

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009

(Filed December 18, 2008)

**OPENING COMMENTS OF THE LATINO BUSINESS CHAMBER OF GREATER LOS  
ANGELES:  
The Smart Grid System Could Harm Latinos**

Jorge Corralejo Chairman & CEO, LBC-GLA  
634 South Spring Street, Suite 818  
Los Angeles CA  
T-(510)452-1337  
F-(510) 835-8621  
[JCorralejo@lbcgla.org](mailto:JCorralejo@lbcgla.org)

Robert Gnaizda, Of Counsel,  
1918 University Ave, 2<sup>nd</sup> Fl  
Berkeley, CA 94704  
T-415-307-3320  
F-510-926-4028  
[RobertGnaizda@gmail.com](mailto:RobertGnaizda@gmail.com)

March 9, 2010

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**The Smart Grid System Could Harm Latinos**

We write to formally intervene today in assigned Commissioner Nancy Ryan's Smart Grid System rule making procedures.

An effective ruling on the Smart Grid System could theoretically benefit our state's almost 15 million Latinos and more than 750,000 Latino owned businesses. It is also possible, due to the present inequities and possible future inequities, that it could severely harm our state's largest minority and 750,000 Latino owned businesses struggling to survive.

We have not yet secured paid counsel in this matter but do wish for this letter to constitute Formal Intervention. (Please note that in the past, due in part to the lack of a Latino commissioner at the CPUC, small Latino non-profits have had little confidence in the archaic and unfriendly small business CPUC procedures.)

We are encouraged to intervene by the fact that a California Senator with a deep understanding of Latino needs, Senator Alex Padilla of Pacoima, is the sponsor of SB17, the bill that creates the opportunities to benefit almost 15 million Latinos in California.

#### Avoiding the Smart Meter Problem

Smart meters are increasingly of concern to Latinos. As this commission is well aware, there is growing concern, particularly among small businesses and low income families, that the smart meter has been used to raise rates and terminate service rather than to lower rates and promote more effective service. The Latino Business Chamber of Greater Los Angeles has repeatedly expressed this to the CEOs of Sempra, Edison, and PG & E relating to smart meters and has never received a satisfactory response.

We are concerned that the smart grid system, unbeknownst to Senator Padilla, could be used as a Trojan horse to further exclude the Latino community from the benefits of new technologies.

#### Silicon Valley and New Technologies

In the past, the Latino Business Chamber of Greater Los Angeles, and/or its Chairman have raised serious questions about this commission's failure to exercise appropriate jurisdiction to

protect the Latino community. One example related to the cable industry and the failure to use legislative authority to insure effective jurisdiction.

In the context of past failures we urge this commission to increase, not decrease, its effectiveness and jurisdiction by including all corporations that could and should benefit from the smart grid system, including those likely to supply most of the new technology for the smart grid system. Specifically, we urge that every Silicon Valley company with 500 million dollars or more in revenue that could benefit or participate in the smart grid system be a part of this proceeding. In particular, we wish to call to this commission's attention Silicon Valleys' past and present exclusion of Latinos and other minorities from their workforce, from contracts awarded to small businesses, and their philanthropic investments in the ballet rather than the barrio. See, for example, an article that appeared in the San Jose Mercury News on February 14, 2010 entitled, "Blacks, Latinos and women lose ground at Silicon Valley tech companies". Also see our attached FCC complaint which we jointly filed with the Black Economic Council and Mabuhay Alliance. Only 4% of Silicon Valley's technology company employees in California are Latinos as compared to Latinos being 38% of the population. This is an exclusion or disparity rate of over 9 to 1.

The worst records of toward employment may be held by Google and Apple, both of whom opposed turning over their EEO-1 reports, but are likely to play a major role in the new Smart Grid system.

GEO-156 has set minimum minority contract goals of 15% which every regulated utility except Sprint has reached. We are prepared to prove that Silicon Valley companies on the average provide 1% or less of contracts to small Latino owned businesses and that many CPUC regulated companies have records five to fifteen times better.

This commission has also taken a very positive position on the importance of philanthropic participation as it relates to broadband. In 2006, for example, two major telecommunication companies committed to 60 million dollars to broadband to underserved communities in California. In contrast, most Silicon Valley companies provide embarrassingly modest philanthropy to underserved communities.

As set forth in the next section where we comment on the impact of broadband on this proceeding, we are urging as a first step in determining the scope of this commission's jurisdiction that this commission request, through assigned Commissioner Nancy Ryan, a specific request for all data from communication technology corporations located in California with five hundred million dollars or more in revenue. This data request should include what benefits and (what products they might be providing or could theoretically provide) in the technological revolution to fully and efficiently establish the smart grid system.

Since many Silicon Valley companies are generally not transparent as to diversity, this commission should also request on a voluntary basis whether they would be willing to provide their data for minority contracts by race, ethnicity, and gender. It should also, as generally requested in CPUC rate proceedings, that they provide employment data by race, ethnicity, and gender.

As our enclosed FCC complaint demonstrates, Silicon Valley companies have a long history of not being transparent regarding such data. For example, Google and Apple led a successful effort to prevent the San Jose Mercury News from gathering any data on Blacks, Latinos, Southeast Asian Americans, and women.

#### Why Senator Padilla's SB17 is Significant

The commission is charged in this rule making with the further implementation of the Energy Information and Security Act of 2007 and Senate Bill 17. The purpose is to modernize California's relatively backward electrical transmission and distribution system to develop safe, reliable, efficient and secure electrical service.

According to the experts we have consulted with,( and we do not contend at this time to have fully comprehensive expertise on the matter), the smart grid system will not work without an adequate communication and technological infrastructure. And individual customers, including our state's 15 million Latinos, in order to be integrated into the smart grid infrastructure must also have access to adequate, reliable communication and information technology. This means the Latino community must at a minimum have reliable broadband connectivity if we are to tap into the customer benefits of the smart grid.

As this commission is aware, the FCC has just announced that 93 million Americans are disconnected from broadband opportunities including a disproportionately high percentage of the

state's 15 million Latinos. See, the FCC media release of Feb 23, 2010 "93 million Americans disconnected from broadband opportunities: FCC survey finds costs and digital literacy main barriers to broadband adoption." For example, 36 percent of the 93 million outside broadband contend that they don't have broadband because the monthly fee is too expensive or the installation fee is too high. An additional 22% claim that they don't have broadband because they lack the digital skills. And a surprising almost 20% (19%) claim that the internet and broadband is, in effect, "a waste of time". Fortunately, it will not be a waste of time if the smart grid system can be made to effectively work effectively for Latinos and the other fifteen million adults identified by the FCC who believe the internet is a waste of time.

#### Remedies Latinos Seek

In order to effectuate Senator Padilla's SB17 and in order to insure that the 4.5 billion dollars allocated under the federal Energy Information And Security Act of 2007 is carried out, we propose consideration of the following remedies: and

- all corporate participants in the smart grid system revolution be required to demonstrate the specific benefits to the state's largest group of underserved residents, almost fifteen million Latinos; and

- included in the benefits should be job opportunities, business opportunities, philanthropic investments and how educational training can replace foreign workers H1-B visa policies which many Latino legislators contend diminishes job opportunities for US Latinos and other protected minorities.

Active Latino Participation

To the degree possible we will actively participate in this proceeding and request that this letter (as previously requested) be treated as a Formal Intervention and that our organization be provided with CPUC technical assistance to insure that we can fully and more effectively participate in this proceeding without the need for expensive legal counsel.

Respectfully submitted,

/s/ Jorge Corralejo

Jorge Corralejo, Chairman & CEO

Latino Business Chamber of Greater Los Angeles

/s/Robert Gnaizda

Robert Gnaizda, Of Counsel

Latino Business Chamber of Greater Los Angeles

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**CERTIFICATE OF SERVICE**

I, Marisa Blancarte, am 18 years of age or older and a non-party to the within proceeding. I hereby certify that I have this day served a copy of

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on all known parties to Rulemaking 08-12-009 by transmitting an e-mail message with the document attached to each party named in the official service list and by faxing or mailing a properly addressed copy by first-class mail with postage prepaid to those whose e-mail address is not available.

I certify that the foregoing is true and correct.

Executed in Los Angeles, California on March 9, 2010.

/s/ Marisa Blancarte  
Marisa Blancarte

## SERVICE LIST FOR R.08-12-009

carlgustin@groundedpower.com  
jeffrcam@cisco.com  
cbrooks@tendriline.com  
npedersen@hanmor.com  
slins@ci.glendale.ca.us  
douglass@energyattorney.com  
ffletcher@ci.burbank.ca.us  
kris.vyas@sce.com  
atrial@sempra.com  
lburdick@higgslaw.com  
liddell@energyattorney.com  
ctoca@utility-savings.com  
bobsmithtl@gmail.com  
mtierney-lloyd@enernoc.com  
ed@megawatts.com  
mterrell@google.com  
mdjoseph@adamsbroadwell.com  
pickering@energyhub.net  
margarita.gutierrez@sfgov.org  
lms@cpuc.ca.gov  
fsmith@swater.org  
srovetti@swater.org  
tburke@swater.org  
lettenson@nrdc.org  
marcel@turn.org  
mkurtovich@chevron.com  
SSchedler@foe.org  
cjw5@pge.com  
nes@a-klaw.com

pcasciato@sbcglobal.net  
steven@sfpower.org  
mgo@goodinmacbride.com  
mday@goodinmacbride.com  
ssmyers@worldnet.att.net  
lex@consumercal.org  
farrokh.albuyeh@oati.net  
Service@spurr.org  
wbooth@booth-law.com  
jwiedman@keyesandfox.com  
kfox@keyesandfox.com  
enriqueg@greenlining.org  
gmorris@emf.net  
kerry.hattevik@nrgenergy.com  
rquattrini@energyconnectinc.com  
seboyd@tid.org  
martinhomec@gmail.com  
dzlotlow@caiso.com

dennis@ddecuir.com  
scott.tomashefsky@ncpa.com  
jhawley@technet.org  
lnavarro@edf.org  
Lesla@calcable.org  
cbk@eslawfirm.com  
gstaples@mendotagroup.net  
jlin@strategen.com  
MNelson@MccarthyLaw.com  
EGrizard@deweysquare.com  
Mike.Ahmadi@Granitekey.com  
r.raushenbush@comcast.net  
tam.hunt@gmail.com  
john.quealy@canaccordadams.com  
mark.sigal@canaccordadams.com  
barbalex@ctel.net  
crjohnson@lge.com  
julien.dumoulin-smith@ubs.com

david.rubin@troutmansanders.com  
jennsanf@cisco.com  
marybrow@cisco.com  
jmccarthy@ctia.org  
jay.birnbaum@currentgroup.com  
bboyd@aclaratech.com  
bob.rowe@northwestern.com  
monica.merino@comed.com  
sthiel@us.ibm.com  
ed.may@itron.com  
rgifford@wbklaw.com

leilani.johnson@ladwp.com  
dschneider@lumesource.com  
david@nemtow.com  
cjuennen@ci.glendale.us  
fhall@solarelectricsolutions.com  
mark.s.martinez@sce.com  
case.admin@sce.com  
michael.backstrom@sce.com  
nquan@gswater.com  
Jcox@fce.com  
esther.northrup@cox.com  
kfoley@sempra.com  
mshames@ucan.org  
kmkiener@cox.net  
ygross@sempra.com  
rwinthrop@pilotpowergroup.com  
CentralFiles@semprautilities.com  
tcahill@semprautilities.com

cmanson@semprautilities.com  
jerry@enernex.com  
traceydrabant@bves.com  
peter.pearson@bves.com  
dkolk@compenergy.com  
ek@a-klaw.com  
rboland@e-radioinc.com  
sue.mara@rtoadvisors.com  
juan.otero@trilliantinc.com  
mozhi.habibi@ventyx.com  
famararz@ieee.org  
elaine.duncan@verizon.com  
mandywallace@gmail.com  
norman.furuta@navy.mil  
kgrenfell@nrdc.org  
mcarboy@signalhill.com  
nsuetake@turn.org  
bfinkelstein@turn.org  
andrew\_meiman@newcomb.cc  
ayl5@pge.com  
DNG6@pge.com  
fsc2@pge.com  
filings@a-klaw.com  
Kcj5@pge.com  
mpa@a-klaw.com  
rcounihan@enernoc.com  
stephen.j.callahan@us.ibm.com  
tmfry@nexant.com  
bcragg@goodinmacbride.com  
bdille@jmpsecurities.com  
cassandra.sweet@dowjones.com  
jscancarelli@crowell.com  
jas@cpdb.com  
nml@cpdb.com  
SDHilton@stoel.com  
Diane.Fellman@nrgenergy.com  
cem@newsdata.com  
lisa\_weinzimer@platts.com  
prpl@pge.com  
achuang@epri.com  
caryn.lai@bingham.com

epetrill@epri.com  
ali.ipakchi@oati.com  
chris@emeter.com  
sharon@emeter.com  
ralf1241a@cs.com  
sean.beatty@mirant.com  
john\_gutierrez@cable.comcast.com  
t\_lewis@pacbell.net

Valerie.Richardson@us.kema.com  
nellie.tong@us.kema.com  
Douglas.Garrett@cox.com  
rstuart@brightsourceenergy.com  
cpucdockets@keyesandfox.com  
dmarcus2@sbcglobal.net  
rschmidt@bartlewells.com  
jlynch@law.berkeley.edu  
jurban@law.berkeley.edu  
kco@kingstoncole.com  
philm@scdenergy.com  
j\_peterson@ourhomespaces.com  
joe.weiss@realtimeacs.com  
michaelboyd@sbcglobal.net  
bmcc@mccarthylaw.com  
sberlin@mccarthylaw.com  
mary.tucker@sanjoseca.gov  
tomk@mid.org  
joyw@mid.org

brbarkovich@earthlink.net  
gayatri@jbsenergy.com  
dgrandy@caonsitegen.com  
demorse@omsoft.com  
martinhomec@gmail.com  
e-recipient@caiso.com  
hsanders@caiso.com  
jgoodin@caiso.com  
wamer@kirkwood.com  
brian.theaker@dynegy.com  
tpomales@arb.ca.gov  
danielle@ceert.org  
dave@ppallc.com  
jmcfarland@treasurer.ca.gov  
shears@ceert.org  
kellie.smith@sen.ca.gov  
lkelly@energy.state.ca.us  
mgarcia@arb.ca.gov  
ro@calcable.org  
steven@lipmanconsulting.com  
lmh@eslawfirm.com  
abb@eslawfirm.com  
bsb@eslawfirm.com  
glw@eslawfirm.com  
jparks@smud.org  
ljimene@smud.org  
ttutt@smud.org  
vzavatt@smud.org  
vwood@smud.org  
dan.mooy@ventyx.com

kmills@cfbf.com  
rogerl47@aol.com

jellis@resero.com  
michael.jung@silverspringnet.com  
wmc@a-klaw.com  
bschuman@pacific-crest.com  
sharon.noell@pgn.com  
californiadockets@pacificcorp.com  
ag2@cpuc.ca.gov  
agc@cpuc.ca.gov  
aml@cpuc.ca.gov  
crv@cpuc.ca.gov  
df1@cpuc.ca.gov  
dbp@cpuc.ca.gov  
trh@cpuc.ca.gov  
fxg@cpuc.ca.gov  
gtd@cpuc.ca.gov  
jw2@cpuc.ca.gov  
jdr@cpuc.ca.gov  
jmh@cpuc.ca.gov  
kar@cpuc.ca.gov  
kd1@cpuc.ca.gov  
lau@cpuc.ca.gov  
zaf@cpuc.ca.gov  
mjd@cpuc.ca.gov  
mts@cpuc.ca.gov  
mc3@cpuc.ca.gov  
wtr@cpuc.ca.gov  
rhh@cpuc.ca.gov  
srt@cpuc.ca.gov  
scl@cpuc.ca.gov  
scr@cpuc.ca.gov  
tjs@cpuc.ca.gov  
vjb@cpuc.ca.gov  
wmp@cpuc.ca.gov  
BLee@energy.state.ca.us  
ab2@cpuc.ca.gov