaired the CEC's Legislative & Intergovernmental Committee, Management & Budget Committee, and Electricity Committee; served as second member on the Natural Gas Committee
- Served as presiding member for the Pastoria Energy Facility Expansion siting case committee, and as second member of the siting case committees for the Blythe I Transmission Line Amendment, the Los Esteros Critical Energy Facility II, and the Niland Gas Turbine Plant
- Provided testimony before Senate and Assembly Committees on behalf of the Administration on Energy Policy, Energy Agency Reorganization, LNG and Natural Gas markets
- Initiated CEC-sponsored workshop on open access issues for LNG to promote competition
- Worked closely with CPUC on procurement, resource adequacy and transmission issues
- Revitalized the Bioenergy Interagency Working Group, which delivered to the Governor the report: Recommendations for a Bioenergy Plan for California
- Approved an increase in the renewable small wind incentive program
- Joined other states in taking action against the Department of Energy (DOE) to force adoption of appliance efficiency regulations. Joined with EPA promoting energy efficiency
- Signed an MOU with Jiangsu province of China to promote the exchange of information on energy efficiency and renewable energy
- Facilitated resolution of disputes between the City of San Francisco, CAISO and stakeholder groups that will allow the retirement of aging power plants, improve air and health considerations and lead to the construction of new peaking capacity to improve reliability
- Worked with various state agencies to achieve an appropriate balance between energy and environmental concerns relating to avian impacts from wind power and marine impacts from once-through cooling
- Facilitated discussions between the City of Morro Bay and the plant owner that resolved contractual disputes between the parties to allow for new generation to be constructed
- Facilitated CPUC agreement with CEC and University of California Energy Institute to administer gas research funds
- Conducted a series of statewide Flex Your Power public workshops promoting demand response and energy efficiency for the summer months
- Initiated examination of the impact of credit policies on the ability to develop new electric generation projects in California, especially renewable projects

Western States

- Negotiated language between western states to secure unanimous approval for the Western Governors' Association resolution on Clean and Diversified Energy
- Worked on steering committee to provide guidance resolving industry and environmental differences
- Built a solid working relationship with Federal Energy Regulatory Commission (FERC) and neighboring states
- Worked with Nevada, Utah and Wyoming to promote new, interstate transmission projects such as the Frontier Line to support renewable energy, affordability and reliability
- Served as California representative to the Western Interstate Energy Board
- Organized the New Frontier Power Summit, which brought stakeholders from throughout the west to San Diego in April 2006 to discuss transmission project proposals and transmission issues facing the west.

Federal

- Led lobbying efforts on key provisions related to the Energy Policy Act of 2005 on energy efficiency, renewable energy and transmission. Achieved major lobbying success by convincing Congress to reinsert beneficiary funding language into EPACT 2005 which had been stripped in previous versions of the bill. Those provisions were designed to help promote investments in new transmission.
- Provided testimony before Congress on LNG and the Commission's position as stated in the 2003 Energy Policy Report
- Provided written comments and testimony to DOE on their Notice of Intent for implementation of the National Interest Electric Transmission Corridor provisions of the federal 2005 Energy Policy Act, which resulted in DOE's adoption of a definition of constraint areas that is supportive of achieving California's renewable policy objectives
- Crafted resolution that ultimately resolved FERC dispute regarding CAISO governance
- Maintained close relationship with DOE and FERC to advance California's energy policy interests