

**AYES**

Antonovich	Burke	Hayden	Mobley
Arnett	Carter	Johnson, Ray E.	Murphy
Badham	Cline	Lancaster	Nimmo
Bannai	Collier	Lewis	Priolo
Beverly	Craven	Lanterman	Seeley
Bond	Duffy	McLennan	Wood
Briggs			

**NOES**

Alatorre	Fong	Karabian	Papan
Bee	Foran	Keene	Powers
Berman	Garcia	Keysor	Ralph
Boatwright	Gonsalves, Joe A.	Knox	Sieroty
Brown	Gonzales, Ray	Lockyer	Thomas
Burton	Greene, Bill	MacDonald	Thurman
Chacon	Greene, Leroy F.	McAlister	Warren
Cory	Holoman	McCarthy	Waxman
Cullen	Ingalls	Meade	Wilson
Deddeh	Johnson, Harvey	Miller	Z'berg
Dunlap	Kapiloff	Montoya	Mr. Speaker
Fenton			

**Majority Floor Leader Presiding**

At 12:13 p.m., Hon. Jack R. Fenton, 51st District, presiding.

**Hon. Joe A. Gonsalves Presiding**

At 12:40 p.m., Hon. Joe A. Gonsalves, 66th District, presiding.

The question being: Shall the Assembly concur in the Senate amendments to Assembly Bill No. 1575?

The roll was called, and the Assembly concurred in the Senate amendments by the following vote (AYES—59; NOES—8):

**AYES**

Arnett	Cullen	Karabian	Powers
Bannai	Deddeh	Keysor	Priolo
Berman	Duffy	Knox	Ralph
Beverly	Dunlap	Lanterman	Seeley
Boatwright	Fenton	Lockyer	Sieroty
Bond	Fong	MacDonald	Thomas
Briggs	Foran	Maddy	Thurman
Brown	Garcia	McAlister	Vasconcellos
Burton	Gonsalves, Joe A.	McCarthy	Warren
Carter	Greene, Leroy F.	Meade	Waxman
Chacon	Hayden	Mobley	Wilson
Cline	Holoman	Montoya	Wood
Collier	Ingalls	Murphy	Z'berg
Cory	Johnson, Harvey	Nimmo	Mr. Speaker
Craven	Kapiloff	Papan	

**NOES**

Badham	Davis	Johnson, Ray E.	Lewis
Burke	Gonzales, Ray	Lancaster	McLennan

Above bill ordered enrolled.

**REQUEST FOR UNANIMOUS CONSENT TO TAKE UP ASSEMBLY BILL NO. 3424**

Mr. Craven was granted unanimous consent that Assembly Bill No. 3424 be removed from the inactive file, and to take the bill up at this time, without reference to file, for purpose of amendment.



AMENDMENT 3  
SENATE

Dist.		Aye	No
13	Alquist		✓
20	Ayala	✓	
4	Behr		✓
26	Beilenson		✓
3	Berryhill	✓	
36	Biddle	✓	
14	Bradley	✓	
34	Carpenter	✓	
1	Collier		✓
23	Cusanovich	✓	
37	Deukmejian	✓	
32	Dills		✓
29	Dymally		✓
12	Gregorio		✓
17	Grunsky	✓	
21	Harmer		✓
8	Holmdahl		✓
33	Kennick		✓
24	<del>Lagomastino</del>		
9	Marks		✓
2	Marler	✓	
40	Mills		✓
10	Moscone		✓
7	Nejedly	✓	
11	Petris	✓	✓
19	Richardson	✓	
22	Robbins		✓
27	Roberti		✓
5	Rodda		✓
39	Schrade	✓	
6	Short		
28	Song		✓
25	Stevens		✓
18	Stiern	✓	
38	Stull	✓	
30	Walsh		✓
15	Way		✓
31	Wedworth	✓	
35	Whetmore	✓	
16	Zenovich		✓

23 Ayes  
Noes

AMENDMENT 2  
SENATE

Dist.		Aye	No
13	Alquist		✓
20	Ayala	✓	
4	Behr		
26	Beilenson		✓
3	Berryhill	✓	
36	Biddle	✓	
14	Bradley	✓	
34	Carpenter	✓	
1	Collier		✓
23	Cusanovich	✓	
37	Deukmejian	✓	
32	Dills		✓
29	Dymally		✓
12	Gregorio		✓
17	Grunsky	✓	✓
21	Harmer		
8	Holmdahl		✓
33	Kennick		✓
24	<del>Lagomastino</del>		
9	Marks	✓	
2	Marler	✓	
40	Mills		✓
10	Moscone	✓	
7	Nejedly	✓	
11	Petris		✓
19	Richardson	✓	
22	Robbins		✓
27	Roberti		✓
5	Rodda		✓
39	Schrade	✓	
6	Short		
28	Song		✓
25	Stevens		✓
18	Stiern	✓	
38	Stull	✓	
30	Walsh		✓
15	Way		✓
31	Wedworth	✓	
35	Whetmore	✓	
16	Zenovich		✓

19 Ayes  
Noes

Dist.		Aye	No
13	Alquist		✓
20	Ayala	✓	
4	Behr		
26	Beilenson		✓
3	Berryhill	✓	
36	Biddle	✓	
14	Bradley	✓	
34	Carpenter	✓	
1	Collier		✓
23	Cusanovich	✓	
37	Deukmejian	✓	
32	Dills		✓
29	Dymally		✓
12	Gregorio		✓
17	Grunsky		✓
21	Harmer		
8	Holmdahl		✓
33	Kennick		✓
24	<del>Ingram</del>		
9	Marks		✓
2	Marler	✓	
40	Mills		✓
10	Moscone		✓
7	Nejedly		✓
11	Petris		✓
19	Richardson	✓	
22	Robbins		✓
27	Roberti		✓
5	Rodda		✓
39	Schrade	✓	
6	Short		
28	Song		✓
25	Stevens	✓	✓
18	Stiern	✓	
38	Stull	✓	✓
30	Walsh		✓
15	Way		✓
31	Wedworth	✓	
35	Whetmore	✓	
16	Zenovich		✓

Ayes \_\_\_\_\_  
Noes \_\_\_\_\_

Dist.		Aye	No
13	Alquist	✓	
20	Ayala		✓
4	Behr		
26	Beilenson	✓	
3	Berryhill		✓
36	Biddle		✓
14	Bradley		✓
34	Carpenter		✓
1	Collier	✓	
23	Cusanovich		✓
37	Deukmejian		✓
32	Dills	✓	
29	Dymally	✓	
12	Gregorio	✓	
17	Grunsky	✓	
21	Harmer		
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33	Kennick	✓	
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7	Nejedly	✓	
11	Petris	✓	
19	Richardson		✓
22	Robbins	✓	
27	Roberti	✓	
5	Rodda	✓	
39	Schrade		✓
6	Short		
28	Song	✓	
25	Stevens	✓	
18	Stiern		✓
38	Stull		✓
30	Walsh		
15	Way	✓	
31	Wedworth		✓
35	Whetmore		✓
16	Zenovich	✓	

21 Ayes \_\_\_\_\_  
Noes \_\_\_\_\_

FILE  
NR 1575

ENERGY POLICY STATEMENT

Today's energy "crisis" is of uncertain proportions.

Today's energy problem, however, is very real. It is the problem of finite natural resources vs. infinite demands - the First manifestation of a long-range problem environmentalists have been warning of for many years.

There is a global energy shortage, brought about by:

- inordinate consumption on the part of the public
- lack of government policy and planning
- unregulated activities and mistaken priorities of the power industry.

It is counter-productive to blame anyone for the energy shortage. We are all responsible and we must all contribute to the solution.

The problem demands a reordering of our life priorities and life style - an end to mindless growth and reckless exploitation of our energy resources.

We must begin with an all-out effort to reduce energy demands and eliminate wasteful consumption. Energy conservation measures can significantly reduce energy demands, in some areas by as much as 40%. They make comprehensive, long-range energy planning possible. They make stop-gap, emergency measures unnecessary.

We believe this goal of energy conservation can and must be met without sacrificing environmental standards; without creating a loss of jobs; and without placing an undue burden on any citizen.

We therefore call upon every segment of society to join in a concerted effort to reduce energy demands.

We call upon government, for its legislative leadership. We call upon industry, for its technological innovation. We call upon the public, for its understanding and cooperation.

We recommend for immediate consideration:

1. State Energy Office

Creation of a comprehensive, long-range energy conservation, planning and policy office at the State level.

2. Independent Data

That the state develop its own independent data and complete inventory of all energy resources.

3. Energy Pricing

Drastic changes in pricing policies, especially for electricity, natural gas and irrigation water, so that large users are no longer rewarded with lower rates.

4. Mass Transit

That the state employ every possible means of developing and expediting the construction of urban mass transit systems, giving priority to mass transit over the inefficient automobile.

5. Outdoor Advertising

A ban on outdoor illuminated night advertising and commercial signs.

6. Excess Profits

Tax policies and government regulation to redirect excessive energy company profits into corporate research and development of alternative energy sources.

7. Solar Energy

A major and adequately-funded research program into developing the principal and inexhaustible clean energy source - solar energy. Also, full development of geothermal resources, utilizing environmentally-accepted technology.

8. Building Codes

Building code standards that require more efficient insulation, reduce unnecessary lighting and discourage energy-wasteful construction practices.

9. Appliance Efficiency

Design of more efficient electrical appliances, especially air conditioners, and elimination of pilot lights on new gas appliances.

10. Recycling

Implementation of an aggressive state resource recovery program to increase the re-use of goods and materials.

11. Emission Controls

Maintenance of strong emission standards for automobiles, power plants and other major pollution sources, in order to preserve air quality and protect the public health.

12. Reclamation

Complete restoration of energy resource areas (oil, gas, coal, geothermal), with all costs borne by the energy company.

Banning energy production where reclamation is impractical.

Banning energy production in areas of outstanding or unique natural resource value: such as national parks, wilderness areas, the Santa Barbara Channel and the state's free-flowing rivers.

13. Land-Use Planning

Adoption of a comprehensive state conservation and development plan to control land-use, conserve energy resources, guide the siting of energy facilities, block leap-frog development and coordinate new and existing transportation corridors.

14. Nuclear Power

That the final licensing of new nuclear power plants be subject to the resolution of major safety problems in operations and in radioactive waste disposal, and that existing atomic reactors be down-rated and modified to provide the best possible protection against safety and public health hazards.

15. Citizen Participation

That opportunity for citizen participation be provided in the consideration of energy problems and in the evaluation of proposed solutions.



Definitions

Sec 25107

Transmission line does not include replacement of equivalent structure as an exception

25109

Energy is too broadly defined to be practical

25120

Powerplant should not be limited to a facility of 50 meg, but to a unit of 50 meg

— There needs to be a definition for Govt Agency

NB

Forecasting

?

25300 (G) Doubtful that an electric utility could project population growth, urban development, industrial ~~growth~~ expansion and other growth factors influencing increased demand for 5-10-20 years

25304 (d)

what is the purpose of the Comms consideration of alternative methods for providing energy requirements, will they be apt to force the utility into something they're not prepared for? who would assume costs?

Sec 25309(b) The 5-10 yr forecast should not be the sole basis for certification of proposed facilities. In supposing a site with a potential for additional facilities projections must be for in advance of 10 years. ~~It~~ It takes 8 yrs to get on line.

Conservation

Sec 25403. It seems inappropriate for the Gov + Legis to sit as an appeal body when differences of opinion exist between the Comm and a utility on what is probably a very technical matter such as rate structure.

Power Facilities Site Certification

Sec 25500 In superseding any govt agency is it contemplated that such agencies as the AEC are included.

25501 Grandfather clause must also include facilities where construction is planned to commence and shall have commenced within 3 yrs from effective date

25503 Include three alternative sites even for geothermal. It makes no provision for addition to existing site

Sec 25504 All three alternatives are treated the same. There should at least be a provision for a less encompassing documentation of the secondary alternative.

25509 Hearings are conducted in county of proposed site, but also in counties housing related facilities with no limitation on the subject matter of the hearing.

25509 (a) - (d), 25510, 25512, 25513, 25514, 25515, 25516, 25517 all new

25511 The utility should not be responsible for preventing illegal diversion of fuel. The utility does not have the capability to control population density.

25516 The find that a good faith effort has been made by the utility so as to allow approval of only one site is too arbitrary. With all of the reviews and findings that are associated with gaining site approval it is absurd to ~~and~~ conclude that a utility would not present their best alternative.

25519<sup>(c)</sup> Requires that the EIR be completed in one year. Public hearings are to commence 90-180 days after filing of an application. Sec 25121

Sec 25520 (d) is too broad and is simply a hunting license. Such authority is vested under 25520

25521 If a hearing is held in a county where related facilities are to be located the hearing should be limited to that subject

25523 If the application is denied there should be a requirement that the Commis stipulate the conditions under which the site or facility could be approved. Or the Commis could serve up an alternative.

25527. There is no reason for exclusion areas

25528 Should not require purchase of development rights. This can be done through zoning

25529 Applicants should not be required to obtain and maintain recreation areas. Can be zoned and turned over to appropriate local agency



## 1. Alternative Sites

Strike lines 12 through 15, page 26, beginning with "Such" and ending with "require" as it is a repetition of the sentence beginning on line 6 and ending at line 8.

## 2. Purchase of Development Rights

Value of development rights shall be established based on conditions existing prior to, and not associated with any improvement, planned or constructed, relating to the thermal power plant or related facilities.

## 3. Add to Section 25225

This division shall not be construed to give the commission authority to consider review or determine matters as to which the federal government has preempted the field by enactment of the Atomic Energy Act of 1954 as amended.

## 4. Additions to Existing Sites

In the case where the original site and facility were in existence prior to January 1974, a utility desiring to expand the site by addition of one or more facilities shall initiate the process by filing an application in accordance with Section 25519.

In the case where a site has been approved by the commission and a utility seeks to add a facility, which is not in excess of the number of facilities authorized on the site, the utility shall be granted approval if the need for the proposed facility is substantiated by the 10-year forecast.

## 5. Section 25403

The utility shall maintain those procedures it believes to be in the public interest until such time as a statute is enacted precluding such practice.

## 6. Emergency Provisions

The commission is empowered to authorize the construction and use of generating facilities not to exceed 250 megawatts to be used on a temporary basis for the purpose of augmenting capacity in a manner prescribed by the commission.

## 7. Effective Date

The effective date of this statute should be advanced to July 1974 so as to allow time for financing and organization of the commission.

## 8. Energy Conservation Fund

Amend Section 25801 to provide that publicly owned electric utilities shall make quarterly payments commencing on January 1 each year to the State Treasury of all funds received pursuant to this division, less administrative costs incurred in collecting and transferring such funds to the state.



RESOURCE CONSERVATION AND DEVELOPMENT

- Public Policy (Conservation and Development)
- Siting Approval
- Organizational Authorities

PUBLIC POLICY

- Resource (supply) analysis and forecast
- Demand analysis and forecast
- Conservation techniques recommended and impact forecast
- Research and development monitoring and recommendations
- Report on siting area alternatives
- Periodic plan maintenance

SITING APPROVAL

MAJOR ENERGY PRODUCING FACILITIES

- Thermal power plants
- Refineries
- Deepwater port facilities
- LNG and SNG gasification facilities

ORGANIZATIONAL STRUCTURE

Siting Authority - Project

Public Utilities Commission

Expanded Public Utilities Commission

State Lands Commission

New Commission

Siting Authority - Policy Development

Office of Energy Conservation and Development

Expanded Resources Agency

Restructured department in Resources Agency



April 30, 1974

The Honorable Ronald Reagan  
Governor of California  
State Capitol  
Sacramento, California 95814

Dear Governor Reagan:

I hereby resign as Executive Secretary of your Energy Planning Council effective at the close of business today.

I take this action in order to clearly disassociate myself from the Administration's support of AB 1575, the Warren-Alquist State Energy Resources Conservation and Development Act. As you may know, even with recent amendments, this bill enables a 5-man commission, on the basis of its "independent analyses and evaluations" to predetermine the electric demand level for forthcoming 5 and 10 year periods "which, in the judgment of the commission, will reasonably balance state and service area growth and development," etc., to "serve as the basis for planning and certification of facilities proposed by electric utilities." ✓ The commission's predeterminations are not subject to approval by either the Governor or the Legislature, and its assessment of demand constitutes an absolute control on future electric generating capacity statewide and area by area. Through this mechanism, the independent State commission can indirectly, but effectively, control growth and development in California. That this will be the policy of the State and is the intent of the Legislature is clearly stated in intent section 25007. This would seem to be in direct conflict with the principle that "that government is best that is closest to the people".

The creation of an independent commission is not necessary to provide for comprehensive energy planning; that process is taking place now, administratively.

✓ In spite of preempting local governments and other State agencies, this bill does not necessarily expedite power plant siting by the State. The time required by the State for final site approval, subject to further approval by the Federal government, under the procedure set forth in the bill can easily exceed 6 years. The siting process can become academic in any case if the commission predetermines that no additional plants are needed, in its judgment.

The Honorable Ronald Reagan  
April 30, 1974  
Page 2

The bill creates a significant new tax in the form of a surcharge which will amount to about \$14 million the first year and can be doubled. This is a high price to pay for the care and feeding of this powerful, newly-created, independent State commission.

The bill puts the new State commission into the research and development business in a big way, in spite of the on-going and future R&D efforts of industry and the Federal government.

The bill gives the new commission authorities and functions which duplicate one or more functions of many existing State agencies.

These objectionable features of the bill have been pointed out by me and others, and have been considered by your staff and Cabinet. The decision has been made, however, to continue to actively support the bill.

I think it extremely unfortunate that public concern for an adequate supply of energy is being used as a vehicle to preempt local government and many competent State agencies in these matters, and to vest control of future growth and development in State government, most particularly in a powerful, independent new commission.

I am proud of the actions taken by the State in the energy field during these past 6 months; in no small way, they helped California to survive severe energy shortages without significant disruption of its economy or social fabric. It has been a privilege to have been asked to play a major role in those activities. I cannot continue to work toward further increasing the State's credibility in the energy field when that credibility may be misused to attain other goals under the provisions of AB 1575.

Respectfully,



Wesley G. Bruer

cc: Lt. Governor Ed Reinecke, Chairman  
Energy Planning Council

Members, Energy Planning Council  
and Sub-Council