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and is thus dead for this session. The bill would have dissolved the Commission and, in its most recent amended version, transferred the authority to assess fines and take disciplinary action against auctioneers to the Department of Consumer Affairs. (See CRLR Vol. 8, No. 1 (Winter 1988) p. 99; Vol. 7, No. 4 (Fall 1987) pp. 99-100; Vol. 7, No. 3 (Summer 1987) p. 124; Vol. 7, No. 2 (Spring 1987) p. 98; and Vol. 7, No. 1 (Winter 1987) p. 90 for background information.)

RECENT MEETINGS:

In November 1987, the Commission released its workload statistics for July through November 1987. During the reporting period, over $32,000 in revenue from the new applications was collected. A total of 202 applications were filed; 62 exams were administered, with 51 applicants passing for an overall 82% pass rate during the period. Eighty-one new licenses were issued while 26 temporary permits were issued. For 1986 through the current 1988 reporting period, 1014 licenses were renewed. Through November 1987, there were 1,190 valid licenses; 974 of those are auctioneers, and 216 (150 corporations, 27 partnerships, 39 individuals) are auction companies.

At the Board’s December 14 meeting in Sacramento, Howard “Gus” Hall was reelected as Board President; Vance VanTassell was elected Vice-President; and Judy Johnson was elected Secretary. Also at the December 14 meeting, S.M. “Sandy” Hochman recommended that temporary permits no longer be issued. Executive Officer Wyant noted that a temporary permit may be issued once an applicant has submitted all fees and documents, including the surety bond, provided he/she has applied to take the exam within 45 days. Wyant agreed that it may not be rational to allow people to operate before they have taken the exam, but no complaints have been received against temporary permit holders. No action was taken on the issue.

The Board also discussed the use of state investigators as opposed to hiring contract or contracting with private investigators. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 99 for background information.) Executive Officer Wyant advised the Board that the Department of Finance has approved the Commission’s requested $47,000 budget augmentation, but it is still subject to approval by the legislature and the Governor. The Board noted the need for continual training of state investigators, case control, the disadvantages of hiring one or two direct employees, the need for a broad geographic distribution of people to minimize travel and per diem costs, the difficulty in assuring the quality of private contractors, and the inability of private contractors to compel the production of records. A subcommittee of Board members Vance VanTassell and Georgetta Banks was appointed to lend assistance to Executive Officer Wyant as needed in developing the best plan.

During the Board’s January 29 meeting in Costa Mesa, Wyant presented a statistical profile on complaints received in the last two years, which showed that over 99% originated in either the Sacramento/San Francisco area or the Los Angeles basin.

Board President Hall announced the resignation of Board member Judy Johnson, effective February 1. She has accepted an appointment by Governor Deukmejian to the San Diego Regional Water Quality Control Board.

FUTURE MEETINGS:
To be announced.

BOARD OF CHIROPRACTIC EXAMINERS
Executive Director: Edward Hoefling (916) 445-3244

In 1922, California voters approved an initiative which created the Board of Chiropractic Examiners. The Board licenses chiropractors and enforces professional standards. It also approves chiropractic schools, colleges, and continuing education courses.

The Board consists of seven members, including five chiropractors and two public members.

Dr. Lee Kauffman, whose term on the Board has expired, was recently replaced by Louis E. Newman, DC, of Santee. Dr. Newman was appointed to the Board by Governor Deukmejian.

RECENT MEETINGS:
At its February 18 meeting, the Board discussed the results of the November 1987 licensure examination. Of 228 individuals who took the examination for the first time, 149 passed (65.3% pass rate). Of 164 people retaking the exam, 136 passed (92.9% pass rate). There were 17 people in the multiple retake category, and 9 passed the exam (52.9% pass rate). Overall, 409 candidates took the exam, with 294 passing (71.8% pass rate). The Board appointed a committee consisting of Dr. Jackie Bartels and Patricia Quibell to review examination appeals.

FUTURE MEETINGS:
To be announced.

CALIFORNIA ENERGY COMMISSION
Executive Director: Stephen Rhoads Chairperson: Charles R. Imbrecth (916) 324-3008

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:
Santa Maria Aggregate Project.
Santa Maria Aggregate Corporation filed
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an application for certification with the
CEC on July 27, 1987 to construct a
bituminous diatomite and petroleum
coke fired circulating fluidized bed
combustor demonstration power plant
in northern Santa Barbara County. The
proposed plant, which is located two
miles north of Casmalia on Black Road,
will generate approximately fifty mega-
\[\text{watts by a single steam turbine. The}
\text{electrical power produced will be sold}
\text{to Pacific Gas and Electric Company. Pozzol-
\text{zol, a substitute for cement, will be}
\text{collected from the bottom ash and fly}
\text{ash of the combustor.}

Currently, Commission hearings are
being conducted to take evidence and
hear oral argument on motions to com-
pel discovery and other discovery mat-
ters regarding the application for cer-
tification. The Commission is also hearing
requests for clarification of reimburse-
ment issues. (See CRLR Vol. 8, No. 1
(Winter 1988) pp. 101-02 for background information.)

California Natural Gas Curtailment. Informational hearings were held on
February 10 in Sacramento on the recent
natural gas curtailments in California.
CEC's Fuels Planning Committee, which
conducted the hearings, attempted to
determine whether the gas curtailment
was an isolated incident or a symptom of
long-term fundamental problems with-
in the gas industry. The Committee was
particularly interested in hearing from
gas and electric utilities, industrial
firms, natural gas producers, marketers
and brokers, interstate gas transmission
companies, and representatives of resi-
dential ratepayer groups.

The Committee addressed the follow-
ing questions at the hearing:
• To what extent did natural gas pur-
chasing practices cause the curtailments?
To what extent were purchasing practi-
ceses influenced by federal and state
regulatory activities?
• How did the curtailment impact indus-
trial firms and the state's economy?
• To what extent did third-party gas
transport activities influence the need to
curtail?
• What are some of the possible short-
and long-term implications to the indus-
try and ratepayer?
• Does this curtailment indicate a need
for additional pipeline capacity or stor-
age facility?
• What risks, short- and long-term,
might the residential and small commer-
cial customers be experiencing?
• What changes have or will occur
which will reduce the potential or cur-
tailments in the future?

-What was the extent of the shortage?
The hearing was attended by repre-
sentatives from utilities (both in-state
and Canadian), gas marketers, industrial
firms, interstate pipeline companies, and
consumers. Representatives from gas
companies described the curtailment
process and offered their analysis of the
cause of curtailment: in their view, the
December/January weather pattern was
the primary culprit. Secondary causes
offered were storage volume and regula-
tions governing the purchase of gas.
Concern was expressed over the reli-
bility of spot gas purchases. Spot gas
purchases are those purchases of avail-
able gas on the market at that time and
on that day. The debate focused on the
size of the spot gas market as contrasted
with the long-term contract market; that
is, those contracts with terms of five,
ten, or fifteen years.

1988 Energy Development Report. The CEC staff has prepared a draft
1988 Energy Development Report (EDR), which outlines energy technolo-
gy development trends, describes associ-
ated issues and opportunities for
California, and solicits information on
research, development, and demonstra-
tion priorities.

The purpose of the EDR is to fulfill
legislative requirements specified in Pub-
lic Resources Code section 25604, and is
designed to provide consensus on Cali-
fornia's energy research, demonstration,
and development priorities. The statute
mandates that a biennial report be sub-
mitted to the Governor and the legis-
lature concerning state energy develop-
ment trends as well as new and existing
technologies.

The CEC staff invited public com-
ment on the EDR at a series of work-
shops in February and March. The work-
shops were designed to provide an ex-
change of information as well as de-
terminate California's energy, research,
and development priorities.

The workshops focused on such issues
as energy production, conversion, and
use technologies which provide the best
potential for reducing California's vul-
nerability to out-of-state actions; the
current commercial availability of vari-
ums energy technologies; the energy plan-
ning criteria most significant in designing
technology research and development
programs; and the optimum level of
diversity in fuels used in the transpor-
tation sector.

The final EDR will summarize results
from the Energy Technology Status Re-
port and provide a review and evalua-
tion of utility-sponsored research and develop-
ment programs, in addition to establish-
ing an action plan for research and
development to accelerate the use of
advanced technology.

Energy Innovation Awards. CEC
Chair Charles R. Imbreaht announced
that for the fifth year, California will be
participating in the National Awards
Program for Energy Innovation. The
awards program, which began in 1984,
is part of a joint state and federal effort
to identify unique conservation and
renewal energy projects and to promote
the sharing of these energy-saving
accomplishments and technologies. Since
the project began, California has nomi-
inated 41 state award-winning projects
to the U.S. Department of Energy for
federal award consideration. Of those
41 projects, nine received a Special
Recognition Award and 29 received a
National Award.
Workshops will be held in the fall of
1988 to encourage participation and dis-
cuss past award-winning projects. For
additional information, contact Gwen
Quigg at CEC, (916) 324-3326.

LEGISLATION:
AB 2887 (Chandler). Existing law
requires the Commission to certify sites
and related facilities for electric trans-
mission lines. This bill would expand
the definition of an electric transmission
line to include any electric powerline of
110 kilovolts or more transmission cap-
acity constructed by one or more publicly-
owned public utilities to carry electric
power either to or from the utility's
distribution facilities or power plant and
located wholly within the state. The bill
would specify that the CEC's jurisdiction
would extend only to that portion within
the state. AB 2887 is pending in the
Assembly Utilities and Commerce
Committee.

AB 3202 (Tanner), as introduced on
February 10, would prohibit the CEC,
in certifying applications to site or con-
struct a power plant, from making a
finding that a proposed facility complies
with applicable air quality standards un-
less complete emissions offsets can be
verified. This bill is pending in the
Assembly Natural Resources Commit-
tee.

AB 3344 (Tanner) would provide
that integrated projects of two or more
generating units each under fifty mega-
watts is a thermal power plant for pur-
poses of CEC jurisdiction if they produce
more than fifty megawatts when taken
together. (See CRLR Vol. 8, No. 1 (Win-
ter 1988) p. 102 and Vol. 7, No. 1
(Winter 1987) p. 91 for examples of
problems created by the lack of legis-

The California Regulatory Law Reporter Vol 8, No. 2 (Spring 1988) 115
lation in this area.) This bill is pending in the Assembly Natural Resources Committee.

**AB 3555 (Moore),** as introduced on February 17, would require the CEC to follow specified priorities in determining the location of new electric transmission lines. This bill is pending in the Assembly Natural Resources Committee.

**AB 3993 (Baker)** would appropriate $147,345,000 from the PVEA; $116,400,000 of that appropriation would be allocated to the CEC. (See CRLR Vol. 7, No. 1 (Winter 1987) p. 91 for background information on the PVEA.) This bill is pending in the Assembly Natural Resources Committee.

**AB 4420 (Sher)** would require the CEC, in consultation with the Air Resources Board, to conduct a study and report to the legislature and the Governor on or before March 1, 1990, on how global warming trends may affect California's agriculture and water supplies.

**AB 4420** is pending in the Assembly Natural Resources Committee.

**AB 4655 (Tanner)** would require the CEC to consider the impact that new building standards for residential and nonresidential buildings relating to energy conservation have on indoor air pollution. This bill is pending in the Assembly Natural Resources Committee.

**AB 1821 (Rosenthal)** would direct the Commission, by February 1, 1989, to prepare and submit a report to the legislature containing a summary of CEC loans and grants exceeding $10,000 made during the previous fiscal year. SB 1821 has passed the Senate and is awaiting Assembly committee assignment.

**SB 1821 (Rosenthal)** would require the Commission to determine the extent to which public utility investments in new electric transmission lines and electric power purchases contribute to excess capacity and oversupply and the need for customers to pay for that excess capacity and oversupply through increased electric rates. SB 1823 is pending in the Senate Committee on Energy and Public Utilities.

**SB 2144 (Rosenthal),** as amended on March 21, would require the CEC, on or before January 1, 1990, to establish guidelines for the award of reasonable advocate's fees, expert witness fees, and other costs of participation or intervention in any CEC hearing or proceeding, other than one for power facility and site certification, to any participant or intervenor meeting specified requirements regarding substantial contribution to the proceeding and financial hardship as a result of participation. This bill was scheduled for an April 11 hearing in the Senate Appropriations Committee.

**SB 2431 (Garamendi)** would require the CEC to prepare and submit a report to the legislature by July 1, 1989, on the projected need for additional electrical and gas transmission rights-of-way for the next five, twelve, and twenty years, including specified studies, analyses, and recommendations regarding public and private ownership and control. This bill was set for an April 12 hearing in the Senate Committee on Energy and Public Utilities.

**SB 2434 (Alquist)** would require the CEC's biennial electricity report to include specified additional information on power plant air pollution emissions, and estimated costs for control of air pollution emissions. This bill was set for an April 12 hearing in the Senate Committee on Energy and Public Utilities.

**R E C E N T M E E T I N G S:**

At its February 17 meeting, the Commission unanimously directed staff to proceed with rulemaking procedures to change the Fuel and Energy Reporting System contained in Title 10, California Code of Regulations. The forms and instructions in question are used to compile the Quarterly Fuel and Energy Report. The most recent revision of these forms took place in January 1984. The Commission's vote is not legally required to start this process, but the vote approved resources for staff to begin collecting testimony on the proposed revisions. Staff plans to solicit and compile suggested changes from the public, and publish a summary of these changes by this summer.

Three contracts were also approved at the February meeting: URS Corporation was awarded $63,000 to develop methodology for the seismic-resistant design of power plants by using input from both the power industry and seismic design experts; a contract for $99,983 went to C.M.J. Engineering, Inc., which will gather data from local building departments on residential and nonresidential building characteristics, monitor building department enforcement of the Energy Efficiency Standards, and provide on-site training on the Second Generation Energy Efficiency Standards; and the GAMA Corporation received $30,000 to design communications and data flow systems for the Energy Emergency Center.

**FUTURE MEETINGS:**

General CEC business meetings are held every other Wednesday in Sacramento.

**HORSE RACING BOARD**

**Secretary:** Leonard Foote

(916) 920-7178

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.

**M A J O R P R O J E C T S:**

**O A L Disapproval of Regulatory Action.** On November 3, 1987, the CHRB submitted to the Office of Administrative Law (OAL) nineteen pages of proposed regulations (sections 2056 through 2061, Title 4 of the California Code of Regulations) to govern intertrack simulcasting wagering. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 103; Vol. 7, No. 3 (Summer 1987) p. 128; and Vol. 7, No. 2 (Spring 1987) p. 101 for background information.) The regulations pertain to the intrastate simulcasting of horse races for wagering at extended facilities; the permitting of and standards for extended wagering facilities and