



RECENT MEETINGS:

At its January meeting, the Board selected Dr. McKown as its delegate to the National Board of Chiropractic Examiners Conference.

The Board also entertained discussion of its examination commissioners. Dr. Reyes suggested that exam commissioners be provided with a training session on an annual basis; the Board agreed to hold a seminar for exam commissioners prior to the May exam.

The Board created a committee consisting of Mr. Hoefling, Dr. Bagwell, and Dr. Hemauer to study and develop a system of mid-level discipline, which may provide an alternative to formal disciplinary procedures in certain cases.

Board member Quibell raised the issue of requiring adjustive technique as a condition of license renewal. Because the Board was unsure whether such a requirement would involve a regulation change, the subject was tabled for future discussion.

FUTURE MEETINGS:

To be announced.

CALIFORNIA ENERGY COMMISSION

*Executive Director: Stephen Rhoads
Chairperson: Charles R. Imbrecht
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In 1974, the legislature created the State Energy Resources Conservation and Development Commission, better known as the California Energy Commission (CEC). The Commission's major regulatory function is the siting of power plants. It is also generally charged with assessing trends in energy consumption and energy resources available to the state; reducing wasteful, unnecessary uses of energy; conducting research and development of alternative energy sources; and developing contingency plans to deal with possible fuel or electrical energy shortages.

The Governor appoints the five members of the Commission to five-year terms, and every two years selects a chairperson from among the members. Commissioners represent the fields of engineering or physical science, administrative law, environmental protection, economics, and the public at large. The Governor also appoints a Public Adviser, whose job is to ensure that the general public and other interested groups are adequately represented at all Commission proceedings.

The five divisions within the Energy Commission are: (1) Conservation; (2) Development, which studies alternative energy sources including geothermal, wind and solar energy; (3) Assessment, responsible for forecasting the state's energy needs; (4) Siting and Environmental, which does evaluative work in connection with the siting of power plants; and (5) Administrative Services.

The CEC publishes *Energy Watch*, a summary of energy production and use trends in California. The publication provides the latest available information about the state's energy picture. *Energy Watch*, published every two months, is available from the CEC, MS-22, 1516 Ninth Street, Sacramento, CA 95814.

MAJOR PROJECTS:

Methanol Use in California Transportation. In its 1987 Biennial Report, the CEC stated its belief that methanol use holds the most promise to displace oil used in transportation in California, and therefore protect California from fuel price increases and supply shortages. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 101.) CEC has launched a cooperative effort with ARCO and Ford Motor Company to expand the use of methanol as a motor vehicle fuel. ARCO will be adding methanol pumps to 25 retail outlets in southern California by the end of 1988. This fuel may be used by the 700 methanol-fueled vehicles presently used in California by public agencies and private companies. In the meantime, Ford is developing other flexible fuel vehicles for testing by the CEC and other public agencies. CEC Chair Charles Imbrecht has stated that methanol use has many advantages over other alternative fuels in that it can reduce dependence on gasoline fuel; it can be produced from domestic resources; its costs are competitive; and it provides substantial emission reductions of virtually all major air pollutants.

California Energy Innovation Awards. In October, the CEC honored six programs for unique conservation and renewable energy projects. The Energy Engineering Institute of San Diego State University was recognized for a program which pairs students with energy professionals on applied energy research. The UCLA Graduate School of Architecture and Urban Planning developed a "user-friendly" computer to help architects understand energy implications of different building shapes. Southern California Edison Company received two awards for conservation efforts with businesses. The California Department

of Transportation (CalTrans) reduced energy needs significantly at one of its remote maintenance stations. An honorable mention was given to the California Department of Water Resources Trinity River Fish Hatchery for an innovative method of solar heating to help salmon spawning.

Small Powerplant Exemption for Chevron's Richmond Cogeneration Facility. Chevron U.S.A. has proposed to construct and operate a cogeneration facility at its oil refinery in Richmond. The proposed facility will produce electricity and steam for use in the refinery. The CEC has exclusive jurisdiction to certify sites for thermal electric powerplants of fifty megawatts or more within California, but can grant an exemption for the site certification process to powerplants with a generating capacity of up to 100 megawatts. To grant this exemption, the CEC must find that (1) there are no substantial adverse impacts on the environment or energy resources; and (2) the added generating capacity will not substantially be in excess of the CEC's latest adopted forecast of energy demands.

Chevron's request for an exemption was approved in October 1987 (CEC Docket No. 86-SPPE-1). The CEC found that with certain conditions, the proposed plant met both of the required findings described above. Chevron was asked to limit its burning of diesel fuel so as to limit harmful air emissions, and to work with the City of Richmond to negotiate an acceptable agreement over lost revenues due to a reduction in the refinery's utility users' tax. Chevron was also instructed to limit the amount of surplus electrical power per year that it will sell to Pacific Gas and Electric Company (PG&E), so as not to curtail or displace core energy resources.

State to Assist Small Family Farms. California farmers, particularly those operating small family farms, will have access to \$5 million in financial and technical assistance through a farm energy assistance program. These monies were made available to the CEC through federal oil overcharge funds in the Petroleum Violation Escrow Account (PVEA). The PVEA contains funds derived from negotiated settlements and judgments against the oil companies from legal actions taken by the federal government for price overcharges during the period from September 1973 to January 1981 when federal government price controls were in effect.

A recent report compiled by the CEC, *California Small Family Farmers: Who*



They Are, How They Operate, and What They Need, defines "small family farms" and determines that water and energy, labor, land lease, and farm chemicals are among the major farm operation expenses. Energy costs were found to average 5.3% of a farm's annual gross sales.

Three million dollars will be provided in low-interest loans to implement agricultural energy conservation measures and alternative energy generation projects. Federal guidelines require that each state's program must be approved by the Department of Energy. The Commission is currently outlining selection criteria and an application manual for demonstration project proposals. Applications for funding will be available in early 1988.

Power Plant Approval. Two new power plants were recently approved by the CEC. By late 1988, 225 megawatts of electricity should be flowing from the gas-fired cogeneration facility near the Midway-Sunset oil fields in Kern County. The plant, which is one of the most fuel-efficient reviewed by the CEC, will sell its electricity to Southern California Edison Company and will process steam for use in thermally-enhanced oil recovery operations in Sun Exploration and Production Company's oil fields. The Midway-Sunset project will be comprised of three combustion turbine generators, three heat recovery steam generators, and other support equipment. Southern California Gas Company will supply the natural gas primary fuel.

The CEC has approved Basic American Foods' application for certification of its 120-megawatt cogeneration facility in King City, Monterey County. The "American 1" project will benefit the Monterey County area by using new environmental measures designed to improve air quality and preserve fish and wildlife habitat along the Salinas River.

The planned gas turbine combined-cycle cogeneration plant would produce steam for use in the applicant's existing processing plant in addition to producing electricity for sale to PG&E. Currently, the applicant's food processing plant uses natural gas to dry raw agricultural products such as onions and garlic.

Barbara Crowley, Energy Commissioner and presiding member of the American 1 Application for Certification Committee, stated that in addition to the four environmental improvement measures to be implemented by the applicant, efforts were made to go beyond the required best available control technology for air emissions.

The American 1 cogeneration project, which is expected to cost \$76 million, should provide electricity for some 30,000 homes in the Monterey County area.

Business Assistance for California's Companies Exporting Energy Technologies. The CEC initiated an Energy Technology Export Program in 1986 to help small and medium-sized California energy firms export their products and services to international markets. Through this relatively new program, the Commission has completed several international market studies to identify opportunities for eight energy technology areas.

The CEC will offer guidance in evaluating financing options offered by United States commercial banks, international donor organizations, foreign banks, federal agencies, California government programs, and other sources. In addition, advice on suitable methods to complete the mechanics of transactions will be provided to energy firms. Procedures such as packing, documentation, purchase orders, shipping, quotas, port charges, insurance, tariffs, and payment collection will be outlined to guide California businesses.

Funding for the program, which is operating in its third year under a general legislative mandate to foster energy technology development, is derived from a surcharge on electricity. The surcharge revenues are used exclusively by the CEC for this and numerous other programs.

Over the past several years, delegations from fifty countries have visited the program's office. Among the world's nations, the United States is unusual in allowing private enterprise to develop and sell energy technology and resources. CEC's program brings together private California energy firms and foreign energy buyers.

Applications submitted by businesses wishing to participate in the program are evaluated by a panel established by the CEC's Technology Evaluation Office. The evaluation is based on information contained in the application and follow-up contacts with the applicants using criteria such as eligibility, need, likelihood of success, reliability, compliance, and commitment.

Recent Publications: The following new publications of general interest are available from the Commission's Sacramento office:

California Market Trends for More Efficient Appliances: An Analysis of California and National Market Data in the Early 1980s analyzes data related to

appliances shipped and sold within California, to determine the impact of efficiency standards upon consumer purchases. For more information, contact Michael Messenger at (619) 324-3356. The first copy of the report is free.

Results from the Wind Project Performance Reporting System: Fourth Quarter, 1986. In compliance with the regulations of the Wind Performance System adopted in 1984, this report compiles data from 85 different wind projects which produce energy. A full description of each project and of the energy generated by that project is included. Copies are available for \$2.85 by requesting publication number P-500-87-018. For further information contact Sam Rashkin at (916) 324-3509.

LEGISLATION:

AB 138 (Leonard), AB 531 (Floyd), AB 98 (Bradley), AB 889 (McClintock), and SB 1021 (Rosenthal), reported as two-year bills in CRLR Vol. 7, No. 4 (Fall 1987) at pp. 101-102, have been dropped by their respective authors.

Proposed Legislation. Senator Garamendi's staff reports that he plans to submit a bill in January to assess the need for new transmission corridors for electric and gas over the next five to twenty years. This bill would establish a task force including representatives from the Public Utilities Commission, the Energy Commission, other state agencies, specified federal agencies, and environmental and landowning groups to assess the various management issues involved in setting up such transmission corridors. The task force would evaluate the environmental and cost impacts of new corridors, and make recommendations in 1989 or 1990.

RECENT MEETINGS:

At its December 2 meeting in Sacramento, the CEC approved Signal Environmental Systems Inc.'s request for withdrawal of certification which was submitted on August 14, 1987, for the SANDER waste-to-energy facility in San Diego. (For background information, see CRLR Vol. 7, No. 4 (Fall 1987) p. 102 and Vol. 7, No. 3 (Summer 1987) p. 126.)

Other matters of interest included the application for certification of the Santa Maria Aggregate project. The application was submitted on July 27, 1987 for a diatomite demonstration project to be located in Santa Barbara County. Interested parties representing the Santa Barbara Pollution Control District directed the Commission's attention to the District's need for informa-



tion regarding the project and funding to conduct their own study to ensure that the project complies with the District's air quality emissions standards. The application was approved. Hearings were scheduled for January 22 in Sacramento regarding jurisdiction, air quality models, and reimbursement requests from the Santa Barbara District.

The revised proposed decision in *Hacienda Heights Improvement Association v. County Sanitation Districts of Los Angeles County* (CEC Docket No. 86-C&I-2), issued October 28, 1987 by Hearing Officer Garret Shean, provided spirited discussion at the December meeting. The case arose from a complaint filed February 5, 1986 by the Hacienda Heights Improvement Association (HHIA) against the Sanitation Districts of Los Angeles County (Districts) alleging avoidance of the Commission's power plant siting jurisdiction in connection with landfill gas-to-energy and waste-to-energy projects at the Puente Hills Landfill site. Complainant HHIA alleged that the Districts were developing electric generating facilities in excess of 50 megawatts (MW) on the Puente Hills Landfill and that the Districts had not complied with the Warren-Alquist Act, which requires developers of thermal power plants of 50 MW or more to submit such projects for certification to the Commission.

Specifically, the Complaint alleged that the Districts were engaged in an ambitious electrical generating program at the Puente Hills Landfill site; that a landfill gas project would be expanded from its current capacity to exceed the Commission's 50 MW jurisdictional threshold; that two 47 MW waste-to-energy projects were proposed for the Puente Hills Landfill site; that the Districts had improperly acted as lead agency in preparing the environmental evaluation, pursuant to the California Environmental Quality Act (CEQA); and that, as to these projects, the Districts had engaged in fraud and deceit by seeking to implement their electric generating program in small incremental pieces to avoid the cumulative environmental assessment required by the CEQA and to avoid the Commission's regulatory jurisdiction.

At the Commission's April 16, 1986 business meeting, HHIA and the Districts appeared before the CEC and presented their respective views on the allegations stated in the complaint. After consideration of the parties' presentations, the Commission appointed a hearing officer to conduct evidentiary

hearings on the complaint pursuant to section 1232(b), Title 20 of the California Administrative Code. The hearing officer's subsequent findings were the basis of the discussion before the Commission on December 2.

The revised proposed decision of the hearing officer found that the Districts were indeed committed to construct a 94 MW waste-to-energy project at the Puente Hills Landfill site and that the project was properly within the siting jurisdiction of the CEC. The decision directed the Districts (1) to refrain from the pursuit of any licenses, permits, or equivalent authorization from any agency other than the CEC; (2) to cease acting as the lead agency on their Puente Hills waste-to-energy project; and (3) unless the Districts abandon the project, to submit their Puente Hills waste-to-energy project to the CEC sufficiently in advance of proposed construction to allow completion of Commission review.

The decision also found that the landfill gas-to-energy project and its predecessor demonstration projects were not within the Commission's siting jurisdiction.

The decision was not a decision on the merits of the Puente Hills waste-to-energy project, and while determining that the CEC had jurisdiction over the Puente Hills waste-to-energy project, the decision did not imbue the Commission with responsibility for management of waste disposal. The decision stated that protection of statewide interests cannot be defeated by artificially dividing larger projects into smaller units under 50 MW to foreclose Commission review. Projects comprised of two or more generating units—as were proposed for the Puente Hills Landfill site—each under 50 MW, and which if taken together produce more than 50 MW, have a similar level of impact on the environment, the economy, and the state's electricity supply as projects using larger or fewer units to produce the same amount of electricity. The decision found it appropriate that the two 2,000 tons-per-day, 47 MW Puente Hills waste-to-energy units, which would have an aggregate generating capacity of 94 MW, be subject to regulatory review by the Commission.

The Commission approved the revised proposed decision but refrained from finding bad faith on the part of the County Sanitation Districts of Los Angeles County.

FUTURE MEETINGS:

To be announced.

HORSE RACING BOARD

Secretary: Leonard Foote
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The California Horse Racing Board (CHRB) is an independent regulatory board consisting of seven members. Each member serves a four-year term and receives no compensation other than expenses incurred for Board activities.

The purpose of the Board is to allow parimutuel wagering on horse races while assuring protection of the public, encouraging agriculture and the breeding of horses in this state, generating public revenue, providing for maximum expansion of horse racing opportunities in the public interest, and providing for uniformity of regulation for each type of horse racing.

The Board has jurisdiction and power to supervise all things and people having to do with horse racing upon which wagering takes place. If an individual, his/her spouse, or dependent holds a financial interest or management position in a horse racing track, he/she cannot qualify for Board membership. An individual is also excluded if he/she has an interest in a business which conducts parimutuel horse racing or a management or concession contract with any business entity which conducts parimutuel horse racing. (In parimutuel betting, all the bets for a race are pooled and paid out on that race based on the horses' finishing positions, absent the state's percentage and the track's percentage.) Horse owners and breeders are not barred from Board membership. In fact, the legislature has declared that Board representation by these groups is in the public interest.

The Board licenses horse racing tracks and allocates racing dates. It also has regulatory power over wagering and horse care.

MAJOR PROJECTS:

Harness Racing Licensing. In September, the Los Angeles *Herald Examiner* ran a series of articles pertaining to the licensing of "unsavory" individuals in the harness racing industry. On October 1, the CHRB responded to the *Herald Examiner* series by issuing a press release outlining steps the CHRB is taking to deal with the allegations contained in the articles.

First, the CHRB reminded race track operators of their broad discretion as private entities in denying access to suspected perpetrators of corrupt racing practices, even if information in the hands of public law enforcement authori-