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95-156 STATE ENERGY MANAGEMENT AND PLANNING ACT

GOVERNMENT DOCUMENTS

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HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
NINETY-FIFTH CONGRESS

SECOND SESSION

ON

S. 3283

A BILL TO AMEND THE ENERGY POLICY AND CONSERVATION ACT, AS AMENDED, TO IMPROVE THE STATES' CAPACITY FOR ENERGY PLANNING AND MANAGEMENT, TO PROVIDE A CONSOLIDATED PROGRAM OF FEDERAL FINANCIAL ASSISTANCE TO THE STATES TO MEET THEIR RESPECTIVE GOALS FOR ENERGY CONSERVATION, PRODUCTION, AND DISTRIBUTION AND FOR ENERGY CONSERVATION, PRODUCTION, AND DISTRIBUTION, AND FOR OTHER PURPOSES

SEPTEMBER 14, 1978

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STATE ENERGY MANAGEMENT AND PLANNING ACT

THURSDAY, SEPTEMBER 14, 1978

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 3110, Dirksen Office Building, Hon. Dale Bumpers presiding.

Present: Senator Bumpers.

Also present: Deborah Merrick, counsel.

OPENING STATEMENT OF HON. DALE BUMPERS, A U.S. SENATOR FROM THE STATE OF ARKANSAS

Senator BUMPERS. Good morning. The purpose of this morning's hearing is to receive testimony on S. 3283, a bill proposed by the administration to help the States develop and strengthen their energy planning and management capabilities, and to consolidate and simplify Federal grant programs.

The SEMP bill is based on concepts which are laudable. The legislation recognizes that the active participation of State and local governments is essential if we are to find solutions to our national energy problems.

It further recognizes that Federal financial assistance is necessary in order to stimulate that participation.

The legislation tries to answer the oft-heard complaint that Federal grant programs are confusing, duplicative, conflicting, and impossible to administer.

While I believe that it is desirable to build State capacity to manage energy programs, provide States with the flexibility to address localized energy needs, and consolidate and coordinate Federal requirements, I am not in full agreement with the approach taken by this bill.

The bill would terminate the State energy conservation program authorized by EPCA, the supplemental energy conservation plans authorized by ECPA, and the Energy Extension Service and replace all three with a single core grant program. However, in my judgment the programs which would be terminated have not yet been fully implemented or tested.

I feel sure the committee will want the opportunity to evaluate the EPCA and ECPA programs and to monitor the performance of the Energy Extension Service before it makes a final decision to significantly alter these federally funded State energy programs.

The Energy Extension Service, for example, was written into law only 1 year ago and is still in the pilot program stage. I am personally very concerned about exactly what would happen to the Energy Extension Service under this legislation.

The bill also abandons the Energy Policy and Conservation Act concept that the States should meet specific goals for reducing energy consumption and implement specific energy conservation measures in order to qualify for Federal funds.

Some of these measures, like the right-turn-on-red requirement, have been implemented by a majority of the States, but others await full implementation. I see no reason why we must leave one job unfinished and hasten on to new programs without more data from the Department of Energy or the States which supports such a change.

And, I am concerned about the shift of emphasis in this bill away from conservation programs in general. Conservation efforts have been identified by many as being particularly suited to implementation at a State and local level. Yet, since only 50 percent of the funds authorized in this bill are required to be spent for conservation, these programs would receive less emphasis than they do under existing law.

Finally, S. 3283 mandates a comprehensive planning effort by the States and speaks only in the most general terms about managing and implementing any programs which the State may include in its energy plan. The degree of Federal oversight appears to be minimal.

It is true that energy problems vary from State to State and solutions to these problems may be diverse and have only localized application; because of this, I am sure that many States will welcome this flexibility and use it to the advantage of the Nation as a whole.

However, energy policy is of national importance and I am concerned that in an effort to provide the States with needed flexibility, this legislation does not provide them with enough guidance to insure that both national and State energy needs will be served.

I will insert the bill in the record at this point.

[The bill follows:]

S. 3283

IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, MAY 17), 1978

Mr. JACKSON (by request) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Energy Policy and Conservation Act, as amended, to improve the States' capacity for energy planning and management, to provide a consolidated program of Federal financial assistance to the States to meet their respective goals for energy conservation, production, and distribution and for energy conservation, production, and distribution, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "State Energy Manage-
4 ment and Planning Act of 1978".

II

1 AMENDMENT TO THE ENERGY POLICY AND
2 CONSERVATION ACT

3 SEC. 2. (a) Title III of the Energy Policy and Con-
4 servation Act is amended by deleting part C and substituting
5 therefor the following:

6 “PART C—STATE BASIC ENERGY PROGRAM AND
7 CONSOLIDATED APPLICATIONS

 “TABLE OF CONTENTS

“Sec. 351. Findings and purposes.

“Sec. 352. Definitions.

 “Subpart A—State Basic Energy Program

“Sec. 353. Program authorization.

“Sec. 354. Application for State basic energy program.

“Sec. 355. Requirements for State energy plan.

“Sec. 356. State coordination with local government and regional agencies.

“Sec. 357. Approval of State energy planning process.

“Sec. 358. Mandatory activities.

“Sec. 359. Restrictions on funds.

“Sec. 360. Allocation of funds; State share.

“Sec. 361. Authorization of appropriations.

 “Subpart B—Consolidated Applications and Administration

“Sec. 362. Application process and administration.

“Sec. 363. Termination of financial assistance.

“Sec. 364. Transition to State basic energy program.

“Sec. 365. Recordkeeping and reporting.

“Sec. 366. Annual report.

8 “FINDINGS AND PURPOSES

9 “SEC. 351. (a) The Congress finds and declares that—

10 “ (1) the United States faces a critical energy prob-
11 lem arising from its increasing dependence on oil, par-
12 ticularly on imported foreign oil;

13 “ (2) the solution to our national energy problem
14 will require concerted and continuing efforts at all levels
15 of government, as well as efforts by the private sector;

1 “(3) the States have significant opportunities to
2 undertake energy planning and programs to conserve
3 energy, to encourage the expanded use of alternatives
4 to oil and natural gas, including solar and other renew-
5 able energy sources, to encourage increases in energy
6 supply, and to provide for more efficient distribution and
7 use of energy supplies, with due regard for social, eco-
8 nomic, and environmental concerns;

9 “(4) Federal financial assistance to the States
10 should be consolidated to encourage States to improve
11 and expand upon existing energy conservation activities
12 as well as to develop and implement State energy plans
13 and to meet conservation and energy production objec-
14 tives.

15 “(b) The purposes of this part are—

16 “(1) to assist States to carry out State energy
17 planning as a means to establish State energy goals and
18 policies, to monitor progress toward achievement of and
19 to evaluate on a continuing basis such goals and policies,
20 and to provide unified management and coordination of
21 State energy programs to meet such goals and policies;

22 “(2) to assure consideration of employment,
23 economic, environmental, and other relevant factors in
24 the formulation of State energy plans and due regard

1 for citizens of special need, such as the poor, the handi-
2 capped, and the elderly;

3 “(3) to assist States in the collection and analysis
4 of energy information, to the extent such information is
5 available or is practically obtainable, thereby enabling
6 States to assess their respective energy situations and to
7 encourage States to take into account existing energy
8 and natural resource plans and policies of all levels of
9 government in the formulation of State energy plans;

10 “(4) to promote coordination of Federal and State
11 activities during periods of energy emergency;

12 “(5) to reduce and simplify the administrative re-
13 quirements imposed on States to obtain Federal finan-
14 cial assistance for the development, implementation, or
15 modification of State energy programs.

16 “DEFINITIONS

17 “SEC. 352. As used in this part—

18 “(1) ‘Conservation’ means any activity or pro-
19 gram carried out by a State intended to increase effi-
20 ciency of energy use, reduce energy consumption or
21 produce energy from solar or other renewable energy
22 sources.

23 “(2) ‘Governor’ means the chief executive officer,
24 elected or appointed, or his designee, of a State includ-
25 ing the Mayor of the District of Columbia.

1 “(3) ‘Secretary’ means the Secretary of Energy.

2 “(4) ‘State’ means a State, the District of Colum-
3 bia, Puerto Rico, the Virgin Islands, Guam, American
4 Samoa, or the Government of the Northern Mariana
5 Islands.

6 “(5) ‘State energy plan’ means a plan developed
7 by a State which meets the requirements of section 355
8 of this part.

9 “(6) ‘State energy program’ means any of the
10 following programs of the Department of Energy :

11 “(a) the program established pursuant to sec-
12 tion 6861 et seq. of title 42, United States Code,
13 providing financial assistance for weatherization as-
14 sistance for low-income persons ;

15 “(b) the program established pursuant to sec-
16 tion 205, United States Code 6805 as amended ; and

17 “(c) any other program which is administered
18 by the Secretary and which provides financial assist-
19 ance to States pursuant to an allocation formula
20 established by or pursuant to statute.

21 “(7) ‘Unit of local government’ means any city,
22 county, town, municipality, or any other political sub-
23 division which is a unit of general purpose local govern-
24 ment of a State.

1 “(8) ‘Indian tribe’ means any Indian tribe or
2 tribal organization as defined by paragraphs (5) and
3 (6), respectively, of section 102 of the Older Ameri-
4 cans Act of 1965.

5 “Subpart A—State Basic Energy Programs

6 “PROGRAM AUTHORIZATION

7 “SEC. 353. (a) The Secretary is authorized, subject to
8 the availability of funds—

9 “(1) to provide financial assistance to assist the
10 States in the development, implementation, or modifi-
11 cation of a State energy plan or part thereof submitted
12 pursuant to this part and in the development and im-
13 plementation of mandatory activities prescribed under
14 this part; and

15 “(2) to provide technical assistance to enable the
16 States to develop their capabilities and resources for
17 energy planning and management.

18 “(b) Subject to the provisions of this part and in other
19 applicable Federal law, a State may use the assistance pro-
20 vided by the Secretary under subsection (a) for—

21 “(1) development, maintenance, and improvement
22 of State energy planning, policy development, and
23 management systems;

24 “(2) preparation of studies and analyses in sup-
25 port of energy policy development;

1 “(3) implementation of programs and projects
2 pursuant to the State energy plan; and

3 “(4) such other purposes as the State deems to
4 be consistent with its energy policies and goals.

5 “APPLICATION FOR STATE BASIC ENERGY PROGRAM

6 “SEC. 354. (a) The Secretary shall, by rule, prescribe
7 guidelines for annual applications for financial assistance
8 authorized by section 353. A State which receives financial
9 assistance authorized by section 353 (a) of this part and
10 which has not previously developed a State energy plan
11 approved by the Secretary under section 357 shall, within
12 nine months after the date such grant was made or such
13 longer period as the Secretary for good cause may allow,
14 submit to the Secretary a State energy plan.

15 “(b) After publication of the guidelines prescribed
16 pursuant to subsection (a) of this section, the Secretary
17 shall invite each Governor to submit an initial application
18 for financial assistance for the development of a State
19 energy plan and the development and implementation of
20 the mandatory activities of section 358 of this part. Such
21 initial application shall include—

22 “(1) a statement by the Governor that the State
23 intends to develop and submit to the Secretary a State
24 energy plan;

1 “(2) a designation by the Governor of the State
2 agency or agencies which will be responsible for the de-
3 velopment, management, and implementation of the
4 State energy plan;

5 “(3) assurance that the Federal assistance pro-
6 vided to the State under this part will be expended in
7 a manner consistent with the purposes of this part;

8 “(4) assurance that at least one-half of the Federal
9 assistance provided to the State under this part will be
10 expended by such State for development and imple-
11 mentation of conservation programs;

12 “(5) assurance that the expenditure of State appro-
13 priated funds in any fiscal year of the State for State
14 energy activities will not be less than the expenditure
15 of State appropriated funds for such expenses during the
16 fiscal year of such State which coincides most closely
17 to the fiscal year ending September 30, 1978;

18 “(6) a description of the implementation of the
19 mandatory activities prescribed in section 358;

20 “(7) a description of the procedures by which the
21 State will prepare its State energy plan, including pro-
22 visions for the participation of units of local governments,
23 Indian tribes, and the public in the development, modi-
24 fication, or implementation of the plan;

1 “(8) a description of the manner in which the State
2 intends to make use of existing plans and programs
3 developed by agencies of the State, by units of local
4 government, or by Indian tribes within such State, to
5 carry out the purposes of this part, including plans and
6 programs developed for transportation, growth manage-
7 ment, economic development, coastal management, en-
8 vironmental and energy-related purposes;

9 “(9) a description of the manner in which the State
10 intends to provide timely information developed by such
11 State pursuant to section 355 (b) (1) and (4) to units
12 of local government and Indian tribes within the State
13 to assist such entities in their energy-related activities;

14 “(10) assurance that the State will to the fullest
15 extent practicable coordinate its activities under this
16 part with energy-related planning and program activi-
17 ties of units of local government and Indian tribes within
18 the State and of agencies of the State;

19 “(11) assurance that the State energy plan will
20 consider Federal energy policies and the provisions of the
21 State energy plans of other States, to the extent such
22 plan is based on assumptions of specific energy-related
23 actions taken or to be taken by or in other States;

24 “(12) assurance that the State has obtained or will

1 seek such authority as may be necessary to carry out
2 the requirements of this subpart; and

3 “(13) such other information as the Secretary may
4 reasonably require.

5 “(c) After the Secretary has approved the State energy
6 plan, the Governor of such State may make annual applica-
7 tion for financial assistance. Such application shall include—

8 “(1) assurance that the Federal assistance provided
9 to the State under this part will be expended in a man-
10 ner consistent with the purposes of this part;

11 “(2) assurance that at least one-half of the Federal
12 assistance provided to the State under this part will be
13 expended by such State for development and implemen-
14 tation of conservation programs;

15 “(3) assurance that the expenditure of State appro-
16 priated funds by such State in any fiscal year for the
17 expenses of carrying out activities covered by this part
18 will not be less than the expenditure of State appro-
19 priated funds for such expenses during the first fiscal
20 year of such State in which funds are received;

21 “(4) further assurance that the State will meet the
22 requirements of subsection (b) (4) and subsections (8)
23 through (11) inclusive of this section; and

24 “(5) such other information as the Secretary may
25 reasonably require.

1 “(d) Each application submitted in any fiscal year for
2 financial assistance under this Part shall be reviewed and
3 approved or disapproved by the Secretary. Such application
4 shall be approved if the Secretary determines that—

5 “(1) the application meets the requirements of sub-
6 section (b) or (c), as appropriate; and

7 “(2) in the case of an application under subsection
8 (c), an approved State energy plan pursuant to this part
9 will be in effect during the fiscal year in which such
10 financial assistance is sought for expenditure.

11 “(e) If the Secretary determines that the application
12 fails to meet any requirement of subsection (b) or (c), as
13 appropriate, he shall disapprove the application in whole or
14 in part, and give the Governor of that State timely written
15 notice of such disapproval. Upon receiving notice of dis-
16 approval, the Governor may submit a new or amended
17 application for such fiscal year within such period as may
18 be prescribed by the Secretary.

19 “REQUIREMENTS FOR STATE ENERGY PLANS

20 “SEC. 355. (a) Each State seeking financial assistance
21 under this part shall develop or have in effect a State
22 energy plan approved by the Secretary.

23 “(b) The Secretary shall, by rule, prescribe guide-
24 lines for State energy plans, which plans shall contain—

1 “(1) a description of State energy supply and de-
2 mand and of its energy goals and policies. This de-
3 scription shall include, to the extent such information
4 is available or practicably obtainable—

5 “(A) a forecast of future energy consumption
6 patterns in the State, categorized by type of energy
7 source and end-use, and where practicable disag-
8 gregated by region within the State;

9 “(B) a description of any data systems the
10 State will use in the development, modification, or
11 implementation of a State energy plan;

12 “(C) a description of the likely source, includ-
13 ing price assumptions, for energy supply, categor-
14 ized by type of fuel, which sources the State antici-
15 pates will be available to meet the future energy
16 consumption forecasted by the State pursuant to
17 subsection (b) (1) (A) of this section, including
18 any alternatives to such energy sources or conserva-
19 tion measures under consideration by the State;

20 “(D) a projection of the sources and amounts
21 of energy supply, categorized by type of fuel, pro-
22 duced in the State which will be used in other
23 States;

24 “(E) a projection of the need for electric power
25 generation facilities and a description of the major

1 actions, together with a schedule for such actions,
2 which the State anticipates will be required to make
3 available such facilities and assure timely selection
4 of sites for such facilities; and

5 “(F) a projection of the need for other major
6 energy supply facilities deemed appropriate by the
7 State for consideration in the State energy plan.

8 “(2) a description of the implementation of manda-
9 tory activities set forth in section 358 of this part.

10 “(3) a management plan for, and a description of,
11 planned uses of funds provided under this part and under
12 any other Federal financial assistance program that the
13 State intends to use to implement the State energy plan.

14 “(4) an energy emergency plan which is coordi-
15 nated with the plans of the Department of Energy and
16 which provides for—

17 “(A) administration of State programs for
18 set-aside of petroleum products and other energy
19 supplies during a period of energy supply disrup-
20 tion, consistent with regulations prescribed pursuant
21 to the Emergency Petroleum Allocation Act of
22 1973 (Public Law 93-159);

23 “(B) administration of a State program for
24 the allocation of fuels in short supply and for

1 restraining demand for such fuels in a period of
2 energy supply disruption; and

3 “(C) monitoring of the energy supply and con-
4 sumption in the State during a period of energy
5 supply disruption in coordination with any emer-
6 gency management information system maintained
7 by the Secretary; and

8 “(D) implementation of Federal emergency
9 measures to the extent such measures require State
10 participation or action—

11 “(5) a description of the provisions for participa-
12 tion—

13 “(A) by units of local government,

14 “(B) by Indian tribes, and

15 “(C) by the public, which provisions shall
16 include one or more public hearings, regarding the
17 development, modification, and implementation of
18 the State energy plan.

19 “(e) Upon written request by the Governor, the Secre-
20 tary may for good cause—

21 “(1) waive any requirement under subsection
22 (b) (1) of this section, and where practicable provide
23 the necessary information called for by such require-
24 ment for use by the State in developing, modifying or
25 implementing a State energy plan; or

1 available directly to units of local government in such State
 2 for any use consistent with the purposes of this part some
 3 portion of the financial assistance provided under this part.

4 “(b) The Secretary shall encourage but may not require
 5 a State to establish and participate in interstate or multi-
 6 State regional organizations which assist in the develop-
 7 ment, implementation, or modification of the State’s energy
 8 plan or provide for the coordination of the State’s energy
 9 plan with the State energy plans of other States participating
 10 in such interstate or multi-State regional organization. Each
 11 State may make available directly to such interstate or multi-
 12 State regional organization some portion of the Federal as-
 13 sistance provided under this part for any use consistent with
 14 the purposes of this part.

15 “APPROVAL OF STATE ENERGY PLANS

16 “SEC. 357. (a) Each State energy plan shall be sub-
 17 mitted by a State biennially. The Secretary shall approve
 18 a State energy plan unless he determines that such plan—

19 “(1) fails to contains the elements of a State energy
 20 plan as described in section 355 (b) of this part;

21 “(2) fails to meet the requirements of section 355
 22 (b) (4) and section 358.

23 “(b) (1) If the Secretary determines that a State en-
 24 ergy plan fails under one or more of the provisions of sub-
 25 section (a) of this section, the Secretary shall provide to

1 the State written notice of intention to act adversely and a
2 statement of the reasons therefor.

3 “(2) If the Secretary, after affording the State notice
4 and opportunity to present views or take corrective action,
5 finds that the State energy plan has not been prepared in
6 substantial compliance with the requirements of subsection
7 (a) of this section, the Secretary shall notify the State that
8 the State energy plan is disapproved in whole or in part and
9 that the State is no longer eligible to receive all or a portion
10 of the financial assistance allocated to the State under this
11 part, until the Secretary is satisfied that there is no longer
12 any such failure to comply.

13 “(c) Approval of a State energy plan pursuant to this
14 section shall constitute approval solely for the purpose of cer-
15 tifying the eligibility of a State for financial assistance under
16 this part.

17 “MANDATORY ACTIVITIES

18 “SEC. 358. Each State receiving financial assistance
19 under this part in any fiscal year shall provide for develop-
20 ment and implementation of the following mandatory pro-
21 grams and measures:

22 “(a) mandatory energy conservation standards for
23 new residential and commercial buildings except build-
24 ings owned or leased by the United States or an agency
25 thereof. For the purposes for this subsection the term

1 'building' means any structure which includes provision
2 for a heating or cooling system, or both, or for a hot
3 water system. Development and implementation of
4 guidelines prescribed pursuant to this subsection shall be
5 coordinated with the Secretary of Housing and Urban
6 Development to assure compatibility with requirements
7 of title III of the Energy Conservation and Production
8 Act of 1976; and

9 " (b) an energy extension service program as de-
10 scribed in section 504 (a) of the National Energy Ex-
11 tension Service Act (Public Law 95-39), as amended,
12 which shall—

13 " (1) disseminate information and provide ad-
14 vice and assistance to individuals, groups, and units
15 of local governments and States by means of—

16 " (A) specific studies and recommendations
17 applicable to individual residences, businesses,
18 and agricultural or commercial establishments,

19 " (B) demonstration projects.

20 " (C) distribution of studies and instruc-
21 tional materials,

22 " (D) seminars and other training sessions
23 for State and local government officials and the
24 public, and

25 " (E) other public outreach programs;

1 “(2) provide, to the extent practicable within
2) personnel and funding limitations, that energy
3 evaluations or audits will be made available to com-
4 mercial, residential, and agricultural energy users;
5 and

6 “(3) make use of existing outreach delivery
7 mechanisms or programs in the State and avoid
8 duplication of existing services.

9 “RESTRICTIONS ON FUNDS

10 “SEC. 359. Financial assistance provided under this
11 part shall be expended for the development, modification, or
12 implementation of the State energy plan and development
13 or implementation of the mandatory activities under this
14 part. No funds provided to a State under this part shall be
15 expended—

16 “(a) to pay the costs of any construction or the
17 purchase of real property;

18 “(b) to pay all or any portion of the purchase price
19 of equipment, except office equipment; or

20 “(c) for such other purposes as the Secretary may
21 proscribe.

22 “ALLOCATION OF FUNDS; STATE SHARE

23 “SEC. 360. (a) For the purpose of providing the finan-
24 cial assistance authorized by section 353 (a) (1) of this part,
25 the Secretary shall annually allocate the sums available for

1 financial assistance pursuant to this title among the States
2 in the following manner—

3 “(1) 65 per centum shall be allocated on the basis
4 of the resident population of the States, as reported in
5 the most current population reports prepared by the
6 Bureau of Census, Department of Commerce, for gen-
7 eral statistical purposes;

8 “(2) 25 per centum shall be allocated equally
9 among all the States;

10 “(3) 10 per centum shall be allocated on the basis
11 of energy production as determined by the Secretary.

12 “(b) (1) Except as otherwise provided in this sub-
13 section, a State receiving financial assistance under this part
14 shall be required to provide funds from non-Federal sources
15 for the development, modification, or implementation of the
16 State energy plan and other programs or measures under
17 this part in an amount equal to 20 per centum of the amount
18 allocated to such State under subsection (a) of this section.

19 “(2) A State may, after notifying the Secretary in the
20 manner prescribed in paragraph (5), elect to defer the
21 provision of its share under paragraph (1) of this sub-
22 section for each of the first and second fiscal years of the
23 five-year program established by this part. The State shall
24 provide such deferred balance in three equal annual amounts
25 during the third through the fifth fiscal years of the program.

1 “(3) If a State provides either of (A) its share under
2 paragraph (1) for the third fiscal year, or (B) the de-
3 ferred amount referred to in paragraph (b) (2) of this
4 section, but not both, the Secretary is authorized to grant
5 80 per centum of the amount allocated for that State for
6 the third fiscal year under subsection (a) of this section.

7 “(4) If a State fails to provide its share in accordance
8 with any provision of this subsection, the Secretary is au-
9 thorized to grant 60 per centum of the amount allocated
10 for a State under paragraph (a) of this section during the
11 third, fourth, and fifth fiscal years of the program.

12 “(5) A State electing to provide less than its share
13 under paragraph (1) and any deferred amount under para-
14 graph (2) otherwise due for any fiscal year shall provide
15 to the Secretary, in accordance with such guidelines as
16 the Secretary may prescribe, a statement of the need for
17 such election.

18 “(c) Funds allocated to any State for any of the first
19 four fiscal years under this part but not obligated by the
20 Secretary in such fiscal year may at the option of the
21 Secretary be reallocated among the States for the following
22 fiscal year.

23 “(d) Notwithstanding the provisions of subsection (a)
24 and (b) of this section, the Secretary may prescribe a
25 maximum allocation for the Virgin Islands, Guam, American

1 Samoa, and the Government of the Northern Mariana
2 Islands.

3 “(e) Notwithstanding the provisions of subsection (a)
4 of this section, the Secretary shall annually reserve some
5 portion of the sums available for financial assistance
6 pursuant to this part and shall, by rule, prescribe guide-
7 lines for the allocation and use of such reserved portion
8 to carry out the provisions of this subsection. The Secretary
9 may, after affording reasonable opportunity for comment by
10 the State, provide financial assistance to an Indian tribe
11 if he finds that—

12 “(1) such Indian tribe has demonstrated the need
13 for direct Federal financial assistance for such uses as are
14 deemed consistent with the purposes of this part;

15 “(2) Federal assistance provided under this part
16 will not be used to duplicate or substitute for any energy-
17 related program or activity established by a State or unit
18 of local government for use or benefit of Indian tribes;
19 and

20 “(3) such Indian tribal government is capable of
21 performing all requirements of this part, including
22 matching requirements under subsection (b) of this
23 section. The Secretary shall insure that any Indian tribe
24 which receives direct Federal financial assistance under
25 this subsection shall consult with the State or States in

1 which it is located in the development, modification, or
2 implementation of any energy plan prepared for such
3 Indian tribe.

4 Funds provided under this subsection which are not obligated
5 by the Secretary in any fiscal year shall be reallocated to
6 the States for the following fiscal year in accordance with
7 provisions of subsection (a) of this section.

8 "AUTHORIZATION OF APPROPRIATIONS

9 "SEC. 361. For the purpose of providing financial
10 assistance to the States pursuant to section 353 (a) of this
11 part, and for administration of this part, there is hereby
12 authorized to be appropriated to the Secretary for each of
13 the fiscal years ending September 30, 1979 to 1983,
14 \$105,000,000 which may remain available until expended.

15 "Subpart B—Consolidated Applications and Administration

16 "APPLICATION PROCESS AND ADMINISTRATION

17 "SEC. 362. (a) The Secretary shall review all rules,
18 regulations, and guidelines of the Department of Energy
19 issued with respect to any State energy program. Within
20 twenty-four months of the date of enactment of this part,
21 the Secretary shall, to the extent appropriate, prescribe
22 new rules or guidelines for each program to reduce and
23 simplify the administrative requirements imposed on States
24 for the funding and management of State energy programs

1 and to provide for annual consolidated application for finan-
2 cial assistance.

3 “(b) Notwithstanding any other provision of law, a
4 State may make an annual consolidated application for finan-
5 cial assistance authorized under this part and under any
6 State energy program or programs.

7 “(c) The Secretary is authorized to prescribe rules
8 providing for the orderly transition from multiple applica-
9 tions for financial assistance under State energy programs
10 to the consolidated application described in subsection (b)
11 of this section. To enable a State to submit a consolidated
12 application for a uniform program period, the Secretary
13 and the State may, by mutual agreement, amend the term
14 and any other administrative provision of any financial
15 assistance awarded prior to the approval of the consolidated
16 application, and may agree that the unexpended balance of
17 any funds made available under such program may continue
18 to be available for the purposes for which such funds were
19 appropriated.

20 “(d) Notwithstanding any other provision of law, a
21 State may elect, through its consolidated application under
22 subsection (b) of this section, to use a portion of the finan-
23 cial assistance provided by the Secretary for administrative
24 costs for any other State energy program for activities which
25 the State is authorized to undertake, pursuant to this part.

"TERMINATION OF FINANCIAL ASSISTANCE

1
2 "SEC. 363. (a) Whenever the Secretary, after afford-
3 ing the State reasonable notice and opportunity to present
4 views, finds that a State receiving financial assistance under
5 this part has failed to comply with the provisions of this part
6 or with any regulation issued pursuant to this part, the Secre-
7 tary shall notify the State that such State is no longer eligible
8 to receive all or a portion of the financial assistance provided
9 under this part until the Secretary is satisfied that there is no
10 longer any such failure to comply. The Secretary may with-
11 hold all or part of further financial assistance under this part
12 for so long as such State is deemed by the Secretary not to
13 comply.

14 " (b) Whenever the Secretary, after affording the State
15 reasonable notice and opportunity to present views, finds
16 that a State receiving financial assistance under an approved
17 consolidated application has failed to comply with an appli-
18 cable statute establishing a State energy program or with
19 any regulation issued pursuant to any statute establishing a
20 State energy program, the Secretary shall notify the State
21 that such State is no longer eligible to receive all or a por-
22 tion of the financial assistance for such State energy program
23 until the Secretary is satisfied that there is no longer any
24 such failure to comply. The Secretary may withhold all or

1 part of further financial assistance to a State energy program
2 for so long as such program is deemed not to comply.

3 “(c) The Secretary shall, by rule, prescribe procedures
4 to carry out the provisions of this section. Such procedures
5 shall not be subject to the provisions of section 554, 556, or
6 557 of title 5 of the United States Code.

7 “TRANSITION TO STATE BASIC ENERGY PROGRAM

8 “SEC. 364. (a) Upon approval of a State's initial appli-
9 cation for financial assistance under this part, the Secretary
10 may terminate any existing assistance program or other
11 financial arrangement pursuant to section 363 of Public Law
12 94-163, or pursuant to section 432 of Public Law 94-385,
13 or pursuant to the National Energy Extension Service Act,
14 Public Law 95-39. Any unexpended balance of funds avail-
15 able under any such assistance program or other financial
16 arrangement shall be available to the State to provide finan-
17 cial assistance requested in such application.

18 “(b) Except as provided in subsection (a) of this
19 section, nothing in this Act shall be deemed to affect any
20 program of Federal financial assistance or other financial
21 arrangement made or entered into by the Secretary prior to
22 the enactment of this Act.

23 “RECORDKEEPING AND REPORTING

24 “SEC. 365. Each State or Indian tribe receiving finan-
25 cial assistance under this part or under a State energy pro-

1 gram shall keep records and shall make reports to the Sec-
2 retary, which may include information on the amount and
3 disposition expended by such State or Indian tribe of the
4 proceeds of the financial assistance, the total cost of the plan,
5 programs, projects, measures, or systems for which the as-
6 sistance was given or used, the source and amount of funds
7 for the plan, programs, projects, measures, or systems not
8 supplied by the Secretary and such other information as the
9 Secretary may deem necessary to prepare the annual report
10 pursuant to section 366 and to facilitate an effective audit
11 and performance evaluation pursuant to guidelines prescribed
12 under sections 354 and 355. The Secretary and the Comp-
13 troller General of the United States, or any of their duly
14 authorized representatives, shall have access for the purpose
15 of audit and examination at reasonable times and under
16 reasonable conditions, to any pertinent books, documents,
17 papers, records, and reports of any recipients of financial
18 assistance under this part or under a State energy grant
19 program.

20 "ANNUAL REPORT

21 "SEC. 366. The Secretary shall include in the annual
22 report required by section 657 of the Department of Energy
23 Organization Act, Public Law 95-91, a report of the actions
24 taken under this part in the preceding fiscal year."

1 AMENDMENTS TO NATIONAL ENERGY EXTENSION

2 SERVICE ACT

3 SEC. 3. The National Energy Extension Service Act,
4 Public Law 95-39, is amended by—

5 (a) deleting section 503;

6 (b) striking out the words "The Service" at the
7 beginning of the first sentence in section 504 (a) and
8 inserting in lieu thereof "A State receiving financial
9 assistance under part C of title III of the Energy Pol-
10 icy and Conservation Act, Public Law 94-163, as
11 amended";

12 (c) deleting section 504 (b) through 504 (d)
13 inclusive;

14 (d) deleting section 505;

15 (e) revising section 506 to read as follows: "A
16 State shall implement an energy extension service pro-
17 gram, as described and authorized in the preceding sec-
18 tion, in conformance with the provisions of sections 355
19 and 358 of part C of title III of the Energy Policy and
20 Conservation Act, Public Law 94-163.";

21 (f) deleting sections 507 through 512 inclusive;
22 and

23 (g) redesignating the sections of the National
24 Energy Extension Service Act, as amended, in appro-
25 priate numerical sequence.

1 AMENDMENTS TO ENERGY CONSERVATION AND

2 PRODUCTION ACT

3 SEC. 4. (a) Part A of title IV of the Energy Conserva-
4 tion and Production Act establishing a program for weather-
5 ization assistance for low-income persons is amended by—

6 (1) striking the word “only” in the first sentence
7 of section 414 (a) and inserting after the phrase “annual
8 application” the following: “which may be submitted as
9 part of a consolidated application in accordance with the
10 provisions of section 362 of the State Energy Manage-
11 ment and Planning Act.”;

12 (2) amending subsection (b) (1) of section 415
13 by inserting at the beginning thereof: “be allocated
14 within the State in accordance with a State energy plan
15 established pursuant to the State Energy Management
16 and Planning Act, or if no such plan exists,”; and

17 (3) striking the words “such State or area plan” in
18 subsection (b) (2) of section 415 and inserting in lieu
19 thereof “such State energy plan, State or area plan, as
20 appropriate,”.

21 AMENDMENTS TO THE NATIONAL ENERGY ACT

22 SEC. 5. (a) Section (c) of the National Energy
23 Act establishing a utility retrofit program is amended by
24 adding after the first sentence a sentence to read as follows:
25 “A plan may be submitted by a State as part of a State

1 energy plan submitted pursuant to the State Energy Man-
2 agement and Planning Act in accordance with the require-
3 ments prescribed by the Secretary.”.

4 (b) Part G of title III of the National Energy Act
5 which establishes an energy conservation program for schools
6 and hospital facilities is amended by—

7 (1) inserting after the first sentence of section 394

8 (a) the following: “A plan may be submitted by a
9 State as part of a State energy plan submitted pursuant
10 to the State Energy Management and Planning Act in
11 accordance with the requirements prescribed by the
12 Secretary.”; and

13 (2) inserting after the first sentence of section 397
14 the following: “Such application by a State may be
15 submitted as part of a consolidated application in accord-
16 ance with the provisions of section 362 of the State
17 Energy Management and Planning Act.”.

18 (c) Part H of title III of the National Energy Act
19 which establishes an energy conservation program for build-
20 ings owned by units of local government and public care
21 institutions is amended by inserting after the first sentence of
22 section 400F the following: “Such applications by a State
23 may be submitted as part of a consolidated application in
24 accordance with the provisions of section 362 of the State
25 Energy Management and Planning Act.”.

1 AMENDMENT TO THE ENERGY POLICY AND CONSERVATION

2 ACT

3 (a) Title III of the Energy Policy and Conservation
4 Act (Public Law 94-163), as amended, is further amended
5 by inserting the following new part:

6 "PART F—ASSISTANCE FOR SPECIAL ENERGY PROJECTS

7 "PROGRAM AUTHORIZATION

8 "SEC. 391. The Secretary may provide financial as-
9 sistance to States, units of local government, and Indian
10 tribes to assist in developing and implementing innovative
11 and creative special energy projects.

12 SPECIAL ENERGY PROJECTS

13 "SEC. 392. (a) The Secretary shall, by rule, prescribe
14 guidelines for implementing the part which shall include—

15 "(1) procedures for submission of proposals by
16 States units of local government and by Indian tribes;
17 and

18 "(2) criteria which shall be used by the Secretary
19 to select proposals which shall receive financial
20 assistance.

21 "(b) The guidelines shall—

22 "(1) require that proposals approved by the Sec-
23 retary not be inconsistent with the goals and policies of
24 a State energy plan if such plan is in effect;

1 “(2) provide financial assistance to States, units of
2 local government, and Indian tribes for special energy
3 projects which seek to encourage energy conservation
4 or to improve energy supply or distribution;

5 “(3) give preference to those proposals which are
6 directly related to the achievement of national energy
7 goals and objectives and which have potential national
8 applicability; and

9 “(4) proscribe the use of funds provided under
10 this part—

11 “(A) to pay for all or a portion of the purchase
12 price of equipment, except office equipment;

13 “(B) to pay the cost of any construction or
14 the purchase of real property; and

15 “(C) for such other purposes as the Secretary
16 may proscribe.

17 “(e) A State, unit of local government, or Indian
18 tribe receiving financial assistance under this part shall be
19 required to provide funds in an amount equal to 20 per
20 centum of the amount provided by the Secretary under
21 this part.

22 “AUTHORIZATION OF APPROPRIATIONS

23 “SEC. 393. For the purpose of providing financial
24 assistance in accordance with section 391 of this part, there

1 is hereby authorized to be appropriated to the Secretary
2 for each of the fiscal years ending September 30, 1979
3 to 1983, \$5,000,000, which may remain available until
4 expended.

5 "RECORDKEEPING AND REPORTING

6 "SEC. 394. Each recipient of financial assistance under
7 this part shall keep such records as the Secretary may deem
8 necessary."

Senator BUMPERS. I look forward to hearing the views of our witnesses on this bill this morning. Our first witness is Ms. Omi Walden, Assistant Secretary of Energy for Conservation and Solar Applications.

Welcome, Secretary Walden. You may proceed.

STATEMENT OF OMI WALDEN, ASSISTANT SECRETARY, CONSERVATION AND SOLAR APPLICATIONS, DEPARTMENT OF ENERGY

Ms. WALDEN. Mr. Chairman, I appreciate this opportunity to discuss with you Senate bill 3283, the proposed State Energy Management and Planning Act of 1978. The proposed legislation would consolidate three existing State grant programs—

Senator BUMPERS. Omi, please pull the microphone forward. We have got everything around here, and a new building going up, and no sound system.

Ms. WALDEN. The proposed legislation would consolidate three existing State grant programs—the basic and supplemental State energy conservation programs and the Energy Extension Service—and would require each participating State to develop and to manage the implementation of its own comprehensive energy program. The proposed legislation would permit States to address, in an integrated fashion, not only conservation but all other aspects of State energy management as well—aspects such as large-scale energy facility siting, energy emergency planning, and coordination of planning and management activities with local governments.

This proposal could build upon, and strengthen, the institutional networks developed in response to the State energy conservation programs and the Energy Extension Service. Our goals are: To consolidate program administration at the Federal and State levels; to simplify grant procedures; to encourage a comprehensive and coherent energy planning and management system within each State; to guarantee, within the context of national goals, that flexibility of approach which unique State and local conditions demand; and to provide for the coordination of State and local efforts with national policies and Federal programs.

I would like first to discuss the administration's rationale in proposing this legislation and then to highlight some of its more important provisions.

Within recent years the Nation's increased awareness of the need for effective development and management of energy resources, including energy conservation, has resulted in several federally funded energy programs. Many of these programs include initiatives for which the States are primarily responsible.

The current Federal programs, which would be consolidated by this legislation, require the participating States to establish energy savings goals and to plan and implement programs to achieve these goals. In doing this, a State must not only directly manage many elements of its energy program, but must also work through local government, other public agencies, and the private sector to assure effective state-wide implementation.

While current Federal programs are producing beneficial results, program authorities do overlap and do contain built-in management

inefficiencies. A major impact of this legislation would be to consolidate and coordinate many of the current State energy programs. This is consistent with the reordered priorities implicit in the President's September 9, 1977, directive to the executive branch to reduce the administrative burden of existing State grant programs.

While the consolidation and coordination of current programs at the Federal level is important, the most significant feature of the legislation is its recognition of the need for program coherence and flexibility at the State level. The proposed legislation would provide the States with flexibility in the design and implementation of their programs, permitting them to address their own needs and opportunities. It would encourage them to integrate their conservation, solar, and other dispersed technology programs with supply and demand forecasting, large-scale energy generation strategies, energy emergency preparedness programs, and local government initiatives.

The range of energy legislation and other initiatives already undertaken by States and localities demonstrates a significant commitment and contribution to the resolution of energy issues facing us as a Nation. We believe that this legislation will provide the Federal support needed by State and local governments to strengthen and to build upon these efforts.

The proper Federal role in this type of program is to encourage cohesive State and local energy programs and their integration with regional and national priorities; to assure that local governments as well as other public and private sector interests are involved in the development of State plans; to provide networks for information exchange—among States, between Federal, State, and local governments, and between the public and private sector—and, finally, to assist program effectiveness by the provision of technical and financial assistance needed to allow the State programs to operate efficiently.

To be eligible for assistance under the proposed legislation, each State would have to develop a comprehensive energy program. Each State program would incorporate two mandatory measures. The first is energy conservation standards for new residential and commercial buildings. This measure is currently one of the requirements of the State energy conservation program. The continued requirement for such a measure will improve the chances for nationwide compatibility of building standards and will strengthen the impact of title III of the Energy Conservation and Production Act of 1976, "Building Energy Performance Standards," when they are promulgated.

The second required measure would assure continuation of State energy extension service programs. These State designed programs provide for personalized information and technical assistance to encourage adoption of energy-saving and renewable resource measures. This network approach is an effective mechanism for the coordination of resources and institutions in the transfer of energy information and technologies to energy users, such as individuals, homeowners and tenants, small businesses, and local governments. It also provides for a flow of information from these users regarding the barriers they perceive and/or encounter in adopting energy saving techniques and technologies.

In addition to the mandatory programs, the States would be responsible for:

The energy supply and demand forecasts necessary to establish and measure progress toward program goals.

The development of a system which would effectively manage all Federal and non-Federal funds used in developing and implementing the programs.

The development and institution of energy emergency procedures, which would be coordinated with those established by the Department of Energy.

Providing for the participation of units of local government, Indian tribes, and the general public in the development and implementation of the State program.

To expand on this last point—increased emphasis is placed on the role of the local governments, Indian tribes, and regional planning organizations in the development and implementation of State policies and programs. These units must play an integral role in the design and operation of energy programs. Their role has often been inhibited by a lack of coordination and of appropriate financial and technical resources.

None of the three programs, which would be consolidated by this legislation, authorizes funds to be allocated directly to Indian tribes. This bill would require the Secretary of the Department of Energy to reserve, on an annual basis, a portion of the available funding for financial assistance to eligible Indian tribes. Each tribe receiving assistance would be under the same constraints and obligations as would States.

Procedurally, the Governor of each State and Territory and the mayor of the District of Columbia would be invited to designate an agency responsible for the development, management, and implementation, of the State program. Initially, the State would be required, within 9 months of its first receipt of funds, to submit to the Department its design for a comprehensive program. Each State would then be required to revise its program every 2 years, but could amend at any interim time. Funding would remain on an annual cycle.

Unlike any of the existing energy conservation State grant programs, the legislation would require the States to match Federal funds with funds from non-Federal sources in an amount equal to 20 percent of the Federal grant.

Finally, DOE would be given discretionary funds for the direct support of unique and potentially significant projects undertaken at any non-Federal level of government, that might not otherwise be funded. Conservation techniques—including solar energy and appropriate technology—and those programs dealing with institutional barriers would be stressed. This special project funding provides these small programs with funding and visibility they might not otherwise receive.

In summary, Mr. Chairman, we believe this proposed legislation provides for a much needed consolidation of present efforts, and it simplifies grant procedures. It builds upon the successes and continues the major thrusts of present Federal programs. It strengthens the institutional networks developed in response to these separate programs. Most importantly, it emphasizes a comprehensive State-by-State approach to the planning and management of energy programs.

This latter point represents a significant change in emphasis in the way our State grant programs are planned and administered. What would be emphasized is development of institutional capabilities at the State and local level. In short, we are proposing a movement from Federal grantsmanship and toward greater State responsibility for defining local needs, and structuring their own responses in a way which is consistent with national policies and priorities.

Mr. Chairman, this concludes my statement and I will be pleased to answer any questions which you and other members of the committee may have.

Senator BUMPERS. Madam Secretary, let me ask you, how do the States, as far as you know, how do the States feel about the 20-percent matching requirement?

Ms. WALDEN. I think there is a difference of opinion among the States. I think that most States would look forward to the cost sharing of Federal programs. They do anticipate problems in some cases where their legislatures are not in session, or would not be coming into session for some time, and they are not in a position to commit to match Federal funds, without assurance that those funds would be available, so there would be some problems involved.

But I do think that most States generally support the concept of cost sharing or matching.

Senator BUMPERS. But if the State elects not to come up with the money, or feels that it can't come up with the money, then as far as those States are concerned the whole genesis of this kind of legislation would be defeated; wouldn't it? It would be thwarted.

Ms. WALDEN. Mr. Chairman, it is my understanding that a State would not be prohibited from participating in the program if they could not provide the matching share.

Senator BUMPERS. Why put it up? Are you saying that some would and some wouldn't?

Ms. WALDEN. I think there is a very good possibility that would occur.

Senator BUMPERS. If somebody doesn't put up their 20-percent matching share, how do they participate?

Ms. WALDEN. They would continue to receive the Federal share so long as their plan is approved by the Secretary of the Department of Energy.

Senator BUMPERS. What incentive has there been for them to put up their 20 percent?

Ms. WALDEN. I would like to have Bob Hemphill, Deputy Assistant Secretary for Policy and Evaluation respond to that.

Mr. HEMPHILL. First of all, it gives those States who cannot initially put up their match, a period of time to pay back that match and still participate fully in the program for the first 2 years. They would then have to pay back that match in the last three.

If they elected not to match at all, they would still be eligible to participate in the program, but they would only receive 60 percent of the Federal funds they would otherwise have received.

So it is sort of a delayed payment option.

Senator BUMPERS. What sort of a penalty is there for the State if it elects not to put up their 20 percent share for the first 2 years on a deferred payment plan and then just reneges?

Mr. HEMPHILL. The penalty in the third year is to receive only 60 percent of the funds available to them for the third, fourth and fifth years of their program.

Senator BUMPERS. If they don't even agree to put up their 20 percent to begin with, they would get that much; wouldn't they?

Mr. HEMPHILL. Yes, sir, that is right. The theory is there are some things in the proposed legislation which we are requiring States to do which they may not otherwise elect to do. For example, formulate emergency management plans and things of that nature, which the States are not crazy about taking on and we felt it was important to provide some basis on which those mandatory activities would be carried out regardless of the State's interest in or ability to put up the matching share.

Senator BUMPERS. If I understood the Secretary's testimony, it was to the effect that this bill has two requirements. One is building standards; and the other is a continuation of the extension services. Those are the only two mandated requirements under the bill.

Ms. WALDEN. Those are the two mandated measures continued from the existing EPCA, ECPA and EES programs and required in the proposed legislation.

Senator BUMPERS. Presently under EPCA there are several required things that every energy plan must contain. One is carpool and vanpool promotion. One is lighting efficiency standards. One is energy efficiency procurement policies. One is thermal efficiency standards for new and renovated buildings. One is implementation of a right-turn-on-red traffic rule. And finally, public information activities with respect to energy conservation and renewable resource measures.

Now, this bill would effectively say to the States that you no longer are required to implement any of those—you are no longer required to put any of these things in your plan in order for your plan to be approved, except insofar as they are required under these two requirements of this bill, and that would eliminate carpool and vanpool promotion, lighting efficiency standards, energy efficiency procurement policy—well, thermal standards for new and renovated buildings would probably come under the building code and implementation of right-turn-on-red, where almost every State in the Union is in compliance. They could be certified, so to speak, if they wanted to, if this bill were in effect. And then, finally, public information activities which does to some extent overlap the extension service, because that is one of the extension service's programs.

Now, do you think it is fair to just in one fell swoop eliminate some of those mandated requirements which are obviously not peculiar to certain States, but to have national implications in every State? Do you think it is fair to repeal those requirements as mandates?

When we were in conference on the Energy Policy Conservation Act of 1975, we debated these things at length, and we were trying to make it as easy on the States as possible. But at the same time we tried to keep some kind of goal; to set goals that were reachable; and second, set some guidelines that we thought every State ought to make an effort to comply with.

Now we are going to repeal those before we really have any results on the effectiveness of those things. While on the contrary, here is a statistic that came over from the Department of Energy yesterday showing the projected 1980 energy savings under the State plans.

SECP PROJECTED 1980 ENERGY SAVINGS, SEPT. 9, 1978

Program measure type	1980 TBTU	Barrels (millions)
Nonrequired.....	3,930.18	674.86
Lighting efficiency standards.....	258.20	44.28
Carpools/vanpools/public transit.....	116.12	19.73
Procurement standards.....	40.01	6.65
Thermal efficiency standards.....	286.63	49.20
Right turn on red.....	3.68	.63
Energy audits.....	1,303.74	224.44
Education.....	110.95	19.07
Intergovernmental coordination.....	5.87	.99
Combined thermal/lighting standards.....	100.18	17.20
Total.....	6,155.56	1,057.05
Items retrieved, 1,204.		

This takes all the plans and projects the national savings cumulatively, and of those things which are required, for example, carpool, vans and public transit, would save 19,730,000 barrels a year by 1980.

Procurement standards would save 6.5 million. Thermal efficiency standards, 49 million. Right-turn-on-red, 630,000. Energy audits, 224 million. Admittedly, that would continue to be covered under the extension service. Educational programs, 19 million.

Combined thermal and lighting standards, 17 million. Lighting efficiency standards, 44 million. Under the nonrequired, nonmandated programs, which are not specified here, 674 million.

But none of those things that are mandated, just making a hasty computation, about 325 million barrels a day would be saved.

Just as a personal opinion, do you have any objection to leaving those guidelines in the law? I have a little personal interest on right-turn-on-red, as you know. I enjoy turning right on red. I enjoy it everywhere except in Washington.

It is really interesting, isn't it, that the only jurisdiction in the United States not complying with it is Washington, D.C.

Ms. WALDEN. Let me say that after spending about 4 or 5 weeks in Washington, I, too, have a greater appreciation for the right-turn-on-red rule.

I think the people who were involved in the development of the proposed legislation have raised basically the same questions that you have touched on. We are retaining the two mandatory measures which provide the major impact in terms of energy savings.

It would be my personal assessment that the States are moving very aggressively in the development of legislation to carry out these two mandatory measures. With respect to the right-turn-on-red, we have made considerable progress in that all States are implementing it, with the possible exception of the District of Columbia.

I have been informed by my staff this morning that the District has ruled that a new law is not required prior to the adoption of right-turn-on-red. On September 29, the Department of Transportation within the District, will be publishing their proposed rulemaking in the register; adoption of the rule will then come within 30 days.

Senator BUMPERS. I think you are about to let Washington off the hook much too easily. I have made that point in numerous letters, so I won't reiterate it up here.

Ms. WALDEN. I have seen your correspondence, sir. The D.C. regulation as you well know, would be the adoption of the eastern rule.

Senator BUMPERS. Let me change the subject. One of the purported reasons for this legislation is because the present law doesn't give any assurance of local participation and I think that that is a legitimate complaint. In other words, the State can submit a plan of what they are going to do, but they can't, under present law, insure that local jurisdictions, Indian tribes and others, who don't have any particular incentive to comply, or are not getting any of the funds, are going to comply with the energy plan and, therefore, help meet the goal.

Now, your statement says apparently that under this legislation—the States would be required to share some of the financial resources that they get under this program.

Well, staff tells me the States are just encouraged to allow local participation; is that right?

Ms. WALDEN. That is correct.

Senator BUMPERS. How is that different from present law? That is one of the complaints—is all you can do is encourage them to, and this is supposed to be a big change in the law, and yet all it does is encourage them.

If I were a mayor of a small town, I wouldn't have any particular desire to go out of my way to spend some of my financial resources to help the State meet a goal unless I was going to be reimbursed, unless it met some unique parochial interest in that community.

Ms. WALDEN. You are correct in that the legislation as presently proposed simply encourages the States to involve local government in the development of the plans—it is the determination of State government. I think in my discussions with State representatives they are concerned about the need for more of a role by local government, both in the planning and in the implementation of State energy management programs.

I would say that on behalf of the Department, we would certainly be willing to work with the committee and the interested parties that are looking at this element of the legislation.

Senator BUMPERS. Let me ask you this. Do you personally have any objection, for example, to the inclusion in this legislation as an additional mandate, carpool and vanpool promotion? That is not unique to any particular State. Every State ought to be doing that; shouldn't they?

Ms. WALDEN. I have no objection to that. I think that one reason that it was not included is that one of the basic concepts of the legislation is to give maximum flexibility to States to identify their unique needs and opportunities and to give those States a role in addressing them.

Certainly, the entire transportation area should be a high priority of the majority of the States.

Senator BUMPERS. I think that even if we left carpool and vanpool promotion out almost every State would include that in their energy plan. We used that very effectively in 1973 in my State when I was Governor there.

But my point is that this is an item where substantial energy savings can be effected. And if some State has chosen not to use it, not necessarily as a priority, but just not to encourage it, or not have it in their plan, they are missing a great bet. That is one of the things that I think every State ought to be doing.

I am not saying this as a former Governor. I understand this keen desire for flexibility. We always want to do our own thing.

How about lighting efficiency standards? That is something that certainly would be applicable to every State; wouldn't it?

Ms. WALDEN. Absolutely.

Senator BUMPERS. Let me make a point. In 1973 when the embargo was imposed I went on statewide television and gave a whole list of things that people could do. And they responded beautifully. We had carpools to the State capital. I would say we cut down 2 out of every 3 automobiles of State employees in the commuting in and out of Little Rock every day.

But when I got down to lighting standards and energy efficiency from outdoor advertising type, for example, the billboard lobby descended on my office. Shortly thereafter I had heard that Massachusetts had one of the most stringent standards for outdoor lighting of any State in the Union.

Meanwhile, incidentally, I had all downtown Little Rock buildings, which you know are lit up like Christmas trees all night because they want you to drive across the bridge and the freeway, and see the skyline and all the lights and the bank buildings—and I jumped on them into darkening downtown Little Rock at night and saving all that energy and people responded beautifully.

Then I looked to Massachusetts. I was really on a personal trip up there, but as I pulled in, I could see that if Massachusetts had such a law, it certainly wasn't being used because Little Rock looked like London during World War II and Boston looked like Las Vegas.

So I had a conversation with the Governor, who at that time was Frank Sargent. And I said, Frank, you have been boasting at all the Governor conferences about these stringent lighting standards you have got up here. He said, yes, and we have got to get started implementing those.

But the point I want to make is, if the Federal Government mandates some energy standards for lighting, especially outdoor advertising, we will take a lot of heat off the local officials in dealing with that lobby.

Now, as much as I used to cuss the Fed when I was Governor, I was always happy to have something to point to, to tell the people who came in my office, "Look, you know, it is the Feds that did this to me, and I don't have any choice. You have got a very good argument, but we are under mandate." Now, that is just the politics of the matter.

I am telling you that if you don't put some of these guidelines in this bill, you know, now that I am a mean old Fed, I am willing to put some of them in. And I am telling you that if you don't, you are going to lose a lot of energy savings in the States because of those intense lobbies.

So how about lighting standards? Do you have any objection to putting that in?

Ms. WALDEN. Let me ask Frank Stewart of my staff to comment on what is included in the two mandatory requirements.

Let me add, Mr. Chairman, I fully sympathize with how Governors and local officials were lobbied during that time.

Senator BUMPERS. The bad thing about it was, the one who had the biggest outdoor advertising operation in Little Rock was just gor-

geous. It was really beautiful, and it was very difficult for me to deal with her.

Ms. WALDEN. I will let Mr. Stewart comment on what is presently treated in the two mandatories.

Mr. STEWART. Sir, under title III, ECPA legislation speaks to building performance standards which are in the process of being developed. What is contemplated in this legislation as one of the mandatory measures takes into consideration both thermal efficiency and lighting efficiency in buildings.

So, in terms of lighting within buildings and thermal efficiency within buildings, both of those items would be covered—

Senator BUMPERS. Under the building standards provision, how about outdoor advertising?

Mr. STEWART. Outdoor advertising, no.

Senator BUMPERS. What is your personal thought about that? Let me ask you, No. 1, do you know how much energy in this country is spent on outdoor advertising?

Mr. STEWART. I don't have the figure at hand. I suspect a significant portion, a goodly bit.

Senator BUMPERS. I wish you would check that out for me. At one time I think I had some kind of an estimate. I think it is probably less than 1 percent. But it is significant.

Ms. WALDEN. Yes, sir. I will be glad to provide that information to you. I might point out that one of the arguments against restrictive measures on outdoor advertising is that it utilizes off-peak power.

Senator BUMPERS. How about street lighting and that sort of thing? That wouldn't be covered either, would it?

Mr. STEWART. No, sir.

Senator BUMPERS. That is another thing, incidentally. The highway department and all the freeways are lit up. They cut off every other light, and we really went to the man up there. And I never will forget, as I say, flying into Boston, and they hadn't heard about the embargo.

Well, I won't pursue any of these other items, and I appreciate the cooperation and your testimony. You seem to be fairly flexible in making some changes in the bill.

We will probably submit a few questions to you for the record. We appreciate your response, really.

Ms. WALDEN. I will be happy to.

Senator BUMPERS. Thank you very much. We appreciate your coming up.

Our next witness is Mr. John Millhone, National Governor's Association, director, Minnesota Energy Agency.

STATEMENT OF JOHN MILLHONE, NATIONAL GOVERNOR'S ASSOCIATION DIRECTOR, MINNESOTA ENERGY AGENCY

Mr. MILLHONE. Senator Bumpers, members of the committee, my name is John Millhone. I am staff chairman of the National Governor's Association Subcommittee on Energy Conservation and director of the Minnesota Energy Agency. I appreciate the opportunity to appear before you today to testify on the State Energy Management and Planning Act of 1978.

Senator, I have prepared some written testimony. With your concurrence, I would like to have that admitted into the record. And in my comments, deal more specifically with some of the issues which you raised in your discussion with Secretary Walden.

Senator BUMPERS. I appreciate that very much, Mr. Millhone. I really prefer that method of proceeding. Your statement will be entered in the record without objection.

Mr. MILLHONE. Thank you. I think it would be helpful to talk very briefly about the origin of the legislation that is being considered.

There was a White House Governor's Conference in the summer of 1977 that discussed various energy matters, particularly energy conservation. At that time, the Governors were quite critical of the variety of difference of energy grant programs that provided assistance to the States, that there was criticism of the overlap of some of the programs.

There was criticism of some gaps that existed in the different programs. And there was a feeling that there needed to be some effort to work between the States and the Federal Government to consolidate and to make some sense out of the legislation.

As a result of that, a task force was created involving representatives of the States and the Federal Government, and an effort was made to develop recommended legislation that, in part, consolidates the then existing and now existing program.

In addition to that, getting into areas that these programs then touched. Some 26 different States participated on that task force. All of the larger States were involved. So, it represents, I think, well over half of the population participating from the States Governors level in the effort to come up with new legislation.

Now, the description of the legislation is included in my testimony. I would like now to just go a little more directly to some of the comments which you raised in your comments and discussion with Secretary Walden.

The point was made that core programs were not implemented completely and had not been thoroughly tested. I think the response from the States would be that in some instances these programs should not be implemented completely. Or, at least, the States would have some difficulty in implementing certain provisions of the program.

The existing requirement, for example, on lighting standards which you discussed doesn't apply to outdoor advertising lighting. It applies only to lighting within buildings. It is made applicable to all public buildings. The act defines public buildings as buildings to which the public has access.

This would then require mandatory lighting standards in many privately owned buildings with public access. The problem of that from the State point of view is that it mandates action in an area which is very, very difficult to enforce.

It would require some kind of enforcement officers with light meters walking through all buildings to which the public has access, and then determining some method of reducing the amount of lighting in those areas.

Now, in Minnesota we have responded to that by setting standards for lighting in public buildings that require those kinds of investments that would pay for themselves within 5 years.

Senator BUMPERS. Are we talking about private buildings but open to public use? That is what you are saying?

Mr. MILLHONE. Yes.

Senator BUMPERS. You have no quarrel as far as public, State-owned buildings are concerned?

Mr. MILLHONE. Absolutely none.

Senator BUMPERS. OK.

Mr. MILLHONE. Now, earlier there was some discussion of the desirability of some kind of standards on exterior advertising, night lighting. Minnesota is one of the few States that has such legislation, and we are currently developing standards.

I would not see this as one of the areas, even though we are moving ahead in this area, that will achieve significant energy savings. The reason for that is the lighting at night is primarily offpeak lighting; that is, it is not when the greatest demand on the electric generating systems occurs.

So that the effected savings in that area would have no influence on the amount of electric generating plants and transmission lines required.

Senator BUMPERS. Your point is very well taken.

Mr. MILLHONE. It is clearly an area that gets a great deal of public reaction and attention and, therefore, it is an area that should be considered.

There was some reference in your comments that existing programs would be significantly altered. I don't think that the alteration in the existing programs would be what I would describe as significant.

We currently can get at the building code area with the mandated programs, which is very important. I think that that is the most important of the mandated areas. We also extend the Energy Extension Service as a requirement among all the States, which as you very well noticed, currently is being tested in 10 States.

If you are looking at such areas as the ECPA requirement for information, education, for involvement with the public, those kinds of ECPA requirements would be incorporated in the EES program. And the kind of things the State is concerned about is the type of overlap that exists between the EES program and the ECPA-type program.

I think those would both be covered in that area. I think you were quite right in saying that some of these areas, such as vanpooling and van carpooling, which is being done up in Minnesota, would be continued by the States regardless of whether that is mandated or not.

The concept here that the States are seeking for is some capacity to develop energy conservation programs that make the greatest possible sense for that particular State. Whereas right-to-turn-on-red is clearly a significant item in the District of Columbia, if you get a State that is primarily rural and very small cities and without urban traffic congestion, there are other types of area measures that would be significantly more important for energy savings in such States.

So the desire for flexibility is not to evade the hard action necessary to mandate certain programs, but to design those programs that are mandated at the State level to achieve the greatest possible savings within that State looking at its unique set of energy resources and sets of energy demand uses.

You mentioned the problems of leaving one job unfinished while going to new assignments. I think the answer by the States that you should downplay some of the jobs that were somewhat ill-defined and

that there are other things that are more important if we are to have truly effective State energy programs.

The two programs that were mentioned as being continued to be mandated are the building code standards and the mandatory extension program, but there are other provisions that are required of the States in their plans.

For example, the development of an energy data base is necessary so a State can truly understand what energy it is using. And, therefore, can design not only energy conservation, but supply measures. Other requirements include the outreach capability, the involvement of local government in the planning and decisionmaking process, plans for developing a response to energy emergencies.

Thus far, the energy emergencies that have been experienced have been primarily regional and among the States rather than national. The kinds of programs that had to be designed and implemented to be effective have been State and regional programs. As you well know, during times of crisis nothing attracts lightning quite like the gold dome of the State capitol and it is necessary for the States to have the capacity to deal with these kinds of emergencies, and also, to develop research and development programs to meet specific State needs.

You talked about the problems associated with the shift away from conservation and the including of other areas. We found in Minnesota—I think this is true of other States, as well—that if you focus only on energy conservation you have a hard time selling legislation.

In Minnesota we have developed a fairly comprehensive data collection and policy planning program that shows where we are in short supply. And we forecast our supply out to the year 1995, and by this type of analysis we know that conservation isn't a luxury that we ought to deal with when we can get around to it or because it is the "right" thing to do, but which doesn't really have a high priority.

We have established the analytical basis for proving that unless we get around to the business of conservation we are not going to have the energy that we will need to maintain our economic activity and the jobs that are necessary for our people.

So the strongest argument that can be made for conservation is that it is necessary. It is essential. That is the only sane thing that can be done by someone who truly understands the energy supply situation that faces us.

By developing a more comprehensive State planning development program, you develop the argument and the understanding that is essential at the State level to get serious and effective and difficult energy conservation programs through.

Senator BUMPERS. Mr. Millhone, let me interrupt you just a moment. When you talk about projecting energy supplies for a State, I assume a State like Minnesota, like my own State, is almost totally dependent on imported supplies; is that a fair statement?

Mr. MILLHONE. Yes, Senator. That is a fair statement; 99 percent of our energy is imported.

Senator BUMPERS. How can you make a projection on what your energy supplies are going to be if you are dependent on private companies in other States?

Mr. MILLHONE. Well, we can look at the principal gas supply companies for Minnesota and others, as well, and analyze the expected

supply of natural gas that we can anticipate coming in from the Northern Natural Gas Co., for example. We can look at the domestic natural gas supply situation and find out from the Canadian policy decisions the anticipated amount of natural gas there.

Because of the uncertainty regarding what Congress will do in the petroleum area, the analysis of the amount of the petroleum products that will be available to the State of Minnesota is quite difficult, although we can make certain assumptions there in terms of U.S. production, world production, and when the world production is at a peak and anticipate that we will continue to get our share, assuming certain pipeline connections are made.

We can also look at coal as a resource in Minnesota and the potential for increasing our use of coal being near the Northern Plains States where coal is available.

Looking at this mix, then, we can estimate the decline in natural gas availability, the leveling out and the decline of the petroleum availability, the expected increase in coal use, and the amount of substitution that is likely among these energy resources in order to meet our estimated increase in growth. This shows us the amount of conservation that is required in order to have a balance between supply and demand.

Also tied with this, the important emphasis that must be given to alternative energy resources in order to meet our demand.

Senator BUMPERS. I think it is important for us to make some estimate as to what your supply is going to be because it is not too difficult to project on a constant basis or a current level of escalation.

I think anybody can do that, and I think it is important to do that, and then start trying to figure out what your supply is, how reliable is it, what is the mix, and develop some alternatives in case one supply figure is off, for example, and certainly is liable to be off in the field of natural gas and petroleum distribution.

Mr. MILLHONE. Senator, I would like to enter into the record, or at least for your interest, the Minnesota energy agency's latest forecast of its supply/demand situation through the year 1995.

Senator BUMPERS. With your permission, I won't put it in the record, but I would personally like to have a look at it.

Mr. MILLHONE. It does, in much greater detail, outline what I have discussed with you, and it also describes some of the energy agency's programs.

Senator BUMPERS. Thank you.

Mr. MILLHONE. In summary, the National Government, as well as the State and local government, has not made the governmental response that is necessary to deal with the seriousness of the energy problem. There certainly has been progress at the national level through the creation of the Department of Energy.

In a very similar way, it is essential that the States develop their capacity to deal with this issue, and also, it is essential that local governments develop this ability as well.

The legislation being considered today is designed to promote this capacity building at the State level. We also feel that it is essential and desirable, as my testimony describes in greater detail, to provide some stimulus to local governmental units for them to develop their capacity to deal with their energy issues, as well.

While we are talking about conservation or alternative energy sources, we are talking about building codes, utility rate design, educational, informational programs, traffic programs, economic planning, land use planning. We are talking about areas that are primarily, historically the province of the States.

If we are talking about alternative energy sources, we are talking about differences in type of energy or solar energy or peat, as we have in Minnesota or, shale oil, or a variety of different new alternatives that also vary greatly from State to State.

So, from the State's point of view, it is essential to move ahead rather rapidly to develop the capacity to develop plans and conservation and resource development programs that will make it possible for the States to participate as a partner with the Federal Government in moving ahead with this serious energy issue, and the legislation that has been designed to accomplish this. We are certainly very eager and willing to work with you to come up with revisions that you feel would more skillfully accomplish this objective.

Thank you.

Senator BUMPERS. Mr. Millhone, one thing that has not been discussed this morning and was not—I am not sure whether it was even in EPCA or not, how would you feel about a mandate that every State come up with a powerplant siting law?

I assume you have one in Minnesota. I think the Governor told me you did.

Mr. MILLHONE. Yes, obviously, in answering this question I have to take off my NGA hat and respond personally in making such a response.

To me it is an essential element of State legislation to have some kind of energy facility siting legislation.

Senator BUMPERS. One other question. Are all of the energy planning responsibilities, for example, in Minnesota, in the energy office? Or are they dispersed among various offices and commissions and so on, public service commissions, utility commissions, whatever you call it, powerplant siting board?

Do you have different commissions or agencies who are going to be participating in that?

Mr. MILLHONE. In Minnesota we have a preset process. The first step is that the proposer of the facility has to get a certificate of need from the energy agency. The second step is the siting of that facility. That is done by a 12-member board on which the director of the energy agency sits along with six other State commissioners, a representative of a Governor's office, and four citizens named by the Governor.

The third step is the permitting step, which is done by permitting agencies responsible for the administration of pollution, transportation and similar areas.

Senator BUMPERS. You are talking exclusively now about powerplant siting. I wanted to talk generally about the whole area of energy conservation plans or energy goal planning.

Would that be dispersed within various energy agencies or all within one State energy department? What would be your preference?

Mr. MILLHONE. In Minnesota these responsibilities were all brought together within the Minnesota energy agencies.

Senator BUMPERS. Of course, you take rate reform, utility rate reform, that would have to be left to the public utility commissioner or whatever you call it; would it not?

Mr. MILLHONE. Yes, we do have a public service commission that operates separate from the energy agency. We have certain statutory responsibilities to present arguments in favor of rate design that would achieve the conservation objectives for that.

Senator BUMPERS. They also have the responsibility for powerplant siting and permit?

Mr. MILLHONE. No, the public service commission in Minnesota has no responsibility in the area of powerplant siting.

Senator BUMPERS. This is a problem because in the State plan the energy office would come up with a plan and yet it seems to me—and just sitting here thinking it through, a number of State agencies have to be involved in this, but so far as planning is concerned, is it your thought that the energy office would have a fairly exclusive jurisdiction in designing the plan?

Mr. MILLHONE. Senator, if I were responding from the point of view of Minnesota's position with a relatively strong statutory energy office, I think that my answer would be yes, and I see clearly from the bias of my State some advantages in that approach.

There are other States that have different administrative structures that may adopt a different approach, and in order to be effective, I think it is desirable to have enough flexibility in the legislation that will allow the States—a State Governor to adopt an approach which in his view would be most effective.

Senator BUMPERS. Can you think of any areas that ought to be mandated in the legislation that you think would be acceptable to the States that are not covered in this bill?

Mr. MILLHONE. I should preface this—

Senator BUMPERS. You covered this slightly awhile ago. But I just thought we might make it a little bit more definitive, if you can.

Mr. MILLHONE. I think a great deal of effort has already been undertaken by me and others on the task force to come up with mandated and required areas that we think are most important. I see the elements in the plan itself—such as the data requirements, the emergency response capabilities, and what have you—as essential.

Beyond that, looking at specific energy conservation measures, I think, and requiring the outreach activity and requiring the building code action would be the two most important items.

I would certainly, though, be willing to talk with you and your staff, if you feel that there is some additional mandated requirements that should be included.

Senator BUMPERS. Thank you very much, Mr. Millhone. Excellent testimony.

We are under a mandate here to quit at 11:30. We may have to violate the Senate rules slightly.

[The prepared statement of Mr. Millhone follows:]

STATEMENT OF JOHN MILLHONE, NATIONAL GOVERNOR'S ASSOCIATION DIRECTOR,
MINNESOTA ENERGY AGENCY

Mr. Chairman, members of the Committee, my name is John Millhone. I am staff chairman of the NGA Subcommittee on Energy Conservation and Di-

rector of the Minnesota Energy Agency. I appreciate the opportunity to appear before you today to testify on the State Energy Management and Planning Act of 1978.

Before proceeding with my statement, I would like to take this opportunity to say a few words about the National Governors' Association. The NGA is the sole national organization representing the nation's governors. Several years ago, the Association established the Committee on Natural Resources and Environmental Management to oversee the development of national policy in the area of environment, energy and natural resources. The Subcommittee on Energy Conservation, of which I am staff chairman, functions under the Committee on Natural Resources and Environmental Management. Minnesota Governor Rudy Perpich chairs this Subcommittee; Governor Julian Carroll of Kentucky is now chairman of the Natural Resources and Environmental Management Committee.

My statement is delivered on behalf of the Subcommittee on Energy Conservation's Task Force on SEMP which is comprised of twenty-six states.

S. 3283 is strongly supported in concept by the states. At the July 8-9, 1977 White House Governors' Conference on Energy, President Carter promised the Governors that the Administration would examine existing federally created state energy programs. The National Governors' Association under the Subcommittee on Energy Conservation established a small task force to work with the Administration on this task. This Task Force recommended not only the consolidation of the existing programs (principally the State Energy Conservation, Supplemental and Energy Extension Service programs), but the creation of a total energy management capability at the state level. This would enable the states to play an active role with the federal government in implementing an effective national energy program.

The need for a federal-state partnership grows from the nature of the energy issue. There are matters of utmost national concern—national security, the nation's balance of payments, the nation's economic stability—and there are matters of great concern to the states—dependable energy supplies, fair prices, state economic well being * * *.

The states' role, although less publicized than the federal one, is critical. It rests on philosophical and practical grounds.

The powers needed for effective action on energy issues include many reserved constitutionally for the states. Energy management includes facility siting, impact assistance, building codes, utility rate designs, education, transportation, planning, land use decisions—areas that traditionally have been reserved to the states.

The genius of a truly federal system is the freedom and stimulus it gives states to explore creative new solutions to common problems. The energy problem is complex. It was ignored too long. The possible remedies are many. There is a great need to test different approaches. States' innovation should be encouraged.

States differ greatly in their energy sources and energy uses. Political economic and social climates are equally varied. Federal programs that ignore these differences simply won't work.

Because of these differences, the impact of energy emergencies differs widely from the state to state. To minimize personal suffering and economic dislocations, states need workable emergency preparedness plans.

As a practical matter, the national government must have some method of delivering energy programs locally. States are the logical delivery mechanism. (It follows accordingly that the states themselves must be sensitive to the differences and unique needs of their cities and counties.)

The states are showing a growing recognition of their responsibility in the energy area. This bill will strengthen and make their role more effective. We support the concepts in this bill because it develops a meaningful role in energy for the states and utilizes the states as the delivery mechanism for energy programs. At the same time, it recognizes the differences among states. Although it provides the opportunity for states to take different approaches to energy problems, over the five years envisioned for this program, in addition to implementing energy conservation activities, all the states would be encouraged to: (1) develop and maintain a current energy data base and forecasting capability; (2) maintain an outreach capability; (3) involve local governments in the planning and decisionmaking processes; (4) plan for and develop the capacity of meeting fuel shortages; (5) develop an R.D. & D. program to meet specific state needs; and finally (6) maintain the capacity for planning and administering the state comprehensive energy program which would include implementing such federal

programs as the weatherization for the low income, schools, hospitals and buildings of local government energy conservation (NEA), utilities residential retrofit (NEA) and building standards programs.

While the proposed bill attempts to accomplish the above, there are some specific changes which need to be made in order to make the bill more effective. The program will not be workable under the proposed funding level of \$105 million. Proposed authorizations for the three existing core programs (State Energy Conservation, Supplemental and Energy Extension Service programs) total approximately \$135 million for fiscal year 1979. Under the present program, structure, all of these monies would be earmarked for energy conservation. The legislation would earmark only \$52.5 million through the provision requiring that 50 percent of all federal funds made available to states under the act must be used for conservation. The emphasis on conservation should not be diminished because of the other expanded responsibilities anticipated under the State Energy Management and Planning Program.

After considerable discussion of existing requirements under the three core programs, the reduction in responsibilities, and the expanded requirements proposed in the legislation, we recommend the following funding levels:

Fiscal year :	<i>Million</i>
1979 -----	\$120
1980 -----	140
1981 -----	160
1982-83 -----	¹ 160

¹ Plus an escalator factor for inflation.

We also recommend that the matching requirements be eliminated for the first three years of the program. Since the proposed program would be predominantly a consolidation of the three existing core programs, none of which have matching requirements, it would be extremely difficult for the states to raise the matching funds in the early stages. The states do recognize their growing responsibilities in the energy area, and a state matching requirement after the first three years may be more appropriate.

The proposed legislation also authorizes a deferred payment plan, i.e., states would be required to provide a 20 percent match, but could defer payment of the first two years' obligation until the third through fifth years. It would be very difficult for an energy office to request funds from the legislature to pay back debts incurred during previous years. The matching requirements in years one, two, and three, either direct or deferred, will result in many states being unable to participate in a program which is very much in the national interest.

Another recommendation concerns the requirement that the states involve units of local government in the development, modification or implementation of the state energy plan. If this requirement is to be effective, an additional amount of money should be authorized and earmarked for this purpose. A separate authorized appropriation of \$25 million in the first year, with no matching requirement, should be allocated among the states according to population. The states would develop, in consultation with units of local government, programs to distribute the money.

Other recommendations include the following:

1. The approval of states' plans should be procedural.
 2. Consultation with the states in the development of subsequent program regulations and policies should be required.
 3. The possible inclusion of renewable resources and conservation as elements of production in the funding formula in the third year of the program should be studied.
 4. Definite time schedules for the issuance of guidelines and regulations should be set (see attached suggested time schedule).
 5. The production of electricity should be included as an element of production in the funding formula.
 6. An appropriation of \$5 million should be authorized for technical assistance.
- Thank you for considering these points. We would be happy to provide any additional information and to work with the Committee on this legislation.

Recommended time schedule for the SEMP program

	<i>Days for enactment</i>
DOE issues guidelines for initial and annual applications-----	+60
States submit initial application-----	+120
DOE approves States initial applications-----	+150
DOE issues guidelines for State energy plans and rules for the orderly transition from multiple applications to the consolidated application---	+180
States submit first State energy plan and first annual application-----	+360
DOE approves States first annual applications-----	+420
DOE reviews all rules, regulations, and guidelines issued under any State energy grant program and prescribes new rules or guidelines to reduce and simplify the administrative requirements and to provide for annual consolidated application-----	+540
States submit second annual application under new annual consolidated application guidelines-----	+720

Senator BUMPERS. We have a panel. Mr. John G. Hutchinson, mayor of Charleston, W. Va., the U.S. Conference of Mayors; Mr. Sam Sperry, director, city of Seattle Energy Office, National League of Cities; Commissioner Harvey Ruvin, Dade County, National Association of Counties. That is the panel.

We have just three microphones. It came just even. Who would like to go first?

Mr. RUVIN. I would be happy to go first.

Senator BUMPERS. Identify yourself, please.

**STATEMENT OF HARVEY RUVIN, COMMISSIONER, DADE COUNTY,
FLA., ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES**

Mr. RUVIN. My name is Harvey Ruvin. I am privileged to be serving as county commissioner for Dade County, Fla., and as energy chairman for the National Association of Counties Steering Committee.

Good morning, I am very proud to be here and certainly feel that your staff and the prestigious nature of this committee is such that we are quite pleased to have been invited.

Senator BUMPERS. Mr. Ruvin, if I could ask all three of you to submit your statements for the record and let's try to summarize and we will get into the question and answer session because we could be instructed by the Sergeant at Arms to quit. We are on this natural gas bill, and there is a lot of failures to get unanimous consent agreements over there.

So, technically, we are supposed to quit at 11:30, 2 hours after the Senate comes in. We won't quit at that point, though. I will give everybody an opportunity to be heard, but it would help if we could expedite it.

Mr. RUVIN. Senator, we have prepared statements and we will try to get through rather quickly, but we understand the problem and appreciate your concern.

I might say at the outset that NACO, the National Association of Counties, is a coalition of 3,000 counties founded in 1935 as the national spokesman for counties. Our policy statements are evolved through an open process which is caucused annually by our membership.

Senator BUMPERS. Pull the microphone a little closer, please.

Mr. RUVIN. We welcome the opportunity to address the proposed State Energy Management and Planning Act and have spent consid-

erable staff time in evaluation of it. We feel the local government must be the cutting edge of efforts to reduce the country's dangerous dependence on imported energy and on scarce, nonrenewable energy sources.

Clearly, America needs to demonstrate to itself and to the world that it has the discipline and structure to shape and live with the energy plan.

We feel that the urgency of the situation is becoming more and more apparent, and the Congress really needs to show some statesmanship in moving ahead now. We need an energy awareness boom with shock waves impacting every facet of our society, every home, every business, every activity of every person.

Yet a substantial clear majority of our people simply don't believe that there is an energy problem, much less an energy crisis. Of the remainder, only a small percentage have even begun to adjust their lifestyles and attitudes.

The "moral equivalent of war" called for by the President to motivate a kind of patriotic public zeal behind the conservation ethic simply hasn't materialized.

I believe we can show that a major factor in this failure to motivate is a misdirected focus in most Federal energy programs, existing and contemplated. That focus has been on the State level. It must be shifted to the local level of government, the city and county levels.

The Federal Government, in establishing the majority of its programs, has shown a distressing inclination toward working exclusively with State capitols at the expense of county courthouses. For example, implementation of the provisions of the Energy Conservation and Production Act and the Energy Planning and Conservation Act fell heavily on local governments.

Yet, these acts relied exclusively on the good will of the States in insuring that local governments were involved in the development of the necessary plans. In many cases this involvement was only through public hearings and only after the plans had been all but finalized.

Mr. Chairman, I feel that it would be very illuminating for this committee if the Department of Energy prepared a report examining how and how well States have involved local governments under these acts. I think the results would clearly show that local governments are not presently being involved in a meaningful way.

While SEMPA obviously recognizes that the type of energy planning that needs to be done cannot be done at the Federal level alone—it fails to specifically include an absolutely essential element, local governments.

The average citizen has little or no contact with State government; the State capitol is physically and psychologically remote to him. Whereas, his city and county governments are constantly visible; picking up the garbage, providing police, fire, consumer protection and pollution control, running parks and recreational facilities, delivering water and sewer service, issuing occupational licenses, operating airports, seaports, and mass transit systems, et cetera.

Furthermore, many of the tools needed to effectively implement energy policy are within the powers vested in our local governments:

land use and transportation planning; waste management; building codes; regulatory and local legislative functions; taxation; education, and community leadership.

A massive Federal program, directly funding comprehensive energy management programs—including retrofit—by local governments would go a long way not only in saving tax dollars but also in highlighting the virtues and urgencies of energy conservation.

More, not less, funds should go to local governments for innovative research and development demonstration projects—this year's budget proposal is down from \$65 to \$44 million.

Conversely, public apathy is certainly predictable in a community where government sets negative examples in each of these areas.

A continuation of the present emphasis on State energy offices will continue to dilute the Federal energy assistance dollar. A more direct partnership between the local and Federal establishments simply must be forged and SEMPA could help serve this goal rather than defeat it.

If the current draft is not appropriately revamped—we fear that it may set a pattern that will commit us to future programs that will perpetuate a Federal-State dialog at the expense of local governments.

Many county governments have already demonstrated initiative and have established track records which easily justify such a partnership.

In Dade County with its metropolitan form of government, 1.6 million people, 2,300 square miles and a billion-dollar overall budget; we are quite proud of the progress of our local energy-related programs.

Since the boycott, in spite of an increasing vehicle fleet, Dade County has reduced its fuel consumption by 37 percent through a series of operational and policy changes. A savings totaling \$3.5 million.

With the cost of electricity amounting to 10 percent of our annual operating budget, a 6-month-old comprehensive energy management plan has already saved \$1.2 million with \$7 million in annual savings when fully implemented.

With the help of UMTA, Dade is implementing a balanced mass transit system which is expected to provide hundreds of thousands of alternative vehicle trips to the automobile daily by 1883.

Without any Federal or State dollars, commencement of construction of the country's largest resource-recovery/energy conversion solid waste facility by Dade County is imminent. This \$138 million plant will accommodate 3,000 tons of solid waste stream per day; recovering metals and glass for reuse and utilizing the combustibles to power a 70-megawatt electric generating plant—enough to fulfill the electric requirements of 41,000 families.

We have Federal construction grants for sewage treatment plants but none to date for solid waste. The inauguration of direct construction grants to local government for energy conversion solid waste plants would clearly highlight the energy problem in an innovative and constructive manner as well as help solve the current high cost and environmental problems associated with waste disposal in our urban areas.

I have here a book, a guide to reducing energy use budget costs that I will leave here with you. It shows the actual examples that will help save energy in cities and counties across the country and I think it offers the kind of proof that we are alluding to in offering to back up our plea that we become part of this process.

We are critical of this process and we need to be put in at the earliest possible date. In some respects, I might add that DOE has been responsive to the needs of local governments with regard to impact assistance, with regard to some of the language that is being written into the regulations.

We have been asked to take part and we willingly offered; the so-called Mikulski amendment, I think, is an embodiment of those views and in other areas we have helped develop and shape the administrative energy policy. I think down the line we look at this kind of cooperation in other areas and we need it as building blocks.

Senator Bumpers, we can finally put to rest this notion that has existed in the Federal Establishment that by taking a hands-off approach, meaningful State, local relations can somehow become assured.

On the contrary, by adopting this attitude the Federal Government dictates the form of State/local relationships, continue to have some of these negative results that I have enumerated.

In SEMPA's present form we would recommend one or two actions, either the bill should be scrapped and entirely rewritten or I think more toward our recommendation would be that it would be modified in a number of major respects and give it the urgency of the energy problem. We need to get something passed to show the people of this country and the world that we can do it.

We would propose the following changes.

One: There should be a strong and well-defined role for local governments in the development of the State plan. This includes joint State/local decisionmaking.

Two: A mandated council, composed of an equal number of State and local officials, should be established and made responsible for the development of the State plan.

Three: The local representatives on the joint council should be appointed by the Governor from a list of nominees submitted from the various State associations of local governments.

Four: A percentage of the funding provided under this act should be passed through to local governments for the preparation of local energy management plans, and to help fund their participation in the process.

Allocation of funds to local governments should be decided by the local representatives on the joint council sitting as a separate committee, perhaps through population, perhaps through other measures.

Any local government which receives funds under this section should be required to prepare a local energy plan for submission to the State and to this joint council. These plans and plans prepared by local governments prior to enactment of this act must be incorporated in the State planning efforts.

Senator Bumpers, we have taken the liberty of actually drafting specific language which we feel would incorporate these suggestions and to discuss them, and with your permission I will submit it. We suggest such changes for the records and for the committee's consideration.

Senator Bumpers, the local governments, as you are aware, frequently come here. They frequently come before Congress and before the committee asking for funds to implement programs which were legislated in Washington, but have to be implemented locally.

Let me go one step further; further than the financial concerns. We are here vigorously seeking our rightful share of the responsibility for addressing this Nation's severe energy problems.

We want to be a part of the process before the fact.

In conclusion, local governments have proven their initiative and effectiveness. It is at the local level where the opportunities and tools for massive energy savings and public education exist. Yet to date the appropriate Federal support needed to synergize these efforts simply has not been made available.

Moreover, a negative impact has resulted from an overemphasis on State agencies.

Please do not be put off by the number and diversity of local units of government. Surely the easy way to go is to continue to deal with 50 Governors. While easier or rather less complex, this path will continue to operate not only at the expense of local government, but the very goals of our energy programs as well.

We can and will bridge the gap between the present constrictions to a future, less wasteful lifestyle based on alternative renewable energy sources. But it must happen at the grassroots where people live, at the local level.

Mr. Chairman, this concludes my formal remarks. I will be glad to answer any questions that the committee might have.

I might just parenthetically add that we are very delighted to hear some of your comments questioning the prior speakers in regard to the awareness of the laws that we do have and the need to have local government mandating this process.

Senator BUMPERS. Thank you, Mr. Ruvin.

[The prepared statement of Mr. Ruvin and proposed changes to S. 3283 follow:]

STATEMENT OF HARVEY RUVIN, COMMISSIONER, DADE COUNTY, FLA., ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

Good morning. Thank you, Mr. Chairman, members and staff of this prestigious and critical committee, for your gracious invitation to testify today.

My name is Harvey Ruvin. I'm privileged to be serving as a County Commissioner in Dade County, Florida; and as energy chairman of National Association of Counties' Environment and Energy Steering Committee.

I'm proud to be offering this statement formally on behalf of NACo, a coalition of over 3,000 counties, founded in 1935 as the national spokesman for counties. All of NACo's official policy statements are evolved through an open process by steering committees made up of local officials and formally adopted by general membership caucus on an annual basis.

NACo welcomes this opportunity to address the proposed (S. 3283) State Energy Management and Planning Act (SEMPA) for in actuality, local government must be the cutting edge of efforts to reduce the country's dangerous dependence on imported energy and on scarce, non-renewable energy sources.

Clearly, America needs to demonstrate to itself and to the world that it has the discipline and structure to shape and live with an energy plan.

We need an "energy/awareness boom" with shock waves impacting every facet of our society; every home; every business; every activity of every person.

Yet a substantial clear majority of our people simply don't believe that there is an energy problem, much less an energy crisis. Of the remainder, only a small percentage have even begun to adjust their lifestyles and attitudes.

The "moral equivalent of war" called for by the President to motivate a kind of patriotic public zeal behind the conservation ethic—simply hasn't materialized. The reasons are many and complex: some are obvious, some are subtle.

I believe we can show that a major factor in this failure to motivate is a misdirected focus in most federal energy programs—existing and contemplated. That focus has been on the state level. It must be shifted to the local level of government—the city and county levels.

The federal government, in establishing the majority of its programs, has shown a distressing inclination toward working exclusively with State Capitols at the expense of County Courthouses. For example, implementation of the provisions of the Energy Conservation and Production Act and the Energy Planning and Conservation Act fell heavily on local governments. Yet, these acts relied exclusively on the "good will" of the states in insuring that local governments were involved in the development of the necessary plans. In many cases this involvement was only through public hearings and only after the plans had been all but finalized. Mr. Chairman, I feel that it would be very illuminating for this committee if the Department of Energy prepared a report examining how and how well states have involved local governments under these acts. I think the results would clearly show that local governments are not presently being involved in a meaningful way.

While SEMPA obviously recognizes that the type of energy planning that needs to be done cannot be done at the Federal level alone—it fails to specifically include an absolutely essential element, local governments.

The average citizen has little or no contact with state government; the State Capitol is physically and psychologically remote to him. Whereas, his city and county governments are constantly visible; picking up the garbage, providing police, fire, consumer protection and pollution control, running parks and recreational facilities, delivering water and sewer service, issuing occupational licenses, operating airports, seaports and mass transit systems, etc.

Furthermore, many of the tools needed to effectively implement energy policy are within the powers vested in our local governments: land use and transportation planning; waste management; building codes; regulatory and local legislative functions; taxation; education and community leadership.

A massive federal program, directly funding comprehensive energy management programs (including retrofit) by local governments would go a long way not only in saving tax dollars but also in highlighting the virtues and urgencies of Energy Conservation.

More, not less, funds should go to local governments for innovative research and development demonstration projects (this year's budget proposal is down from 65 to 44 million).

Conversely, public apathy is certainly predictable in a community where government sets negative examples in each of these areas.

A continuation of the present emphasis on State Energy Offices will continue to dilute the federal energy assistance dollar. A more direct partnership between the local and Federal Establishments simply must be forged and SEMPA could help serve this goal rather than defeat it.

If the current draft is not appropriately revamped—we fear that it may set a pattern that will commit us to future programs that will perpetuate a federal/state dialogue at the expense of local governments.

Many county governments have already demonstrated initiative and have established "track records" which easily justify such a partnership.

In Dade County with its metropolitan form of government, 1.6 million people, 2,300 square miles and a billion dollar overall budget; we're quite proud of the progress of our local energy related programs.

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With the help of UMTA, Dade is implementing a balanced mass transit system which is expected to provide hundreds of thousands of alternative vehicle trips to the automobile daily by 1983.

Without any federal or state dollars, commencement of construction of the country's largest Resource-Recovery/Energy Conservation Solid Waste Facility by Dade County is imminent. This \$138 million plant will accommodate 3,000

tons of solid waste stream per day; recovering metals and glass for reuse and utilizing the combustibles to power a 70 megawatt electric generating plant (enough to fulfill the electric requirements of 41,000 families).

We have federal construction grants for sewage treatment plants but none to date for solid waste. The inauguration of direct construction grants to local government for Energy Conservation Solid Waste Plants would clearly highlight the energy problem in an innovative and constructive manner as well as help solve the current high cost and environmental problems associated with waste disposal in our urban areas.

(Any new grant programs should provide for retroactive applications so as not to cause delays in areas contemplating self starts.)

There are hundreds of local government success models in the energy field. The NACo joined with U.S. Conference of Mayors, the National League of Cities and the FEA in producing a Guide to Reducing * * * Energy Use-Budget Costs. I enclose a copy for the Record.

In some respects DOE has been responsive to the needs of local governments. In two areas in particular the Department deserves commendation. The Department has been very good about working with local governments and their associations in drafting proposed regulations for the energy conservation in local government building section of the pending national energy act, the so-called Mikulski amendment. Our views have been actively sought and willingly given. In one other area our input has helped shape the administration's energy policy as it affects local governments. Counties were represented on the Energy Impact Assistance Steering Group whose report to the President on energy impact assistance became the basis for the recently announced impact policy. While far from perfect, the pending Hart-Randolph bill does recognize a significant role for local governments in identifying and mitigating the effects of new energy development. We would hope that this type of cooperation will extend into other areas.

Mr. Chairman, we should finally put to rest the notion of the federal establishment that by taking a "hands off" approach meaningful state/local relations are assured. On the contrary, by adopting this attitude the federal government dictates the form of state/local relationships and assures the results we have enumerated.

In SEMPA's present form we would recommend one of two actions. Either the bill should be scrapped and entirely rewritten or modified in a number of major respects. Given the urgency of the energy problem and a need for the activities contemplated by the Act we would support passage with the following major changes:

There should be a strong and well defined role for local governments in the development of the state plan. This includes joint state/local decision-making.

A mandated council, composed of an equal number of state and local officials, should be established and made responsible for the development of the State plan. The state would retain responsibility for the maintenance and implementation of the plan.

The local representatives on the joint council should be appointed by the governor from a list of nominees submitted from the various state associations of local governments.

A percentage of the funding provided under S. 3283 should be passed through to local governments for the preparation of local energy management plans.

Twenty percent of the funding provided under H.R. 13420 should be passed through to local governments for the preparation of local energy management plans.

Allocation of funds to local governments should be decided by the local representatives on the joint council sitting as a separate committee.

Any local government which receives funds under this section should be required to prepare a local energy plan for submission to the State. These plans, and plans prepared by local governments prior to enactment of this act, must be incorporated in the State planning efforts.

Mr. Chairman, we have taken the liberty of drafting some language which we feel will incorporate the necessary changes we have been discussing. With your permission I would like to submit these suggested changes for the record and the Committee's consideration.

Mr. Chairman, local governments, as you are aware, frequently come before Congress asking for funds to implement programs which were legislated at the federal level but are to be implemented locally. Today we are going beyond mere financial concerns, we are here vigorously seeking our rightful share of the responsibility for addressing this nation's severe energy problems.

In conclusion, local governments have proven their initiative and effectiveness. It is at the local level where the opportunities and tools for massive energy savings and public education exist. Yet to date—the appropriate federal support needed to synergize these efforts simply has not been made available. Moreover, a negative impact has resulted from an over emphasis on state agencies.

Please do not be put off by the number and diversity of local units of government. Surely the “easy” way to go is to continue to deal with 50 Governors. While easier or rather less complex, this path will continue to operate not only at the expense of local government but the very goals of our energy programs as well.

We can and will bridge the gap between the present constrictions to a future, less wasteful lifestyle based on alternative renewable energy sources. But it must happen at the grassroots, where people live—at the local level.

Mr. Chairman, this concludes my formal remarks. I will be glad to answer any questions that the committee might have.

PROPOSED CHANGES TO SEMPA (S. 3283)

Submitted by NACO

Section 354(b) (2). Strike existing language and substitute the following :

(2) A designation by the Governor of :

(A) a State Energy Planning Committee which shall be responsible for the development of the State energy plan, no less than half of whose members shall be elected officials of general purpose local governments. The State Energy Planning Committee shall include representatives from the principal cities and counties within the State and shall otherwise be geographically and demographically representative of the local jurisdictions within the State.

(B) a State agency or agencies whose representatives shall comprise the remaining membership of the State Energy Planning Committee, and which shall be responsible for the implementation and maintenance of the State energy plan.

Section 355(b). Add the following new subsection (5).

(5) descriptions of local energy management plans submitted by units of local government, and how those management plans are incorporated into the State energy plan.

Section 356(a). Strike existing language and substitute the following :

(a) The Governor shall appoint local elected officials to serve on the State Energy Planning Committee established pursuant to Section 354(b) (2) from nominations of associations of local governments which enjoy state-wide membership.

Add the following new subsections and redesignate current (b) as subsection (d).

(b) In the first year, no less than twenty-percent (20%) and in subsequent years no less than forty percent (40%) of the federal assistance provided to a State under this Act shall be passed through directly to units of local government within the State for the preparation of local energy management plans and for other uses consistent with the purposes of this Act.

(c) Local government representatives on the State Energy Planning Committee established pursuant to Section 354(b) (2) shall act as a review board for review and approval of funding applications submitted by units of local government and shall establish such rules and regulations consistent with the State energy plan as are necessary to carry out the purposes of this part.

Section 358. Add new subsection (c) below :

(c) funding of local energy management plans submitted to local representatives on the State Energy Planning Committee pursuant to Section 356(b).

Section 361. Strike existing authorization and insert the following funding levels :

Fiscal year 1979, \$139 million.

Fiscal year 1980-83, \$175 million.

**STATEMENT OF HON. JOHN G. HUTCHINSON, MAYOR,
CHARLESTON, W. VA.**

Mayor HUTCHINSON. Good morning, Senator. I am John Hutchinson, mayor of Charleston, W. Va. I will be submitting my testimony in whole as you suggested earlier.

There are four brief points that I would like to take out of that and then I have some extemporaneous remarks that I want to take out of that and then I have some extemporaneous remarks that I want to mention.

Cities have been severely impacted by the energy crisis. Spiraling energy costs continually raise the cost of delivering municipal services. Our constituents are pressing us for information and assistance to deal with their own increasing energy costs.

However, while the Federal Government has taken some action to reach local governments, most States have provided their local governments with little assistance to deal with their energy problems.

After careful analysis with review and comment by member cities, the U.S. Conference of Mayors and National League of Cities find that the State Energy Management and Planning Act [SEMPA] is an inadequate legislative solution to meet the production and conservation goals of this country. We recognize that States have an important role to play in the national energy plan.

But local governments represent an untapped resource capable of promoting these goals. The SEMPA bill provides assistance to States to develop energy programs which often will have components to be implemented by local governments.

Focusing the implementation of conservation and production programs at the State level may be appropriate for certain elements, most conservation programs and small-scale energy technologies must be developed at the local level.

In short, the bill fails to address the needs of local governments and precludes cities from any real participation in the national energy plan. From our vantage point, it appears that the Federal Government has not identified the need for a role for the governments that directly represent over 70 percent of the Nation's population and whose constituents use most of the energy consumed in this country.

Only when cities and local governments have been included will we be able to call the energy plan truly national.

We support the bill's consolidation of existing Federal/State programs and the extension of the Energy Policy Conservation Act [EPCA] and the Energy Conservation and Production Act [ECPA].

We also support the bill's additional requirement, that the States collect energy data and forecast supply, demand, and pricing information.

We believe that the bill must mandate a stronger role for local governments. Section 345(b)(7), for instance, requires that the State make provisions for the "participation of units of local governments, Indian tribes, and the public in the development, modification, or implementation of the plan." Our suggestions for improvements in SEMPA serve as way of strengthening this provision for participation.

Senator, I have had an opportunity to appear on House and Senate side to present testimony on the Hill. It seems in my observation to be a redundancy in the testimony in the redundancy coming before the committees in that the cities continually are not a part of the process.

Include us in. Let us have a part in forming this program. Mandate it in.

Senator BUMPERS. Would the local governments be willing to meet that 20-percent match that is provided to the State? There is a provision in the bill that requires the State to put up a 20-percent match. Would the local governments in your opinion be willing to meet that?

Mayor HUTCHINSON. Yes, sir. We have never passed a policy on that. That would be fair enough. Because of the redundancy there also is a redundancy in the act I find on the Hill—maybe with staff and other people in other areas. The same old struggle. The cities are here fighting the States for the money or for the process.

It is nothing new. I am sure that is right. It is a very important aspect of this whole question. The cities do have a part to play. Local governments are very aware of this particular legislation.

The proposed legislation is energy conservation. I think something needs to be passed now. I don't think we need to wait another year for something of this nature. We are talking about something that was originally initiated by the Governors conference.

That is fine, also. We don't object to that. It is a matter that somebody had to start processing. But the cities basically are left out of it. We really don't like that. I don't think that is right. It is not going to come up with the kind of energy plan we need to have at the local level that way.

The local point is a hassle. I am sure you are aware, Senator. It always boils down to two areas: One, the money; and the second is the area of responsibility.

Well, I don't know if Congress is going to have enough money to appropriate and come up with a meaningful program anyway. I know that proposition 13 and all the other programs that Congress has to consider, there may not be enough money to do this properly.

I would like to propose to you, sir, a maverick plot—one that is my own and not the conference's—probably one that is acceptable to the Governors and one that is heresy by mayors and maybe that makes it OK.

Senator BUMPERS. Sort of like the natural gas bill.

Mayor HUTCHINSON. Somebody said the Senate has been operating on the gas all summer, sir.

Senator BUMPERS. Get George Meany and the Chamber of Commerce altogether and the oil and gas industry and the Consumer Federation of America and that is a strange coalition.

Mayor HUTCHINSON. I am sure that is right, but my thought is if there isn't enough money to do it properly, don't appropriate any money for this legislation. Tell the States, "that energy conservation is a high priority in this Nation, one of the main priorities and take it out of your skin."

"Take it out of your Federal revenue sharing moneys which we provide for you." The result is going to be, first, you are going to get legislation passed and you are going to get this thing initiated and mandated 50 States-wide. You are going to end up with objective

programs. You are going to end up with lean staffs. You are not going to have a blooming blossom of bureaucracy coming down the line.

What you are going to end up with are the States' willingness to go ahead and give to local governments that which belongs to the locals anyway. They won't have the money to build a bureaucracy.

Second, you tell the cities and local governments, look, adopt one of the national codes, and at the same time Congress mandates inclusion in the national codes of certain energy conservation parameters.

Adopt those codes, cities. Include in your local planning and zoning procedures positive energy conservation programs and then, cities, you are given community development, annual bloc grant funds. The cost of implementation of these programs and developments then becomes an eligible expense under the community development bloc grant program.

As a result, the Congress has not appropriated any more money and I think you have logically handed it over to those areas which logically should receive it. You tell those States and local governments that if the programs are not initiated within certain timeframes then they cease to become eligible for your revenue sharing funds. They cease to become eligible for their community developed funds.

Now, this is heresy. You understand that.

Senator BUMPERS. It sounds like it.

Mayor HUTCHINSON. Yes, sir. But you give to local governments—and I get back to this, the direct responsibility for carrying out and developing those functions which we do now in the building codes and in planning and zoning.

For those government entities which don't have those now, let the States carry that out. That is the end of my heresy, Senator. I would be happy to answer any questions. I appreciate the opportunity to be here this morning.

Senator BUMPERS. Thank you very much, Mayor Hutchinson.

[The prepared statement of Mayor Hutchinson follows:]

STATEMENT OF HON. JOHN G. HUTCHINSON, MAYOR, CHARLESTON, W. VA.

Good morning, Mr. Chairman and Members of the committee. I am John Hutchinson, Mayor of Charleston, West Virginia, and Chairman of the Energy and Environment Standing Committee of the United States Conference of Mayors. Today, I am speaking on behalf of the Conference of Mayors and the National League of Cities. I am joined on the panel by Sam Sperry, Director of the Energy Office for the City of Seattle, Washington.

Cities have been severely impacted by the energy crisis. Spiraling energy costs continually raise the cost of delivering municipal services. Our constituents are pressing us for information and assistance to deal with their own increasing energy costs. However, while the Federal Government has taken some action to reach local governments, most States have provided their local governments with little assistance to deal with their energy problems.

After careful analysis with review and comment by member cities, the U.S. Conference of Mayors and National League of Cities find that the State Energy Management and Planning Act (SEMP) is an inadequate legislative solution to meet the production and conservation goals of this country. We recognize that States have an important role to play in the National Energy Plan. But local governments represent an untapped resource capable of promoting these goals. The SEMP bill provides assistance to States to develop energy programs which often will have components to be implemented by local governments. Focusing the implementation of conservation and production programs at the state level may be appropriate for certain elements, most conservation programs and small scale energy technologies must be developed at the local level.

In short, the bill fails to address the needs of local governments and precludes cities from any real participation in the national energy plan. From our vantage point, it appears that the Federal Government has not identified the need for a role for the governments that directly represent over 70 percent of the nation's population and whose constituents use most of the energy consumed in this country. Only when cities and local governments have been included will we be able to call the energy plan truly national.

We support the bill's consolidation of existing Federal/State programs and the extension of the Energy Policy Conservation Act (EPCA) and the Energy Conservation and Production Act (ECPA). We also support the bill's additional requirement that the States collect energy data and forecast supply, demand, and pricing information.

We believe that the bill must mandate a stronger role for local governments. Section 354(b) (7), for instance, requires that the state make provisions for the "participation of units of local governments, Indian Tribes, and the public in the development, modification, or [emphasis added] implementation of the plan." Our suggestions for improvements in SEMP serve as way of strengthening this provision for participation.

Section 356, entitled "State Coordination with Local Government and Regional Authorities," does not mandate the States to support local energy efforts. That section states: "The Secretary shall encourage *but may not require States* [emphasis added] to make available . . . assistance . . ." While it would seem logical for a State to provide such support, the funding provided in this bill is probably just enough to support the State mandated activities.

Data forecasting on supply, demand, and price could be a useful tool to mayors and city councils as they plan the future development of their cities. State-wide data will not accomplish that; only site specific information can. Yet Section 354(b) (9) only requires that the states describe how they "*intend* [emphasis added] to provide timely information to . . . units of local government . . ." Section 355(b) (1) (A) reinforces our concern by noting that the State need only disaggregate by sub-state region "where practicable."

The proper role for local governments in the national energy strategy has been the subject of continual discussions within cities, counties, MPO's, national organizations, Congress and the Administration. The Energy and Power Subcommittee of the House Committee on Interstate and Foreign Commerce recently held hearings on local energy policies and identified some of the different activities occurring at the local level. Testimony presented there illustrated the wide range of programs and innovations being developed at the local level.

I would like to highlight some of the areas where local government can make significant contributions to national energy goals of the SEMP bill.

CONSERVATION

A serious conservation strategy requires involvement of all three levels of government, and must rely on something more than pricing and tax benefits to develop a conservation ethic. This bill makes conservation an important responsibility and stops there.

Local jurisdictions exert tremendous influence over their communities' long term energy use. For example, decisions on the mix of detached single or multi-unit housing in a community will do much to influence the pattern of energy consumption. The rehabilitation of existing high density corridors promotes greater efficiency than continual sprawl. Building codes, zoning, tax policies, transportation controls, license and permits, and other public policy decisions significantly contribute to the efficient or inefficient use of energy. We believe that an active local role will reduce present levels of energy consumption and alleviate future demand.

PRODUCTION

Local governments are increasingly interested in power generation. In the electric utility area, there are over 2100 municipal utilities, ranging from Los Angeles Water and Power to the small utilities scattered throughout the country. The House Energy and Power Subcommittee heard testimony from Springfield, Vermont, where citizens have voted favorably on a bond issue for the development of low-head hydro facilities.

There are many cities and counties either planning or operating facilities that generate power from municipal solid waste. Dodge City, Kansas is planning a facility that will produce methane from feedlot waste. Greensboro, North Caro-

lina is developing municipal solid waste facilities which will provide refuse-derived fuel for a new power plant. Los Angeles, California is extracting methane from its land fills.

Federal agencies are currently undertaking a full scale review of solar energy through the Domestic Policy Review process. This review will undoubtedly reveal that many obstacles to the rapid development of solar energy—solar access, public acceptance, and financing—must be dealt with on the local level.

PLANNING

In the area of planning, local governments are uniquely equipped to make important contributions to national goals as well as community goals. Local governments and regional planning agencies have had extensive experience in air, water, transportation, housing and land use planning. Local governments and regional planning bodies could begin the process of integrating local authorities and existing planning responsibilities into an energy planning effort with Federal and State support.

Energy planning emphasizing transportation could have very favorable effects on the consumption of gasoline. This is particularly important since the problem of imported oil has been aggravated by growing consumption in the transportation sector. Metropolitan transportation planning keyed to energy goals will have a significant impact on this sector of energy consumption. Federal and State programs and policies have often superceded local controls and authorities undermining coordinated energy management efforts and would provide local officials with the information base to make recommendations for improving Federal and State programs.

LEVEL OF INVOLVEMENT BY LOCAL GOVERNMENTS

We are not advocating that all local governments be directly involved in planning. We suggest that major metropolitan governments and metropolitan planning organizations be funded to do planning for incorporation into the State energy plans. Major metropolitan governments already participate in air, water, and transportation planning for major federal programs. There is ample precedent in DOT, HUD, and EPA programs that over 200 major metropolitan governments must be involved for a successful national effort. This involvement will promote more aggressive conservation efforts and the development of decentralized energy sources.

I would like to identify our major recommendations for improving this bill so that it will accomplish its stated goals and facilitate the goals set forth by the President in the National Energy Plan.

(1) The bill must provide for active and meaningful participation by local governments in the development of the State energy plan. This can be accomplished by requiring that each Governor appoint a State energy planning committee which would be composed of local elected officials and those State agencies responsible for State energy plan development and implementation.

(2) Plans submitted by local governments should be incorporated into the State energy plan. Local energy plans submitted by cities, counties, and metropolitan planning organizations should meet criteria consistent with the guidelines and regulations issued by the State energy planning committee.

(3) Local governments and MPO's should receive funding to carry out these planning efforts. A percentage set-aside is a mechanism which has been used in other programs.

(4) The State energy planning committee's membership should be comprised of at least 50 percent representatives from local governments, with the remaining members coming from State agencies involved in the State energy plan.

These provisions, if adopted, would significantly improve the SEMP bill. An active local role would facilitate national goals in conservation and production of energy, while promoting local planning as a useful method for attacking energy demand at the end-use level. We believe that federal support for local energy planning efforts will not need to continue indefinitely, because the results of this involvement will certainly justify continuation of energy planning efforts from local revenues.

I appreciate the opportunity to present our views to this Committee.

Senator BUMPERS. Mr. Sperry.

STATEMENT OF HON. CHARLES ROYER, MAYOR OF SEATTLE, AND COUNCILMAN RANDY REVELLE, CHAIRMAN, SEATTLE CITY COUNCIL ENERGY COMMITTEE, AS PRESENTED BY SAM R. SPERRY, DIRECTOR, SEATTLE ENERGY OFFICE, AND VICE CHAIRMAN, NATIONAL LEAGUE OF CITIES CONFERENCE OF LOCAL ENERGY OFFICIALS

Mr. SPERRY. Thank you, Senator. With your permission, I will submit Seattle's prepared statement.

I would like to go directly to some questions which you asked earlier, raising some issues which we have addressed and I think you might find illuminating in this whole discussion. Your opening remarks dealt with specific goals. I agree that one of the major weaknesses of this legislation—the way it is presently constructed—is that it really lacks specific goals.

It talks about thermal efficiency and lighting standards. It talks about outreach. You also pointed out that one program is so new that it is almost too soon to evaluate at the Energy Extension Service.

Well, in Seattle our experience has been to lay down very specific goals. You set a timeframe for them and you submit progress reports along the way in reaching those goals. We went through a lengthy energy 1990 study in 1976. The city council broke brand new ground in setting its local energy policy for our city-owned electric utility and as a consequence came up with a conservation scenario designed to save a minimum of 230 megawatts, average megawatts a year by the year 1990.

Thus far we have achieved about a third of that goal in the first 2 years of the program. So it can be done in local governments. At least we are pleased with our progress so far.

I hope the Senate and I hope this committee will consider specific goals for programs in this bill. My colleagues on the panel here have pointed out the kinds of things that local government can do.

We recommend that there be a local energy plan required for the concentration of populations within the States where you have business and industry, where people work and live, and where the greatest amount of energy in this country is consumed.

Going on to another point that you made with regard to carpools. The State of Washington's energy office came to the city of Seattle and asked us to draft for them the carpooling element of their State energy plan under—I think it is the EPCA legislation.

So the State comes to local government, says, help us out, do our job for us. We did that. That is because we had already gotten into the act. We are very concerned about transportation in the metropolitan area. We work with our council governments.

Metro—which operates our countywide bus system—and King County, as well as within our own city organization to develop transportation planning, clearly a transportation element should be a fundamental part of the requirement of this program.

Local energy plans can help the State to achieve the energy savings that are assigned to it. I will just throw out some ideas for the kind of requirements that these local energy plans could include.

Building codes. The city of Seattle within the next few months will adopt extremely aggressive new thermal efficiency and lighting standards, required by the act in question here, ahead of the State of Washington. We are going to have an extremely aggressive lighting standard.

We have been working with an outfit from St. Louis on this project who convinced our people that we can provide enough light and still save a great deal of electricity.

Land use and growth policy. The cities do this every day of the week. Clearly, you can encourage energy conservation and take advantage of new technologies, we think, in these policies.

Fleet management. Since 1972, the city of Seattle has saved an annual average of 600,000 gallons of gasoline to reduce our gasoline consumption by the city fleet almost 25 percent.

At the same time, we have been able to maintain our services and, believe me, you can get police to take smaller vehicles and still protect life and property.

Carpooling and vanpooling, I have mentioned that. Street lighting. We have eliminated one-third of the arterial street lighting in Seattle by going to higher pressure sodium light and by turning some lights off. Our elected officials have stood an immense amount of heat over this issue but we are saving an annual average of 16 million kilowatt hours a year.

Senator BUMPERS. You must save a lot of money in the process.

Mr. SPERRY. Yes, sir. We are. Solid waste. Our council and the mayor have been looking for several years at the best approach for our community in this area and right now we are looking at generating steam for heat to sell to the industrial and downtown areas. We would like to see four points considered and acted upon to include local governments in this legislation and in the activities embraced by this legislation.

I mentioned local energy plans. Please don't give us more work to do without some funding. I would say that Seattle would support Mayor Hutchinson's statement here that we would be glad to put up 20 percent of the money or in-kind matching services. We have already put up more than that anyway of our own resources.

I think you have got to require some local match because that is a measure of commitment. I think I will end there, Senator. And I would be happy to take any questions you may have.

Senator BUMPERS. Mr. Sperry, I appreciate your testimony very much and I appreciate the "heresy" that you and Mr. Hutchinson articulated by pointed out what the mandates ought to be and your willingness to participate in the funding. That is very encouraging to me.

In the interest of time, I am going to ask the staff—we will prepare questions to submit to each of you and it will be the same questions and we would like your individual responses of those. But in the interest of time and in the hope that somebody doesn't come busting in here and terminate this hearing, I will forego the questioning right now and thank each of you very much for your splendid testimony. It was all very interesting and cogent.

[The prepared statement of Mayor Royer follows:]

STATEMENT OF HON. CHARLES ROYER, MAYOR OF SEATTLE, AND COUNCILMAN RANDY REVELLE, CHAIRMAN, SEATTLE CITY COUNCIL ENERGY COMMITTEE, AS PRESENTED BY SAM R. SPERRY, DIRECTOR, SEATTLE ENERGY OFFICE AND VICE CHAIRMAN, NATIONAL LEAGUE OF CITIES CONFERENCE OF LOCAL ENERGY OFFICIALS

Mr. Chairman and Members of the Committee, my name is Sam Sperry, Director of the Seattle Energy Office. I am here today on behalf of Mayor Charles Royer and City Councilman Randy Revelle, Chairman of our City Council Energy Committee. We wish to present a brief statement expressing our concerns and suggestions for the proposed legislation before you, the State Energy Management Planning Act.

We sincerely regret that we cannot support this bill in its present form. We applaud its intent to consolidate and streamline energy planning below the federal level. Our objection is that it stops at the state level. By not guaranteeing full participation of local governments in the activities provided for in this bill, we believe it throws away a prime opportunity to help achieve the very energy goals it professes to serve. Seventy percent of the national population live and work in urban areas, where most of this nation's energy is consumed. By bringing local governments into the energy planning process outlined in this bill, the chances for actually achieving the national energy goals would be greatly enhanced.

Ironically, the proposed bill starts off by declaring that "The solution to our national energy problem will require concerted and continuing efforts at all levels of government, as well as the private sector." Yet the remainder of the bill assures only peripheral participation by local governments.

The proposed bill purports to involve local governments by requiring states to describe the procedures through which local governments will participate in the state energy plans. It purports to involve local governments by requiring the states to describe the manner by which the state "will make use of energy related plans and programs developed by local governments. . . ." (Sec. 354). And the bill provides \$105 million to the states to develop and implement their energy plans, allowing but not requiring them to pass along to local governments any funds for either help in preparing or in implementing the plans. We say this amounts to peripheral, not substantive, involvement in the actions contemplated by this Act.

We wonder at this logic. It is a logic that says all levels of government are needed to work together to deal effectively with our energy problems. So the federal government will provide \$105 million to states to pull together energy management and conservation plans. The state must consult with local units of government, and must use local resources including their plans and programs, but need not provide local governments with any resources to help the state devise and implement its plan.

Our energy planning experience in Seattle and Washington State suggests that many local governments are already doing much to contribute to state and national efforts to cope with energy problems.

Two years ago, our City Council completed the Energy 1990 Study by adopting an aggressive conservation scenario. This watershed decision introduced progressive new values in local energy policy. Through conservation, the Council chose to "generate" 230 megawatts of electricity by the year 1990. As a result the Mayor and City Council are about to adopt new thermal efficiency and lighting standards. This is one of the mandatory energy conservation programs contained in this bill and Seattle's new Energy Code will be adopted ahead of the state's. Providing energy information in outreach programs is also required by this bill. Seattle City Light conducts energy audits seminars for commercial, industrial, and residential customers. Nearly a score of booklets and brochures are distributed throughout the community to aid people in understanding and acting upon the need to conserve energy. My office is developing a life-cycle costing ordinance to govern all municipal purchases. We are developing a proposal to require attic insulation in existing residential structures. Since 1974, Seattle has required insulation in all newly built homes. The Mayor has just issued a strict executive order requiring a life-cycle cost analysis on all new city buildings, an order more stringent than state law. The Mayor and City Council recently enacted an ordinance prohibiting the installation of master meters for electric service to new apartments. We are doing these things to promote energy conservation but we are not ignoring energy generation possibilities either.

Seattle City Light is exploring several new hydroelectric options. The utility is carefully examining the possibility of another coal-fired thermal electric plant. The potential for solar, wind, and biomass for energy generation are among the research and demonstration projects underway at Seattle City Light. The Mayor, City Council, and Engineering staff are looking closely at a resource recovery plant to convert solid waste into steam for heating and other purposes. These activities are being financed with our own local resources, even though we lack the broad taxing authority of state government to raise revenues.

Despite these activities, much remains to be done in energy planning. Transportation, land use, and such traditional local government services as codes and housing, these are public policy opportunities for local government to help states and the federal government face up to energy problems.

This bill, the proposed State Energy Management and Planning Act, provides an opportunity to cement the national, state, and local governments together in energy planning. This tri-level planning partnership already exists in such fields as transportation, manpower, and community development. This partnership should also exist in energy planning.

We believe the present legislation can be strengthened if participation by local governments is included in the bill along the following lines.

First, require that some portion of funding be made available to local governments to help finance their participation in the development of the state energy plans. To develop the local data and policy guidelines to make local participation worthwhile, some resources are critical.

Second, require that state energy plans provide for local energy plans for those areas where energy consumption is highest and people and business and industry are concentrated.

Third, require that states and local governments in their respective plans address the end uses of energy as affected by transportation and land use policies. Local governments already have a major and direct role in land use and transportation planning, two sectors of public policy that require far more attention than is now being given.

Fourth, require the states to pass through to local governments funds for local energy planning and program activities. Only by including such a requirement can the federal government assure that local participation will be truly effective. (This point was recognized by the National Governors Conference Task Force that helped prepare this bill. The Task Force called for \$25 million to fund local government participation.)

Energy planning is a big job. This bill could be a good first step toward establishing a process through which the federal, state, and local governments can help reduce our reliance on foreign energy sources, reduce the drain of dollars on our economy, and reduce the potentially crippling dependence upon non-renewable energy that no citizen can escape.

We are ready to work with you, Senator Jackson and Members of the committee, to strengthen this bill so that it will truly serve the goals it intends to serve. A strong role for local governments can only enhance the nation's energy management and planning capability. Thank you for your attention. I'd be happy to respond to your questions.

Senator BUMPERS. Our final witness this morning is Senator Paul Hess of Kansas who is chairman of the Energy Committee of the National Conference of State Legislatures. Is Senator Hess here?

Mr. HESS. Senator, I am here.

Senator BUMPERS. Senator, welcome to the committee. I would like to ask you to comply with the same request I made of the other gentlemen. That is, if you could just summarize, we will submit your statement for the record. If you could summarize it, it would be very helpful.

**STATEMENT OF HON. PAUL HESS, STATE SENATOR OF KANSAS,
CHAIRMAN ENERGY COMMITTEE, NATIONAL CONFERENCE OF
STATE LEGISLATURES**

Mr. Hess. Senator, that is a very legitimate request because of the time factor, and I will just make three or four main points in sum-

marizing the testimony that has been submitted to you and to the committee and staff.

I am sure that some of these points have been covered earlier, but first of all, let me say that at the National Conference of State Legislatures representing the 7,600 legislators in the United States, we strongly support the objectives of the bill and what you are trying to do.

Second, I would say that our main overriding concern with the legislation is the fact that State legislative involvement does not seem to be included in the legislation. We would term it essentially as a Governor's bill, and I realize that you as a former Governor of one of our States in this country realize that obviously legislatures are involved in the appropriation process.

We feel very strongly that in light of the fact that we are only mentioned once in the whole bill, and we have got that listed on the first page of our testimony, we would like to have a much greater role to play in the initial planning process.

I think that if State legislatures and State legislators are allowed to do that, that when we start talking about the money, the match, the 20 percent, that you are going to have considerably easier sledding if State legislatures are included in the whole planning process of the State energy plan—

Senator BUMPERS. Senator Hess, how would you recommend that the legislators be involved?

Mr. HESS. I think that we have in Kansas, as an example, the Governor's energy office, and by its very name it is obviously completely an executive branch function, and I think that the best way to do it is probably to include the chairman.

Senator BUMPERS. You will have to first change the name to the State energy office.

Mr. HESS. We have done that this past year. But I think that in regard to the Federal legislation we should simply state in the bill that State legislatures be included in the planning mechanism. In other words, to come up with a State plan, how we are going to allocate scarce resources and our energy needs of the future.

I think that is our overriding concern. One point that I will close with, and that is the whole question of the match. I am concerned about this so-called 3 to 5 year deferment in the bill. We have a cash basis law in Kansas and I think that for most legislatures, this year in particular, and into the future with proposition 13, it is a rather inopportune way to finance a match of Federal money to defer payment for the first and second years to the third, fourth, and fifth years?

Because what we are doing is telling future legislatures: you are going to be responsible for this funding. I think we ought to do it year by year as we go along.

If we are committed to it, and we think we want to participate in it, and I am sure most States will want to, we ought to do it year one, year two, and throughout.

Senator BUMPERS. I think it is a point well taken. As far as I am concerned, that provision has no business being in this law to begin with. A State can either come up with its 20-percent match or it can't. This business of deferring it makes no sense at all.

Mr. HESS. One other point. I know you heard the local units of government, and I would simply say that if we are going to have a

State energy plan, and you are going to allow cities who you have just heard from to come up with a 20-percent match, our concern of the State legislator is not that they should not be included in this process, I would not want to say that mayors and city councilmen, and so on, should not be included.

What I am saying is that somewhere along the line the State legislature and the Governor have got to be responsible for that statewide plan to make sure that the efforts and plans of city and county fit in with that overall statewide plan.

If you are going to circumvent that by saying the cities can come up with their 20-percent match and, in effect, do their own thing, that greatly concerns me.

I think it is a good bill overall. We do support it. In summary, I would say that we very much want to be included as State legislatures in the overall problems.

Senator BUMPERS. Let me ask you this. If we had a provision in the bill, say, that the plan would have to be approved by a board, the board to be made up of representatives of the counties, cities, and the State, and then provided, for example, that they would be appointed—maybe seven by the Governor and five by the speaker, or split it up between the speaker of the house and the president pro tem of the Senate—would that be satisfactory to you?

That would give the legislator some input into the implementation of the energy policy.

Mr. HESS. I certainly feel that that would be much better than the way I read the bill as proposed. I don't have any objection to having city and county people included on that board.

We have gone through this process before. I think what the law enforcement assistant administrator and the Governor's committee on criminal administration, as an example, and there are some problems with that mechanism.

Senator BUMPERS. It has worked pretty well; hasn't it?

Mr. HESS. I think so. It has got a cross section of people involved, if you want to use that as an example, and I would much rather see that than simply to have this matter be submitted to the State legislature by the Governor with the Governor's planning staff and then say, here it is, you match the 20 percent and we will go.

I think that is basically leaving the State legislatures out in the cold. So I would not object to a board concept.

Senator BUMPERS. Senator Hess, let me say that I can understand the concerns of the cities and the counties, and their desire to be included in this and to have input into the development of the energy plan, and I can understand your concern as a State legislator.

I used to have—I was rather contemptuous of a legislator until I became one, but I must say that how we would define the role of a legislator in this bill gets a little complicated. I never realized how powerful the legislature was until I became Governor, and I found out that I was sort of at their mercy. I couldn't get anything done without them.

It occurs to me that the legislature of Kansas, for example, can assert whatever authority they want to over the Governor in this.

In other words, I think you can pass a law saying that the Federal energy plan will be designed by representatives from the city, repre-

sentatives from the counties, and representatives from the legislature. If the Federal Government imposes that on you, they are going to be upset.

It is a little difficult for us. We play a dual role. We sit up here and we issue guidelines and mandates and everybody says, that is terrible. The Federal Government is making us do this.

But, yet, we have a request, for example, from people like you who want us to include you in the legislation and that may make the mayors and county judges mad because we have included the legislature.

I am inclined to think quite frankly that the State legislatures, having the authority and power they do have, can assert pretty much whatever jurisdiction they want to assert over this program.

Let me ask you, again, what would you put in the law if you were in my position? What would you suggest to this committee to put in the law to make sure you were included?

Mr. HESS. I would look at my prepared testimony that we have submitted. We suggest, for instance, that we include appropriate members of the legislature and the State agencies' description of provisions for the participation of the State Governor. You include local governments, Indian tribes, and public.

We represent all those people. We are not included ourselves. I think what we are saying is that cities and counties and so on, are the creatures of the State legislatures, so why don't you pass the laws that are necessary to keep the controls as you deem necessary on these units of governments? It is rather difficult to do when a city can put up a 20-percent match and get x number of dollars from the Federal Government and do their own energy plan.

There is a powerful incentive there at times for them not to be coordinated and it makes it difficult for a legislature to get the coordination when there are many programs that go directly to a city or to a county.

I am not saying that we can't do it, and probably a good part of the problem is leadership on our own part. I will admit that.

Senator BUMPERS. Let me ask you this, Senator, if we make the 20-percent State match mandatory, which is my inclination, then the legislature has to appropriate that 20 percent and wouldn't you have sort of control over the plan to approve or disapprove it by your approving or disapproving the 20-percent matching share?

Mr. HESS. I am not sure I follow your question.

Senator BUMPERS. Let me put it this way. As you know, under the bill the States will put up 20 percent for the funds. As you know, there is a deferment program where the States can defer the match for a couple of years, but as I have said, I hope we will remedy this.

I don't think that ought to be there. That is credit card living. You are delegating to the future legislator the responsibility of coming up with the money, if you choose to appropriate it.

I think the States ought to get in at not less than 20 percent. The cities and counties ought to get in for not less than 20 percent. And there ought to be a good understanding at the front end of that.

All I am saying, though, is that if we mandate that the States come up with 20 percent, you can effectively approve or disapprove the plan by withholding the 20-percent match which the State is supposed to put up.

Mr. HESS. You are correct on that.

Senator BUMPERS. Why would that not be a sufficient input by the legislator? Actually, you are going to have the final say.

Mr. HESS. I think what I am saying is that from the experience of 8 years in our Kansas legislature, I find many times that that puts you in sort of a take it or leave it position.

Senator BUMPERS. That is right. It is all or nothing.

Mr. HESS. I think my plea is that legislators do not want to usurp an executive function, but we certainly want to be included prior to the final product of the State plan, because if we are going to be responsible for putting up the 20-percent match, then we would like to have some say as to what goes into the plan.

I think we are talking more about cooperation than we are confrontation.

Senator BUMPERS. Would you be willing to settle for consultation if the designers of the plan were required under the law to consult with an appropriate group of legislators? You define appropriate members here. If they were required to consult from time to time with appropriate members of the legislature, would that meet your suggestion?

Mr. HESS. That would certainly help. I think that the chairpersons of the energy and natural resources committees in the 50 State legislatures of this country are very interested in participating in a much greater degree with the executive branch in these matters.

Senator BUMPERS. These plans are going to have to be designed by professionals. They will have to be designed by the State energy office and whatever people in the cities and the counties are dealing with energy at that level. They are full time employees. They are, to some extent, technical people; legislators cannot take that kind of time. It just occurs to me that as a practical matter legislators are going to have to be relegated to not much more than a consulting role because they will not be able to spend the time, the labor that it will require to be a real integral part of designing the energy plan.

Mr. HESS. I think you are basically correct on that, but I do think that it is important that legislators are given the opportunity to serve on a particular planning board. I am not talking about writing the plan, but being consulted is very important.

Senator BUMPERS. Well, Senator Hess, you have been a very good witness. Your suggestions have been well made. Certainly, they will be considered by this committee. We may want to submit a couple of questions to you for the record and we will send them to you in writing and you may respond in writing.

Mr. HESS. We would be glad to respond. Thank you, Senator.
[The prepared statement of State Senator Hess follows:]

STATEMENT OF HON. PAUL HESS, STATE SENATOR OF KANSAS, CHAIRMAN, ENERGY COMMITTEE NATIONAL CONFERENCE OF STATE LEGISLATURES

As chairman of the Energy Committee of the national Conference of State Legislatures, I'm pleased to have this opportunity to testify on the State Energy Management Planning bill now before you. NCSL has taken a continuing interest in this legislation, and while we have a few important suggestions for its improvement, we strongly support its objectives. There is no question that there is a significant need for stronger state planning and energy forecasting capabilities, for better State-Federal coordination in energy emergencies, and for a reduction and simplification of Federal paperwork.

The State legislatures are willing to shoulder a greater fiscal responsibility to work toward these goals, but with it must come a greater state legislative voice in the development of State and Federal plans and policies to carry them out. Considering the crucial role that legislatures will play in appropriating State matching funds and developing needed enabling authorities for the implementation of State energy management plans, this bill is curiously silent about the role of the legislatures in the development of the plans themselves.

Our role is referred to only once—and then indirectly—in section 363(b) (12), where a State's initial application for financial assistance must assure that the State has obtained or will seek the necessary authority to carry out basic energy program requirements. Since there is no explicit requirement for the State agency to consult with the legislature during plan development, this subsection could well become a pro forma exercise in the making of possibly empty promises.

By contrast, we note the bill's careful attention to the need for local government involvement. Section 354 requires the State to describe how it will coordinate with, provide timely information to, and make use of existing plans and programs of local government. While we do not quarrel with these provisions, we are struck by the disparity of concern: the creatures of State law are to be made full participants in the plan development process, but nothing is said about the legislative bodies that created them.

It is clear that new enabling authorities will be needed in many States to carry out the requirements of this bill. Almost half the States lack explicit authorities to allocate scarce fuel, and enforce other measures during energy emergencies, for example, and additional authorities will be needed in many States to implement the mandatory energy conservation standards for new buildings when HUD promulgates them next year. Some States will probably also need to amend existing authorities to adapt currently operating outreach and delivery mechanisms to implement the energy extension services required under section 358 too. Even the Governor's designation of an agency for the management of State energy plans may entail legislative action in some States, since enabling authorities may be needed to create one with adequate coordinative powers.

If State agencies are not required to consult with appropriate legislative officials early for the development of needed enabling authorities, enactment of these authorities could suffer complication and delay further along in the process, when compromise could be more difficult. Early legislative consultation could avert a substantial waste of time and resources by enabling the agency to design its proposals to meet legislative concerns before the bill is introduced. Such consultation would also promote a more harmonious working relationship between the legislature and executive that could smooth the approval of annual appropriations for what are likely to be rapidly growing energy budgets.

To remedy these potential problems, we suggest several changes, section 354 (B) (7) should be amended to include appropriate members of the legislature in the State agency's description of provisions for the participation of local governments, Indian tribes, and the public. "Appropriate members of the legislature" can be defined in legislative history to denote the chairpersons of committees designated by the presiding officer of each house as having jurisdiction over the development, modification, and implementation of the State energy plan.

This history should also make it clear that all the interest parties under paragraph (7) are to be given an opportunity to prepare and submit comments on the proposed State plan early enough in the plan development or modification process to be incorporated into the final version sent to DOE. If the designated State agency does not adopt a reasonable recommendation from an interested party, the agency should be required, on request, to explain why in writing before the plan is finally submitted.

Paragraph (11) of this subsection should be amended as well, to specify that the State agency has identified the authorities necessary to carry out subpart A after consultation with appropriate members of the legislature.

Finally, it is regrettable that the State capacity-building for which this bill was designed applies so one-sidedly to executive agencies. Legislators are particularly sensitive to the political implications of any enlargement in legislative budgets, and as a result, many States could use additional full or part-time staff resources not only for the timely enactment of complicated enabling legislation, but for good program oversight. A federal grant, conditioned on an annually increasing State match, would be a useful instrument to promote the needed legislative capacity in a gradual way, allowing a State to take over full funding in three or

four years. This need not entail the authorization of additional money, but section 360 should be amended to enable the Secretary to reserve funds from each State allocation for staffing grants to the State legislature at its request.

Another question on which this bill is silent is the States' role in the development of federal policies that are to guide their efforts. Sections 354 and 355 require the Secretary to prescribe guidelines for State grant applications and energy plans "by rule," so that States would presumably be involved pursuant to the Administrative Procedures Act. But it would be useful to have a more explicit assurance that State views will be given careful consideration. Despite the assurances of department officials that the purpose of the bill is to give states more flexibility in the use of their funds, an important legislative concern is that the bill as written would enable the Secretary to prescribe guidelines that could be detailed as to remove much of the States' policy-making discretion.

Accordingly, we recommend that a new section be added to require that the Secretary consult with the governors through the National Governors Association, and the legislatures through NCSL, at least 45 days prior to promulgating any proposed rules, regulations, or policies or establishing any programs under authority of this act. If the Secretary does not adopt a recommendation of the states, he should also be required to explain why in writing on request before final promulgation.

It would also be helpful to have legislative history on section 357 specifying that for purposes of state plan approval. Section 355(B) guidelines for the elements each plan must contain under section 357(A) (1) are advisory only. This would make it clear that states are to retain the flexibility to determine how they will establish and administer these program elements.

Turning now to what is in the bill, its principal problem is the inadequate authorizations. As you know, proposed fiscal year 1979 authorizations for the three programs (EPCA State Energy Conservation, ECPA State Supplemental, and NEESA Extension Service Programs) total about \$135 million—\$30 million a year more than the proposed authorizations in S. 3283. Yet this bill would add costly and substantial responsibilities for information-gathering, forecasting, energy emergency planning, and projections of needs for power generation and other energy facilities. The determination of need for power alone would have to entail significant effort if it is to be useful for any state or federal approval process, and chances are it would not be under this bill unless some other efforts were shortchanged.

The programs most likely to suffer under this bill are those for conservation. The requirement that half of all Federal funds in a State's allocation be devoted to conservation programs is small assurance that they will be effective, and no protection at all against a potential \$82.5 million overall reduction from proposed fiscal year 1979 EPCA, ECPA, and NEESA authorizations. Under the weight of the new requirements for information, analysis, and emergency planning, the 50-percent requirement for conservation programs may well invite the curtailments that might otherwise have been avoided, and the statutory minimum may in fact become the budgetary maximum.

The nation's energy conservation effort should not have to be exposed to such a major amputation as a result of inadequate funding for the additional responsibilities the States would have to assume under this bill. In accord with the recommendations of the National Governors Association, we suggest authorizations of \$120 million in fiscal year 1979, \$140 million in 1980, \$160 million in 1981, and \$160 million with an inflation adjustment each fiscal year thereafter. This will relieve much of the pressure on the states to make the cuts in conservation programs as deep as the bill allows.

A supplementary way to relieve this pressure would be to strike the language encouraging States to pass funds through to local governments, and earmark a separate authorization. Another \$25 million a year would go far to allay misgivings that local problems would be left fiscally unattended. If such a solution does win your approval, however, it should not be without two safeguards. First, so that the money is not dissipated to a myriad of communities mostly unequipped to use it effectively, there should be a population factor in the allocation formula for local program grants. Second, the States should have the authority to review and approve local grant applications to assure that the programs for which the funds are sought will be consistent with State plans. Otherwise, the "State" plan will in effect become a patchwork of local priorities, the whole amounting to less than the sum of its parts.

If this bill does provide the program flexibility it promises, the States will be willing to put up a 20-percent share of the costs, but chances are that in

many States, the match will not be forthcoming until the legislatures are convinced that the new arrangement will deliver. S. 3283 seems to recognize this, or at least anticipates the transitional problems of raising the necessary match, but the deferred matching provisions in section 360 would probably be unworkable in many States.

For one thing, State agencies will not be able to commit their legislatures to balloon payments in the third, fourth, and fifth years of the program to make up the matching funds deferred from the first and second. For another, the legislatures themselves are likely to be unwilling to make such commitments, particularly since the guidelines and regulations to reduce and simplify State program administration will not be in place until the end of the second year of the program. Then too, some States, like Kansas, have laws or constitutional prohibitions on deferring obligations except bonds or similar financing instruments.

Fiscal problems may also prevent many States from appropriating deferred matching funds; according to a recent survey by the National Association of State Budget Officers, 18 States have constitutional or statutory requirements for a balanced budget, and 14 more specifically require legislative appropriations balancing expenditures with expected revenues. Sixteen States require that expenditures be reduced to meet anticipated revenue shortfalls, and four others require additional taxes the following fiscal year to pay off current year deficits. Under such requirements, States during a recession year would be under pressure to make cuts that could either weaken current program efforts or default on all or part of the carried-over matching payments.

Given the fiscal uncertainties and the States' general unwillingness to commit future legislatures to pay off current obligations in operating budgets, we suggest that the deferred matching provisions of section 360(b)(2) through (5) be dropped altogether, and the 20-percent matching requirement be imposed after the second year. Much as I personally would like it to be otherwise, the political reality in many States, including my own, is that the legislatures are already skeptical of conservation programs, and will be more so if asked to put up State money for a new system that would provide less Federal assistance for more State responsibilities on the promise of added flexibility that may not materialize. This is not to say that the legislatures are unwilling to shoulder a greater share of the cost, only that some will probably be reluctant to do so until they have a better sense that the benefits will be worth it.

Since the guidelines and regulations to deliver these benefits under section 362 would probably not be promulgated for the first 24 months after enactment, two more fiscal years under the present funding arrangement would be reasonable. In any case, imposing the matching requirement upon enactment would not be worth the risk of losing program momentum in several States.

A related problem that may jeopardize State program momentum is the requirement in section 354(c)(2) for an assurance that State program spending will not be reduced from the level of the year Federal assistance is first received. During the recession of 1975, some States were forced to make across-the-board cuts in all State programs, and if a similar situation arose again, the Secretary would have no choice as the bill is now written but to disapprove an affected State's application for funds. The Secretary should be permitted to waive this requirement where States have been forced to make general non-discriminatory reductions in all agency budgets. The 1977 Clean Air Act Amendments have a similar waiver provision that might be adapted to this bill.

In closing, let me again stress the importance of State legislatures for the successful implementation of this bill. Increasingly, State legislators are no more willing to accept the policies and priorities of administrative agencies than you are as Senators and in failing to acknowledge this reality, this bill deprives itself of its fullest potential for success. We hope you will accord your counterparts in the States a representation in the policy-making process commensurate with their responsibilities.

Senator BUMPERS. Thank you. The hearing is adjourned.
[Whereupon, at 11:59 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Questions Submitted by the Committee

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MS. WALDEN

1. *Question.*—The representatives of State and local governments who testified before the Committee on S. 3283 made several specific recommendations for changing the legislation. Please comment on these recommendations.

Answer.—Testimony was presented on behalf of the National Governors' Association (Mr. John Millhone); the National League of Cities and U.S. Conference of Mayors (Mr. Sam R. Sperry and Mayor John G. Hutchinson); the National Association of Counties (Mr. Harvey Ruvin); and the National Conference of State Legislatures (State Senator Paul Hess).

In most instances, each proposed change has been addressed by more than one speaker. For purposes of clarity and organization, the recommendations are discussed by topic rather than by speaker and, where appropriate, different positions taken by different speakers are noted.

I. FUNDING

A. Level

Recommendation: There was general support from both State and local representatives for the following funding levels:

- (a) Fiscal year 1979, \$120 million.
- (b) Fiscal year 1980, \$140 million.
- (c) Fiscal year 1981, \$160 million.
- (d) Fiscal year 1982-3, \$160 million plus an escalator factor for inflation.

(e) An additional \$25 million during the first year for distribution to local governments.

Response:—It is the DOE position that the proposed funding level of \$110 million is adequate to support a level of conservation activity equivalent to that now being undertaken by the States under the two State Energy Conservation Programs (SECP) and the Energy Extension Service (EES) and to support the additional requirements (including assistance to local governments) imposed by the SEMP. Most first year activity would be devoted principally to consolidation, reorganization, plan development, and other general start-up tasks as well as continuation of measures included in the States' SECP and EES plans. It is expected that much of the staffing (at both Federal and State levels) would remain the same—as would most of the program activity. It seems unwise to consider major new funding increments until the State and local governments are better able to justify such commitments (on the basis of State plans spelling out more precisely what would be accomplished with the grant funds).

With regard to local funding, the \$110 million, again, is adequate to provide funds for flow through to those local governments prepared to use them effectively. It is not clear how an extra \$25 million would be spent. The Department is very conscious of the important role local governments have to play in energy. However, DOE does not want to assume the position of funding local governments not ready to take an early initiative. The Department would rather fund, initially, those local governments most ready to use the money productively and provide, in this way, a basis of generalizable experience for an orderly (and manageable) expansion. The Department has taken steps in this direction, which are described in the response to question number 2.

Future funding levels should be based on program experience and evaluation.

B. Matching requirements

Comment: There appears to be a general consensus that the proposed 20 percent match is reasonable and should, in fact, serve as an incentive to better State and local management.

Recommendation: With regard to the deferred payment option, there was general agreement that the current language in the bill should be changed. The recommendations were to either require matching funds each year, with no deferral, or to require them beginning with the second or third year of funding.

Response: The Administration is considering its position with regard to this provision.

C. Funding formulas

Mr. Millhone offered three recommendations in this area :

"The possible inclusion of renewable resources and conservation as elements of production in the funding formula in the third year of the program should be studied.

"The production of electricity should be included as an element of production in the funding formula.

"An appropriation of \$5 million should be authorized for technical assistance."

Response: Section 360(a) (3) of the bill allocates ten percent of available funds "on the basis of energy production as determined by the Secretary." Electricity has been included as a measure of energy production. If a reliable measure could be devised for renewable resources, it could also be included.

The Department feels that the proposed funding level is adequate to cover technical assistance needs during the first year. A study is being conducted to identify the type, amount, and timing of technical assistance needed by States under the SEMP in subsequent years.

II. LOCAL PARTICIPATION

A. Institutional role

Discussion: There should be a strong and well defined role for local governments in the development of the State plan. This includes *joint* State/local decision-making." (Mr. Ruvin, p. 5 ; also Mr. Millhone, p. 3 ; and Mayor Hutchinson, p. 6)

Recommendation: Section 355 requires a State plan to provide "for participation . . . by units of local government." The concern articulated by local government representatives is that the manner and extent of this participation are not adequately spelled out. They would add provisions for: A council of State and local officials to be responsible for development of the State plan. (Senator Hess would expand the council to include appropriate members of the State Legislature).

Response: Many States have, under the SECP, established such councils. The Department feels this concept is good but that it would be unwise to attempt a blanket federal prescription regarding councils or their make-up (e.g., percent State, local, and legislative membership), appointment procedures, or powers (e.g., veto power over plan elements or allocation of local pass-through funding). Intra-governmental relations at the State level are too particular to each State to prescribe a single approach.

Recommendations: Formulas for pass-through funding to local government should be mandated.

Response: The Department believes that every State is unique and that a blanket formula is not only unworkable but usurps what should be State and local coordination responsibilities.

B. Planning Process

Recommendation: Participating local governments should prepare energy plans ; these plans should be incorporated in State plans. (Mr. Ruvin, p. 6 ; Mayor Hutchinson, p. 6 ; Mr. Sperry, p. 5).

Response: This is the intent of the legislation. Program guidelines, grants management, and audit procedures would have to cover this concern. In order to receive Federal assistance, a State (in its plan) would have to spell out items such as goals, programs, implementation strategies, and the role of local governments. Where local action is required to implement a program measure, the nature of that action would have to be addressed in the State plan.

III. PARTICIPATION BY STATE LEGISLATURES

Recommendations: On behalf of the National Conference of State Legislatures, Senator Hess voiced the general concern that there must be "a greater State legislative voice in the development of State and federal plans and policies . . ." Specifically, he recommends :

(A) That participation in plan development by State legislatures should be mandated;

(B) That "if the designated State agency does not adopt a reasonable recommendation from an interested party, the agency should be required, on request, to explain why in writing before the plan is finally submitted."

(C) That "Paragraph (11) of this subsection should be amended as well, to specify that the State agency has identified the authorities necessary to carry out subpart A after consultation with appropriate members of the legislature." and

(D) That "A federal grant, conditional on an annually increasing State match" be included in the program in order to provide staff resources to the legislature.

Response: With regard to any of these points (A, B, C, or D), we feel that a federal mandate would be an unwise intrusion into State affairs and, in addition, would make for cumbersome administrative procedures at the federal level. No State program will be very successful without the cooperation of the legislature and (Sen. Hess articulates the point well) State legislatures possess adequate "clout" to assure coordination. This includes: the power of the purse (not only in relation to appropriation of matching State funds but also with regard to authorization for a State agency to spend the federal share); agency staffing and organization (in most cases); and enactment of enabling authorities. Furthermore with regard to point D, we feel that the responsibility for making and implementing this decision should not be shifted to the federal government.

IV. PROGRAM ADMINISTRATION

A. Guidelines

Recommendation: The approval of States' plans should be procedural." (Mr. Millhone, p. 5)

Response: Under the proposed legislation, approval of State plans would be based on procedural compliance.

Recommendation: "Consultation with the States in the development of program regulations and policies should be required." (Mr. Millhone, p. 5; Sen. Hess, p. 5)

Response: Consultation is planned. Publication of regulations for comment is required. DOE intends to consult States in the writing of draft regulations.

Recommendation: "Definite time schedules for the issuance of guidelines and regulations should be set." (Mr. Millhone, p. 5)

Response: The Department would welcome the opportunity to discuss such time schedules with State and local representatives as well as with the appropriate Senate and House committee staffs.

B. Program content

Recommendation: It should be specified that "guidelines for the elements each plan must contain under Section 357(a)(1) are advisory only." (Sen. Hess)

Response: The SEMP has been criticized in some quarters for allowing too much flexibility. The Department believes some strings should attach to the award of federal funds and that the SEMP strikes a proper balance between national priorities, program and financial accountability, and the need for States to retain flexibility.

Recommendation: It should be required "that States and local governments in their respective plans address the end uses of energy as affected by transportation and land use policies."

Response: We believe that Section 355(b) will produce this result. Specifically, Subparts (A) through (E) of this section will result in attention to these concerns.

2A. *Question.*—How will local governments participate in the development of State plans? How will planning at the State level benefit local government?

Answer.—States are required to include local governments in the planning process in the following ways: (1) a State role for local government in the development in the development of the plan must be specified; (2) local government plans which affect energy (land use, economic development, environmental) must be considered in the development of the State plan; (3) data must be disaggregated in the plan to be useful to local governments; and (4) formal public hearings must be held before adopting the plan.

The bill encourages States to pass through funds to local governments. It is expected that some States will have discretionary funds available after they

have performed the mandatory program measures. Several of the required activities have direct impacts on local governments and discretionary measures a State undertakes may also have significant impacts on involvement with local government. Additionally, the bill contains provisions for \$5 million annually to be available for award by the Secretary of DOE for innovative projects. Local governments are specifically eligible for those funds and may be funded directly.

2B. *Question.*—How can the role of local government or regional groups be expanded?

Answer.—DOE recognizes that local governments' decisions on land use, transportation, building codes, and zoning policies have an impact on energy use and production. Furthermore, at least some local governments wish to directly undertake energy planning and program development. There currently exists very limited empirical information on (1) how *widespread* the interest in energy is throughout the country, (2) how *diverse* the proposed projects/programs might be, and (3) the range of capability of local governments to provide qualified staff and/or local funds to support energy programs. Answers to these questions are essential to knowing whether or when to mount a national program for local governments, and if so, of what sort.

DOE is undertaking several studies to address these and other questions.

Local role study is a 6 month study which will provide information on:

(a) What city and county governments in 8 major metropolitan areas are doing in energy planning, management, conservation, etc;

(b) What potential roles local government could be playing; and

(c) What changes in policies and programs are necessary at the Federal State and local level to facilitate local government activity.

Comprehensive community energy management program (CCEMP) will provide \$1.6 million in FY79 as the first year of a 2-year program to study 17 communities, including 5 small cities, 4 larger cities, 2 very large cities, 3 counties and 3 area-wide agencies. The study will address:

(a) How communities are organized for energy management;

(b) What alternative organizations can be proposed for comprehensive planning;

(c) Identification of options for comprehensive conservation planning; and

(d) Identification of methods/tools for implementing a comprehensive energy conservation or renewable resource program.

2C. *Question.*—Steps being taken by DOE to get more local government participation?

Answer.—The EPCA and ECPA State grant programs provide DOE funding directly to States. The States may subgrant to local government for carrying out portions of the State plans. The States must work closely with local government in carrying out the required program measures such as the implementation and enforcement of Statewide building codes, the design and implementation of transportation programs, and the implementation of an energy audit program. States are also required to conduct intergovernmental coordination programs if they are to receive ECPA funds. The design of these programs are for the most part at the discretion of the State.

Energy extension service: The EES created by PL 95-39, is designed to increase the capability of small scale energy users, including local governments, to make energy decisions. Grants are awarded to States for the design and implementation of EES programs. States may subcontract with local governments to carry out portions of the Statewide program. In FY 1978, 10 States participated in a pilot EES effort. Two of these States use local governments as delivery agents. Others have local program modules directed toward local government capacity building. The program is expected to be implemented nationwide in FY 1979.

Funding the urban consortium¹ for 8 demonstration projects: In 1978 DOE awarded a grant of \$878,000 to the Urban Consortium for the development of technologies that can meet urban energy needs. The Consortium will initiate a number of projects, including the following:

An urban energy technology assistance capability will be established to gather and distribute information on urban applications of energy technologies. The consortium will track and analyze energy programs being conducted in major urban areas, and make this information available to members.

¹ Urban Consortium—Twenty-eight of the Nation's largest cities and 8 urban counties with populations over 500,000 joined together in 1974 in the Urban Consortium for Technology Initiatives.

The City of Chicago will develop a method that other cities can use to analyze the "energy impact" of various community development plans.

Dade County, Florida will develop methods that urban areas can use to plan and manage their energy programs and conduct energy audits of community systems.

The City of Baltimore will develop a feasibility study that other urban centers can use to: (1) evaluate major landfill sites for potential methane production, and (2) identify incentives that would encourage industries to relocate on completed landfill sites.

The City of Seattle will develop a series of urban energy administration courses oriented to the needs of local officials, and will offer pilot sessions at local colleges or universities.

The City of Los Angeles will develop a management guide for retrofitting municipal buildings with solar heating and cooling systems.

These projects are designed to be "transferable" to other Cities and Urban areas. The "how-to" guides expected to result from these projects will be made available through the Urban Consortium.

Weatherization assistance program—ECPA authorizes this program to provide grants to States to weatherize the homes of low income families, particularly the elderly and the handicapped. The States in turn are subcontracting with community action agencies or local government to perform the weatherizing. In FY 1978, approximately 7 percent of the nationwide weatherization program was carried out by local government.

Schools, hospitals, local government and public care buildings program—The NEA will establish a grant program to enable these institutions to make energy improvements to their buildings. Grants will be awarded to States as well as to individual institutions for which the assistance is intended. Local governments will be involved in the development of their applications for obtaining financial and technical assistance for their buildings. Applications will, however, be submitted to the States and the States will prioritize the local applications and submit a single State package to DOE for funding.

Appropriate technology—The Appropriate Technology Program is designed to provide grants to local and State governments, individuals, small businesses or non-profit organizations to assist them in developing their own independent energy sources from various energy technologies such as solid waste or solar. In FY 78, a \$1.3 million pilot program was administered by the DOE regional office in San Francisco and 108 grants were awarded. An additional \$1.7 million remains to be awarded. For FY 79, it is expected that \$8 million will be available for these grants. 14 percent of the funds awarded to date have been to local governments. The peer review of applications has also involved community participation.

Interagency agreements—DOE and the Department of Agriculture are providing grants to rural communities with populations less than 10,000 to assist them in energy planning. Six to ten communities will participate in the program and a total of \$25,000 is available for grants.

DOE and EPA are identifying regional agencies that may participate in a program to incorporate energy conservation technologies in water planning.

Redeveloped communities—DOE is providing funding to community developers involved in major redevelopments to determine how energy management can best be incorporated into community planning. A case study with Atlantic City is underway and five additional case studies are planned.

The integrated system program—Designed to utilize alternative energy resources and select a combination of technologies, community designs and governmental arrangements that will provide a highly efficient Integrated Community Energy System (ICES). Specific efforts include:

District heating and cooling: Eight contractors have been selected for this pilot effort. They are Minnesota; Wisconsin; Northern New Jersey; Toledo and surrounding area; Philadelphia; Detroit; Dover; Ohio; and Piqua, Ohio. The States will be identifying potential sites within the State which will be appropriate for retrofitting power plants into cogeneration facilities that will serve one or more areas. The regions selected will also identify potential sites. The cities involved in this program will look at potential problems and conduct specific engineering analysis. The regional contractors for the study are the power companies serving those regions. The States and cities are the other contractors. In FY 78, \$1 million is available. In FY 79, \$2 million is expected to be available.

Grid connected ICES: This pilot effort is designed to provide a community combined heat/power facility thermally loaded with unrestricted electricity interchange between the facility and the local electric utility.

Trenton, New Jersey has received approximately \$1 million to design a grid connected ICES. Additional recipients of grants for this program are Clark University, University of Minnesota, and the Health Education Authority of Louisiana.

Coal using ICES: Georgetown University has received \$400,000 to date to convert from gas to coal in the development of an ICES.

Heat pump centered ICES: Seventeen communities are being selected to develop heat pump centered ICES. The FY 1978 provides \$11,500 for this effort and \$1 million is expected in FY 79.

*Urban waste—*The objective of this program is to use urban waste as a source of energy and materials. The program is focused on research and development and on the institutional barriers and options for implementation. Of the 45 projects currently underway, at least half are with local governments. Most recently, 20 contracts totaling \$2.2 million were awarded to local communities for demonstration.

*Commercial building energy efficiency program—*This program is designed to improve energy efficiency in commercial buildings in metropolitan areas around the country. The program is voluntary and involves the Mayor's office and major civic organizations within the city to design a program to encourage commercial building owners to conduct energy audits of their buildings. Building owners pay for the costs of the audits conducted by consulting engineers and the owner then decides whether to undertake the recommended building improvements. Eleven cities are currently involved in the program. DOE provides staff support but no direct funding to cities for their involvement.

*Urban Institute and Brookhaven National Laboratory—*DOE has contracted with the Brookhaven National Laboratory to conduct a three phase study. Phase One will involve obtaining and assessing information on the patterns of energy use in communities and the determinants of such patterns. Phase Two will include an assessment of energy and energy related programs initiated by Federal, State and local governments and implemented primarily at the local level. The final phase of the study will consist of detailed case studies of the most important programs or technological innovations previously identified. The total study will be conducted over a two year period and will involve approximately \$200,000 of FY 79 funding.

*Community energy impact study—*This study is aimed at moderate size communities in the eastern U.S. to characterize and quantify local energy responses to future energy prices and fuel availability, to assess the impacts of future energy supplies and prices on local households, to assess economic and environmental impacts on the community, and to describe the tradeoffs available to communities to mitigate adverse impacts. The study will be underway when FY 1979 funds are available.

3. *Question.*—How reliable are the estimates of the energy savings that will be obtained?

Answer.—No accurate estimates of the energy savings that actually will result from full implementation of the EPCA and ECPA mandatory activities can be made based on the limited data now available. Nevertheless, the participating States have estimated that total savings for 1980 could be about 6.2 quads, of which 2.2 quads are attributed to mandatory program measures (0.8 quads for the EPCA mandatory measures, and 1.4 quads for ECPA). As these figures are projections based upon limited data linked by unproven assumptions, it would be unwise at this time to consider them reliable measurements of program impact. They are, in effect, goals considered achievable given certain circumstances and events which are only hypothetical at the time of estimation.

The energy savings estimate for each program measure is an aggregation of the separate estimates made by each of the 55 participating jurisdictions. In general, to estimate expected energy savings, a State multiplied the potential energy savings per unit times the number of units expected to change their energy consumption characteristics in accordance with the particular program measure. Whereas approximate data on the potential energy savings per unit are available from various tests, studies and models, there are virtually no studies which show what compliance to expect as a result of different program implementation strategies. Therefore, the number of units expected to change their energy consumption characteristics in accordance with a particular program measure is essentially a proposal by the State.

Because funding under the 1978 grant allocation formula was partially dependent on each State's 1980 savings estimate, there was an incentive to be over-optimistic about the expected compliance in order to derive larger energy estimates. Only actual measurement of the compliance being achieved in connection with specific implementation strategies under specific conditions will establish the quantitative reliability of these data.

DOE is approaching validation of energy savings estimates from a variety of directions, emphasizing the importance of achieving credible measurement of the results, both real and expected, of different conservation program measures. In the meantime, it is important to realize that the limitations of currently available data and methodologies make the existing projected energy savings estimates unreliable, and that these estimates are most likely inflated by over-optimistic expectations of compliance.

4. *Question.*—What is the danger that States which have made changes in response to the requirements of EPCA and ECPA would return to their earlier practices if those requirements were eliminated?

Answer.—To be eligible for financial assistance, a State must include in its base (EPCA) conservation plan, five required program measures and, in its supplemental (ECPA) plan, three measures. These requirements—and the probable impact of SEMP on them—are discussed below.

A. EPCA

1. *Buildings Efficiency*

Requirements: Mandatory thermal efficiency standards and insulation requirements for new and renovated non-Federal buildings.

Mandatory lighting efficiency standards for non-Federal public buildings.

SEMP impact: Section 358(a) continues the mandatory standards requirement for new residential and commercial buildings.

All States are in compliance with DOE guidance on these measures; that is, they either have the required standards in place or have submitted firm schedules for enactment and implementation of same. (A status report was provided earlier in response to your request for supplemental information, dated August 23, 1978.)

Some States have gone beyond both the EPCA/ECPA and SEMP requirements, e.g., New Jersey has enacted operation standards (7 day thermostats, minimum/maximum allowable temperatures, etc.) for commercial buildings. This is in addition to the structural and mechanical standards mandated by the EPCA.

2. *Transportation*

Requirements: Programs to promote the availability and use of carpools, vanpools and public transportation.

A traffic law or regulation, which to the maximum extent practicable and consistent with safety, permits motor vehicles to turn right at a red light after stopping.

SEMP impact: All but one of the participating jurisdictions are currently in compliance with these measures. The District of Columbia will begin its RTOR implementation within 30 days.

It is unlikely that RTOR legislation would be repealed in any State.

It is likely that carpool, vanpool, and public transportation efforts will increase without additional requirements in the SEMP.

EPCA/ECPA provided seed money and most States with major opportunities for conservation in this area now have ongoing programs.

Municipal Planning Organizations are active in this area.

Urban Mass Transportation Administration funds are available for mass transit improvements and the Department of Transportation permits use of urban highway funds (converted from 70/30 to 90/10 matching requirements) to promote ride-sharing.

3. *Procurement standards*

Requirement: Mandatory standards and policies relating to energy efficiency to govern the procurement practices of a State and its political subdivisions.

SEMP impact: Again, EPCA/ECPA provided start-up funds; continuation is in the self-interest of States and localities, i.e., they are cost effective.

B. ECPA

1. *Public Education, Information Transfer, and Technical Assistance*

Requirements: Carrying out a continuing public education effort on implementing energy conservation measures.

Encouraging and carrying out energy audits for buildings and industrial plants. *SEMP impact*: These requirements are continued in the SEMP [§ 358(b)]. There are also several NEA initiatives in this area, such as the Schools, Hospitals, Local Government and Public Care Buildings Program and the Residential Energy Conservation Service.

2. Intergovernmental coordination

Requirement: Insuring effective intergovernmental coordination.

SEMP impact: EPCA/ECPA have provided seed funds for necessary institutional changes. Continuation should now be "standard operating procedure."

Sections 354(b)(2) and 355(b)(5)(A) of the SEMP, in effect, continue the requirement.

5. *Question*.—Does the 50 percent requirement for conservation-related expenditures indicate that DOE is encouraging States to reduce their emphasis on energy conservation?

Answer.—It is anticipated that most States will spend over 50 percent of their funds on conservation activities. However, since the *mandated* specific conservation activities are greatly reduced in number and since an important goal of the program is to encourage States to use their initiative, only 50 percent was mandated for conservation programs. It is not intended that States reduce their emphasis on energy conservation activities. Rather, the program encourages States to design comprehensive programs and plans that fit their unique needs and requirements.

Various other State conservation activities (Weatherization; Schools, Hospitals, Local Government and Public Care Buildings; Residential Energy Conservation Service; solar and other renewable resource initiatives) continue to receive assistance under other legislative authorizations.

6A. *Question*.—What types of technical assistance does DOE intend to provide?

Answer.—In areas where States may lack capabilities, the DOE intends to provide those technical assistance services necessary for States to carry out the requirements of the legislation. These services are expected to include technical assistance, as requested, in developing and implementing plans prepared in accordance with the legislation. Such technical assistance will be oriented toward enabling the States to develop their internal capabilities for energy planning and management as well as enhancing their resources for energy planning and management. Technical assistance is also expected to be requested by several States in developing and implementing those specific requirements of the legislation which must be part of each State plan (i.e., forecasts of future energy consumption patterns, data systems projections of sources and amounts of energy supply produced in the State which will be used in other States, etc.) as well as the mandatory activities identified in the Act (i.e., energy conservation standards for new residential and commercial buildings, Energy Extension Services).

Specific examples of types of technical assistance to be provided would be dependent upon the specific measures identified by each State in its plan. Using EPCA, ECPA and EES as examples, it could be expected that technical assistance would include developing source materials for States to draw upon in providing assistance to their citizens (such as energy audit workbooks and references to sources of Federal assistance), workshops and training seminars from which State personnel would benefit from exposure to energy conservation specialists in technical fields such as building energy standards, transportation, procurement, industrial processes, building space heating and conditioning, etc. Other forms of technical assistance would be dependent upon the needs of the States, as expressed by the States.

Another significant resource, as demonstrated by the EES pilot program, is the States themselves. Many States have developed specialized experience and skills which are transferrable. DOE intends to facilitate this transfer from one State to another by providing references and acting as a clearinghouse. A joint SECP/EES study is currently underway to identify major State needs for technical assistance and DOE's proper role in serving these needs.

6B. *Question*.—Will this be in addition to the funds authorized for grants to the States?

Answer.—It is expected that technical assistance services as may be requested by the States would be provided by DOE from sources other than the funds authorized for grants to the States, e.g., from DOE discretionary contract funds. Depending upon the capabilities of DOE staff to respond to the specific needs of the States, such technical assistance services would be provided either directly

by the DOE staff, by other Executive agencies (under an appropriate agreement with DOE), or by specialists under contract to DOE. In some cases, it is expected that States will provide technical assistance to sister States, if some form of assistance is made available for this purpose.

7. *Question.*—One of provisions contained in Part C of EPCA which would be deleted by this bill authorizes a Federal Trade Commission consumer protection program (to prevent unfair or deceptive acts or practices affecting commerce) relating to the implementation of conservation measures. Why shouldn't this effort be continued?

Answer.—The administration is considering its position with regard to this provision.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MR. MILLHON

1. How many states would require additional legislative authority in order to implement S. 3283? What types of authority would be needed?

Based on S. 3283 as proposed (and not on subsequent program regulations) states would have to obtain additional legislative authority to implement the following program element: Energy Conservation Standards for new residential and commercial buildings except buildings owned or leased by the U.S. or its agency (Sec. 358(a)).

Some states would need to enact legislation providing the necessary authority to adopt and implement standards for new buildings. In a survey conducted by the National Institute of Building Sciences in January, 1978 for HUD, it was reported that 32 states have some form of authority to adopt and implement energy conservation standards for some or all types of buildings. Of these 32, 23 have authority covering all buildings and nine have more limited authority. Of the 32 states, 26 have legislative authority as opposed to authority being carried out under either an executive order or general administrative authority.

2. Your testimony indicates that many states will be unable to participate in the SEMP program because of the matching requirements, direct and deferred. Please provide the Committee with an estimate of the number of states referred to and describe the reasons, either financial or legal, which would prevent their participation.

The matching requirement, direct or deferred, would prevent some states from participation in SEMP because they would not be able to obtain the necessary funds from their state legislature. In a survey conducted by the National Conference of State Legislatures Energy Policy Project in March 1978, it was reported that 10 state energy organizations were 100 percent dependent on federal funds and 15 state energy organizations were at least 80 percent dependent on federal funds. Although these figures are not specific enough, they do indicate the current level of state contribution to state energy organizations. If these figures can be used as a gross indication of state participation, then at least fifty percent of the states may not be able to participate in the program. It is very plausible, however, that after a few years of operation and an early indication of the necessary match, states could obtain the state match.

A problem that would face several states in providing the match for SEMP in its beginning stages is the lack of enthusiasm among legislatures to underwrite initiatives that have a high degree of uncertainty as to their "payoff" or benefit within the states. SEMP is for the most part a capacity building program that will allow states to participate effectively in the formulation and implementation of national energy initiatives. It is not a program that will pump a certain amount of dollars into legislative districts. Legislators will be wary of supporting the effort until they are convinced that it will benefit the state in some trackable manner. If funds were provided for start-up without match, and the concepts of SEMP were proven to be of benefit to the citizenry of the states, the legislatures would have sufficient justification for providing a substantial match.

Another major problem is simply one of timing. Often by the time the states know the specific amount of the match (and this depends on the federal appropriation) their legislatures have adjourned, which means that they have to wait until the following legislative session (and in some states this could mean two years) to obtain the match. This would preclude the state from participating in the program for a number of months or years.

3. What types of state energy programs, including and in addition to those contained in S. 3283 and existing law, have been most effective and beneficial from

the states' point of view? Would any of these programs be appropriate as federally funded and mandated programs?

Many of the federally funded state energy programs are effective and beneficial, like the various ongoing audit and outreach programs, but these programs should not be federally mandated because so many of them are appropriate for certain states and need to be tailored specifically to the conditions of the state. Mandating programs often leads to regulations and uniformity which restrict the effectiveness and benefits of the program. National objectives or goals could be established, but in most cases, specific nationally mandated initiatives should be avoided. If a program is beneficial and effective, a state will implement it and each state should develop the capacity to analyze, design and implement programs which maximize energy savings in the state in the most cost-effective manner.

Certain programs, however, could be developed on a national basis. For example, an energy conservation building performance standards program would be cost-effective for a federal mandate. The benefits from such a program are national, i.e., the program will save energy regardless of where it is implemented. National standards also minimize burdens on industry and this is more effective than each state's developing its own standards.

There are other programs, e.g., the mandatory lighting standards for existing buildings, as contained in the State Energy Conservation Program (EPCA) which has the potential for saving energy, regardless of geographical location. Realistically, the program is simply too difficult and not cost-effective to implement. States have had a difficult time convincing their legislatures to enact the necessary authority to implement this requirement and even if authority is granted, the cost to adequately implement and enforce this program would be prohibitive and this is probably not the wisest use of federal funds.

The methods to achieve conservation, moreover, depend a great deal on fuel mix being used and climatic conditions which preclude to a great extent the development of national "initiatives." Conservation programs must be tailored to regional, state and even sub-state requirements to be effective.

4. Please comment on the suggestion that council of state and local officials be made responsible for the development of the state plan.

The states support a stronger role for units of local government in the development and implementation of the state plan. However, the mechanism for achieving this must be developed by each state in cooperation with local officials to assure that the process satisfies in an effective and responsive manner the existing state/local institutional relationship. In some states, the counties would be the most effective for local government; in others, villages; in still others, large metropolitan districts. A council would add another level of bureaucracy that could impede drafting of effectively localized implementation efforts. The problems with structuring a council to be responsible and accountable to the constituents would be enormous. The states should be required to have local representative participating in the planning process and some redress mechanism for the local units could be initiated. The CZM interstate allocation process offers some guidelines.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MR. RUVIN

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., October 11, 1978.

HON. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Commissioner Ruvin has requested that we respond on his behalf to your inquiry of September 26, 1978. We appreciated the opportunity to appear before the Committee and we welcome the opportunity to provide these additional comments.

In regard to the questions raised:

1. Local governments willingness to provide a matching share.

The inclusion of a local matching share has two advantages. It serves as a demonstration of commitment to energy conservation and will allow limited financial assistance to go further. Our recommendation is that the matching share be provided in cash or in-kind services and that it not exceed 20 percent of the award.

2. Local Government Support for Mandatory Programs.

In our appearance before the Committee, the National Association of Counties did not support the inclusion of federally mandated programs under S. 3283. Our

experience has been that programs mandated at the federal level cannot possibly take into account the wide variety of energy problems at the local level. However, while we cannot support mandatory programs we do support establishment of conservation goals which a recipient must meet in order to be eligible for further assistance.

In order to meet the established goals, federal assistance should be provided for both building local capacity for implementing programs and enhancing already existing capacities. The long-term advantage to this approach is that federal goals will be met while taking into account the unique problems and solutions existing at the local level. In addition, a capacity will be built at the local level which will provide for the achievement of future goals.

Sincerely,

MARK I. CROKE,
Legislative Representative.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MAYOR HUTCHINSON

UNITED STATES CONFERENCE OF MAYORS,
Washington, D.C., October 12, 1978.

HON. HENRY M. JACKSON,
*U.S. Senate, Russell Senate Office Building,
Washington, D.C.*

DEAR SENATOR JACKSON: Thank you for your letter of September 26. My response on behalf of the U.S. Conference of Mayors and the National League of Cities to your questions on our recent testimony on the State Energy Management and Planning Act, S. 3283 is as follows:

1. LOCAL GOVERNMENT MATCHING FUNDS

A demonstration of commitment to energy conservation by local government is unquestionably appropriate. The 20 percent matching requirement in Section 360(b)(1) of S. 3263 would probably prove an acceptable maximum to our member cities provided the local match could be in-kind services. In that way, most of the Federal dollars will be spent on programs, rather than administrative costs.

Also the Conference of Mayors and the National League of Cities would prefer that any limitations on local financial assistance exclude restrictions on the purchase of equipment similar to Section 359(b). Energy is a new area for most local governments and they may not have all the equipment necessary for program implementation. This would be particularly true, for example, in the case of equipment used in conducting energy audits.

2. MANDATORY PROGRAMS

The Conference and the League agree that energy conservation goals should be established in the bill. A set of specific mandatory federal programs to be implemented at the local level, however, might not be the appropriate mechanism. The wide variety of energy problems at the local level and the diverse fuel sources of local governments strongly suggests that attempts to shape local government programs at the federal level may not meet the needs of all communities. Perhaps, an optional program of federal mandates might be the most effective way to facilitate local participation, i.e., allow a local government to choose those areas best suited to their resources, priorities and capabilities: planning, street lighting, transportation controls, building codes, solar access.

Under the Energy Policy and Conservation Act (EPCA) (Public Law 94-163), for instance, states were required to implement "right turn on red". In most states, such a program would have a measurable impact on gasoline consumption. However, Vermont, with only 125 stop lights in the entire State, the impact was minimal. Another program might have been far more effective in saving energy and in meeting the needs of the State.

This sort of problem is magnified manifold at the local level of government. The Federal government must realize that while all local governments are experiencing energy and energy-related problems, the problems of a New England city and a Southwestern city are different and call for different solutions.

Rather than create a set of Federal programs for local implementation, we would suggest that the Federal government concentrate its resources on providing (1) assistance for the development of a local energy management planning program, (2) a process for implementation of local energy programs, and (3) technical assistance to enhance already-existing local capacities.

In that light, the Federal government could require candidate local governments (1) to institute a conservation program within city operations aimed at reducing city government energy consumption by 5 percent in the first two years, and (2) to institute a city-wide conservation program targeting a 10 percent reduction in five years.

The impact of this approach would be two-fold. First, by requiring a municipal conservation program, the Federal government will be saving energy, and, at the same time, developing the kind of expertise city personnel will need to implement city-wide programs. Municipal conservation programs will also reduce local government expenditures, easing the strain on city budgets and providing a potential funding source for other programs.

Second, by targeting a conservation goal for local governments without prescribing specific programs, the Federal government will pave the way for development of programs compatible with local needs. Federal resources can then be directed to provide local governments with technical assistance appropriate to local needs.

In this way, the Federal government can meet its conservation goals while being sensitive to the unique demographics and problems of local governments. It is important to note that this approach is similar to the State energy conservation plans required of the States in earlier Federal legislation.

We appreciate your interest in our views on these important energy issues.

Sincerely,

JOHN G. HUTCHINSON,
Mayor of Charleston,
Chairman, Energy and Environment Committee.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY MR. SPERRY

YOUR CITY, SEATTLE,
EXECUTIVE DEPARTMENT—CITY ENERGY OFFICE,
Seattle, Wash., October 11, 1978.

HON. HENRY M. JACKSON,
U.S. Senator, Chairman, Committee on Energy and Natural Resources,
Washington, D.C.

DEAR SENATOR JACKSON: Thank you for the opportunity to respond to your questions regarding the State Energy Management and Planning Act, S. 3283. Your letter of September 26 asked me to respond on two items discussed in the September 11 committee hearing.

First, you asked if local government would be willing to provide matching funds in order to be included in the federal energy grant program contemplated by S. 3283. I can answer that yes a 20-percent local match, in either funds or local in-kind services would be a fair requirement to place upon the parties eligible for federal funds under the proposed program. Seattle has invested substantial resources in its energy conservation activities and maintains a strong commitment to conservation projects. While our funds are quite limited, we could provide in-kind services as our local matching share. Some type of financial or in-kind commitment should be required of states and local governments who receive S. 3283 funding as one measure of their dedication to seriously address energy planning and management activities.

Second, you asked whether local governments would support federally mandated energy programs for local implementation. The proposed bill should require states to include and fund local energy plans as part of the state plans. Since energy requirements vary widely across the nation, it may be prudent for S. 3283 to require the establishment of local energy plans but suggest specific program elements for consideration by local governments as they prepare and adopt their plans. Such areas as energy efficient street lighting, fleet management, incorporating thermal efficiency and lighting standards into building codes, plant management and retro-fit standards are some areas that local energy plans can address. Land use policies and transportation services are two major areas for better, more imaginative initiatives for energy conservation. Local energy plans could be directed to address these areas.

If we in Seattle can be of further assistance as you review and strengthen this legislation, please do not hesitate to contact me.

Sincerely,

SAM R. SPERRY, Director, City Energy Office.

APPENDIX II

Additional Statements Submitted for the Record

WRITTEN STATEMENT

OF

GEORGE H. LAWRENCE, PRESIDENT

OF

THE AMERICAN GAS ASSOCIATION

BEFORE

THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

HEARINGS ON

S. 3283

STATE ENERGY MANAGEMENT AND PLANNING ACT

September 14, 1978

Mr. Chairman and Members of the Committee:

On behalf of the American Gas Association, we wish to express our appreciation for this opportunity to present A.G.A.'s views on the State Energy Management and Planning Act, popularly known as SEMP. Our association represents more than 300 natural gas transmission and distribution companies, serving more than 160 million consumers in all 50 states.

The avowed purpose of SEMP is to encourage sound energy planning at the State level and to provide improved management and coordination of State energy programs. A.G.A. is deeply interested in the form which such "encouraged" State planning and management might assume--because our member companies must comply with the results of whatever planning process is established by this legislation.

On the basis of decades of experience as a regulated industry, we believe that sound State energy planning must reflect three important goals:

First, the preservation of sufficient State flexibility to allow State policies to be tailored to local needs and conditions.

Second, the avoidance of unnecessary regulatory delay and/or administrative burdens associated with compliance.

Third, as a corollary, regulatory guidelines that are sufficiently clear and definite to permit both the public and private sectors to proceed knowledgeably and expeditiously.

Using these goals as criteria for the evaluation of the SEMP legislation, we have concluded that the proposal needs improvement. While we realize that the original DOE draft proposal was reportedly more sweeping than the bill currently under discussion, we nevertheless believe that even the modified proposal before this Committee is burdened with serious flaws.

Summary of A.G.A. Recommendations

A.G.A. believes that the SEMP legislation--as presently drafted--grants excessive authority over State energy policies to DOE and creates, through vague statutory language, the potential for even greater DOE authority over State governments. In addition, we believe that the current proposal is silent on certain issues which should be addressed.

Despite this negative assessment of the bill, however, A.G.A. also believes that the bill can be greatly improved without making sweeping changes in it. Our specific recommendations for improvement can be summarized as follows:

- The consolidated grant application approach should be available to those States which desire to participate in all three of the existing programs--but States wishing to participate in only one or two of the programs should retain the option of filing separate grant applications.

- The two programs made mandatory for participating States should remain voluntary.
- There should be no requirement that States must direct at least 50% of Federal funds received toward energy conservation.
- Additional statutory guidance is needed regarding how States should interpret the directive for "participation" in the planning process "by units of local government, by Indian tribes, and by the public." This directive should be focused more narrowly so that DOE and/or the courts cannot use it to impose procedural requirements not contemplated by Congress.
- Additional statutory guidance is also needed regarding how States should interpret the statement that one purpose of the bill is to "assure... due regard for citizens of special need, such as the poor, the handicapped, and the elderly." This general statement of policy should be focused more narrowly so that this vague language is not utilized to impose upon the States policies not intended by Congress.
- There is need to clarify what type of criteria the DOE Secretary may use in determining State compliance with the requirements of this bill. Language should be added to specify that--except where a substantive evaluation is clearly mandated--the Secretary of DOE is to evaluate the soundness of the State planning process rather than the substantive State policies which flow from that process.
- Language should be added to guarantee a given State's authority to alter a DOE-approved plan at a later date. A State should be empowered to modify earlier planning--in the light of new circumstances--without prior Federal approval.
- Since conflicts between State public utility commissions and other State energy agencies are conceivable, language should be added which states that nothing in this bill is intended to pre-empt any jurisdiction (or other authority) which a State has awarded to its public utility commission or State energy office.

Explicit Expansions of Federal Authority

On several points, the SEMP legislation explicitly expands Federal authority over matters currently left to State control. Three existing programs are consolidated into a single grant program under Section 352. The three programs are drawn from the Energy Policy and Conservation Act (EPCA), the Energy Conservation and Production Act (ECPA), and the National Energy Extension Service (EES)

Act. Ostensibly, this consolidation would trim the Federal bureaucracy, but a thoughtful examination of the proposed consolidation reveals that it would actually expand Federal authority. Under current law, State governments may "pick and choose" among the three programs. Under this bill, however, a State wishing to participate in only one of the three programs would be forced to accept the entire package. Conversely, a State with a genuine interest in one of the programs might well forego participation in that program--in order to avoid participation in the other two programs that would also be required.

In either case, the net impact of the proposed consolidation would be an erosion of State prerogatives. This negative effect can be largely neutralized, however, if consolidated grant applications are permitted for States wishing to participate in all three programs--with separate applications being retained for States that wish to enter into only one or two of the programs.

Section 358 of the SEMP legislation would convert two existing Federal programs from voluntary status to mandatory status (for States receiving Federal aid under the bill). The two programs deal with energy conservation standards for new buildings and with dissemination of energy information to the public.

While both of these programs have laudable objectives, A.G.A. questions whether the national interest in expanding these programs is sufficiently compelling to justify making them mandatory. Consequently, we recommend retaining the voluntary nature of these two programs.

Finally, the SEMP legislation also includes a requirement in Section 354 that at least 50% of the Federal funds received must be directed toward energy conservation. We regard this requirement as far too rigid, since it presumes that--no matter what individual

circumstances prevail in a particular State--that State's top energy planning priority should be conservation.

For example, a particular State might possess undeveloped oil and gas reserves. In the case of such a State, the State's energy supply situation might be improved far more by funds invested in encouraging energy production than by funds invested in encouraging energy conservation. Even in States where an emphasis upon energy conservation is more appropriate, substantial conservation efforts might have already been made--with the result that, at this point, an emphasis upon energy production might be in order so that a balanced energy policy could be achieved. The 50% conservation funding requirement would ignore such special circumstances, thereby posing the risk of imposing inefficient spending patterns--and, as a direct result, inefficient planning priorities--upon at least some of the 50 States.

A.G.A. recommends that the 50% conservation funding requirement be deleted from the bill. At the very least, it should be set at a more flexible level--such as 25%--so that individual State circumstances can be evaluated, and acted upon, by individual State governments.

Possible Expansions of Federal Authority

The SEMP legislation contains two provisions may result in a serious undermining of State prerogatives. We assert that these provisions could be used to greatly expand Federal authority over State energy policies--and we contend that the provisions should be clarified so that they do not serve as an unintended vehicle for Federalization of the State energy programs.

Section 354 requires that each participating State must ensure "participation" in the planning process "by units of local government, by Indian tribes, and by the public." State compliance with this directive is subject to DOE review under Section 355. Other than the

statement that such mandated participation opportunities must include "one or more public hearings," the bill is completely silent as to how this "participation" mandate can be met by the States. A.G.A. recognizes that the States themselves would formulate the "participation" mechanisms, but DOE would presumably set the standards for determining whether such "participation" mechanisms actually comply with the statute. We are concerned that such a vague directive invites the Secretary of DOE--and/or the courts--to establish compliance standards as they see fit, regardless of the true intent of Congress. Thus, we can foresee a significant risk that the language in question might be interpreted arbitrarily. We can also foresee a significant risk that years of unnecessary litigation might be devoted to determining the scope and nature of this directive.

Therefore, A.G.A. strongly recommends that this language be clarified, with reasonable limits being placed upon the authority established by the "participation" directive.

Vagueness also plagues the provision in Section 351 that one purpose of this legislation is "to assure... due regard for citizens of special need, such as the poor, the handicapped, and the elderly." A.G.A. has attempted to assess the possible impact of the SEMP legislation upon our nation and upon the gas industry, but we are unable to venture any predictions regarding what specific regulations and requirements might be established in an effort to carry out this provision. The possibilities range from purely pro forma implementation to State energy policy impact studies to national lifeline rates to detailed Federal oversight of State pricing policies.

A.G.A. recognizes that--as a "statement of purpose"--the "special need" language carries less weight than a specific statutory directive (such as the "participation" language which we discussed earlier). Nevertheless, A.G.A. notes that, in the field of air pollution control, the complex and controversial "Prevention of Significant Deterioration" policy was initially built upon a statutory "statement of purpose".

In summary, we cannot anticipate what use might be made of this particular provision. Until such time as the intent of this language is clarified and focused, we must oppose this provision of the bill.

A.G.A. observes that the two "vagueness" problems we have pinpointed could conceivably be resolved by appropriate commentary in the Committee Report. However, since the potential for elastic interpretations of these phrases is so great, the Committee's guidance would have to be both firm and clear.

Important Issues on Which the SEMP Legislation is Silent

The SEMP bill is silent on a number of important points. Under various sections of the bill, the Secretary of DOE is required to make certain findings regarding whether a given State is in compliance with the pre-conditions for SEMP assistance. The bill is silent, however, on the question of what criteria the Secretary may use in making these findings. The Secretary might well interpret this silence as permission to employ either procedural or substantive criteria.

To cite one example, by the time that a particular State's energy planning becomes subject to biennial DOE review under Section 355, that State must have formulated an Energy Emergency Plan for dealing with severe fuel shortages. In judging whether or not the

State has met the requirement for formulation of an Energy Emergency Plan, it appears that the Secretary could: 1) simply determine whether a Plan exists which addresses all of the subject matter set forth in Section 355, or 2) determine whether a Plan exists which incorporates policies favored by DOE. The first type of evaluation is essentially procedural: i.e., a determination of whether the State in question has conducted a proper planning process. The second type of evaluation is substantive--and it could lead to DOE control of the content of State Energy Plans.

We strongly recommend that this potential problem--which could arise during the implementation of any of several SEMP requirements--be avoided through the addition of clarifying language. Such language should include a clear statement that, in making any of the findings required by this legislation, the Secretary of DOE--except where a substantive evaluation is specifically mandated-- is to evaluate the soundness of the State planning process rather than the substantive policies which flow from that process.

Another point on which the bill is silent concerns the post-planning period. Once a State Energy Plan has been reviewed and approved by DOE, to what extent may the State alter its plan at a later date? Surely the need for periodic modification of earlier State planning is self-evident. The SEMP legislation, however, does not specifically authorize such updating and adjustment. A.G.A. is therefore concerned that States might be--or might consider themselves to be--"locked into" policies and procedures that have become obsolete and counterproductive.

Consequently, we recommend that language be added to this bill which explicitly acknowledges a State's right to alter a DOE-approved plan at a later date.

Was also consider it conceivable that jurisdictional conflicts might arise between State energy agencies--drawing up plans in response to SEMP directives--and State public utility commissions. Since utility commissions have been dealing with energy issues for decades, A.G.A. believes that they should be permitted jurisdictional priority in the event of such conflicts. We therefore recommend that statutory language be added to this bill, stating that nothing in this legislation is intended to pre-empt any jurisdiction (or other authority) which a State has awarded to its public utility commission or State energy office.

Mr. Chairman and Members of the Committee, A.G.A. has offered its recommendations in a spirit of constructive criticism. We are hopeful that the problems we have pinpointed can be resolved in a manner which preserves the basic objectives of this legislation. We would welcome the opportunity to work with you toward that goal.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT OF THE
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS
1102 INTERSTATE COMMERCE COMMISSION BUILDING
CONSTITUTION AVENUE AND TWELFTH STREET, N.W.
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ON

S. 3283, A BILL PROPOSING
THE STATE ENERGY MANAGEMENT AND PLANNING ACT OF 1978

SEPTEMBER 14, 1978



The National Association of Regulatory Utility Commissioners (NARUC) appreciates this opportunity to make its views known on S. 3283, a bill proposing the State Energy Management and Planning Act of 1978.

The NARUC is a quasi-governmental, nonprofit organization founded in 1889. Its members are the governmental agencies of the States, the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of utilities and carriers. The mission of the NARUC is to improve the quality and effectiveness of public regulation for the benefit of the American public.

While the members of the NARUC fully support energy planning and conservation activities, the NARUC does not believe that the program this bill would establish is necessary or in the public interest. In fact, on August 10, 1978, the NARUC Executive Committee adopted a resolution opposing increased Federal spending for energy planning and conservation. (For a complete text of the Resolution, see the Appendix.)

The NARUC would like to point out what should be readily apparent to every individual serving the citizens of the United States: the public is deeply concerned about rising costs of government. As inflation continues to eat away at the individual's disposable income, taxpayers are becoming more concerned about where their tax money is going and how it is spent. In our opinion, a program such as this, authorizing increased government spending for unnecessary and duplicative activities, is a disservice to the American public.

NARUC member commissions are already involved in implementing and administering energy conservation plans to meet the needs of

their particular States. To give you an idea of what the State commissions are doing in this regard, a few recent examples follow.

On July 20, 1978, the Wisconsin Public Service Commission approved price reforms for the Wisconsin Electric Power Company. The final order reaffirmed the Commission's commitment (1) to reform utility pricing in order to minimize pressures to build power plants or use premium fuels and (2) to set rates so that customers who cause utility expansion pay the related costs while those who conserve save money. NARUC Bulletin No. 31-1978, pp. 24-25.

In July 1978 the Oregon Public Utility Commissioner approved home insulation plans for two electric companies. The two plans were developed as a result of the energy program established by the 1977 Oregon legislature for customers of investor-owned electric companies. NARUC Bulletin No. 29-1978, pp. 14-15.

The South Carolina Public Service Commission in April 1978 ordered Carolina Power and Light Company to experiment with electric load control devices in order to evaluate potential energy savings. This order was the Commission's third to a major South Carolina electric utility which requires them to conduct experiments in the load management field. NARUC Bulletin No. 16-1978, pp. 4-5.

Also in April 1978 the California Public Utility Commission (CPUC) and the California State Energy Resources Conservation and Development Commission (CSERCDC) released comparative figures indicating that the State's conservation effort in the electrical energy sector has had a major impact in saving energy and making existing resources go further. NARUC Bulletin No. 16-1978, pp. 11-13. The CPUC, in an attempt to speed up home insulation throughout the State, in March 1978 ordered gas and electric utilities to offer

their customers insulation assistance, including financing. The utilities must also (1) make available lists of qualified contractors, (2) follow up insulation jobs with inspections, and (3) for customers whose insulation is sufficient, offer free water heater "blankets" and low-flow shower heads. In a companion action, the CPUC issued a proposal based on CSERCDC recommendations which would prevent a gas or electric utility from connecting a new service unless insulation is up to the R-19 standard required by the CSERCDC. NARUC Bulletin No. 12-1978, pp. 24-25.

As the above examples show, our members are working hard and coming up with innovative ideas to meet energy problems. Indeed, as early as September 20, 1973, at the NARUC 85th Annual Convention, the NARUC Convention unanimously adopted a resolution endorsing and supporting "the initiative of the Michigan Public Service Commission to encourage gas and electric utilities to offer the installation of home insulation as part of their gas service" and further resolving that "any program to better insulate American homes, which are generally under-insulated, be applicable to existing and new homes and be available to consumers on the broadest possible basis; and where technically feasible, gas and electric utilities should incur cost of service and investments to conserve, as well as distribute, existing supplies of natural gas and electricity, respectively...." Convention Proceedings, pp. 195-197.

The NARUC position on this matter was expanded by a resolution unanimously adopted by the NARUC Executive Committee on February 28, 1974, urging "that, as a further step in the nationwide energy conservation program, the appropriate agencies of the Federal and State governments concerned with conservation of energy should promote

the use of insulation in homes that are heated by oil, coal, or other fuels not subject to regulation by the State regulatory utility commission to no less degree than they have been promoting the insulation of homes heated by natural gas or electricity...."

NARUC Bulletin No. 11-1974, p. 20.

The NARUC was one of the first public bodies to endorse in principle the proposal of December 17, 1976, by William G. Rosenberg, then Assistant Administrator for Energy Resource Development of the Federal Energy Administration, that Conservation Investments by Gas Utilities be Considered a Gas Supply Option.

Thus, while the NARUC opposes this bill, we would again like to make clear that we do not oppose energy conservation efforts. The NARUC simply does not believe that a Federal presence, or increased Federal spending, is required to achieve our national energy goals.

Appendix

RESOLUTION RE STATE REGULATORY AUTHORITIES
OPPOSING INCREASED FEDERAL SPENDING FOR
PLANNING AND CONSERVATION

WHEREAS, The citizens of the United States in increasing ways are making it clear that they are concerned about the rising costs of government; and

WHEREAS, State regulatory authorities are involved in planning and conservation activities to various extents, and further these activities can be conducted under existing regulatory financing methods; now therefore, be it

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners declares that Federal authorization and/or appropriations bills, such as S. 3283 and H.R. 13420, duplicate bills proposing the State Energy Management and Planning Act, and H.R. 5037, a bill proposing the National Energy Conservation Policy Act, are not necessary nor in the public interest.

Sponsored by The Honorable Charles J. Cicchetti of Wisconsin



**NATIONAL
ASSOCIATION
OF REGIONAL
COUNCILS**

1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

RICHARD C. HARTMAN, Executive Director

STATEMENT OF

MARY E. HARKRADER
CHAIRMAN, TRI-COUNTY REGIONAL PLANNING COMMISSION
EAST PEORIA, ILLINOIS

ON BEHALF OF

NATIONAL ASSOCIATION OF REGIONAL COUNCILS

BEFORE THE

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

S. 3283, THE STATE ENERGY MANAGEMENT
AND PLANNING ACT OF 1978

WASHINGTON, D.C.
SEPTEMBER 14, 1978

Mr. Chairman, I am Mary E. Harkrader, Member of the Board, Peoria County, Illinois and Chairman of the Tri-County Regional Planning Commission, East Peoria, Illinois. In addition, I am a member of the Board of Directors of the National Association of Regional Councils and Chairman of its Environmental and Natural Resources Policy Committee. I appreciate the Committee giving me this opportunity to testify on the State Energy Management and Planning Act of 1978.

Regional councils are areawide organizations of general purpose local governments encompassing a total regional community. Their primary purposes are to increase communication, cooperative decision-making and coordination among local governments, and to develop policies and programs to meet mutual problems. Forty-four States now have wall to wall substate districts and there are more than 600 regional councils in the United States.

NARC believes that the development of a national energy program should be a cooperative effort among Federal, State and local governments. The complexity of the energy problem and the diversity of its impacts requires a policy which is flexible enough to deal with the differing needs of the 50 States and their localities. The introduction of S. 3283 indicates that the Administration is sensitive to this issue and recognizes the inherent difficulties of attempting to implement a top-down federal energy program.

The State Energy Management and Planning Act of 1978 would consolidate existing federal financial assistance to States for energy planning and management activities. The primary thrust of the proposal is to encourage States to improve and expand upon existing energy conservation activities, to develop and implement State energy plans, and to meet conservation and energy production objectives. NARC believes these objectives to be extremely important. However, we do not feel that S. 3283, as presently written, fully recognizes the role local governments and their regional councils should play in the formulation of a State energy plan.

S. 3283 requires the State to describe procedures by which local governments (it does not mention regional councils) would participate in the development, modification, or implementation of the State Energy Plan. However, it fails to give any guidance as to what these procedures should be. Some States have established a good record with regard to consultation. Nevertheless, it has been our experience that many would perceive and implement this policy in the most perfunctory manner. This observation is reinforced by the failure of S. 3283 to require States to pass through at least a portion of their funds for local and regional planning efforts. The fact that the bill specifies under Section 356(a) that the Secretary may not require a State to make available some portion of its federal assistance leads us to question whether the requirements for local participation will be enforced.

Several regional councils have developed programs that outline steps citizens and communities can take to help solve the energy program. For example:

- The Comprehensive Planning Organization of San Diego (San Diego, California) publishes a monthly "shopping list" outlining steps local residents and businesses can take to get more efficient use from home appliances, cooling systems, etc.
- The Toledo Metropolitan Area Council of Governments (Toledo, Ohio) disseminates tips on weatherizing homes and offices to both elected officials and the public.
- The San Luis Valley Council of Governments (Alamosa, Colorado) is conducting workshops emphasizing techniques for utilizing solar energy, energy conservation and natural building design.
- The Southwest Georgia Area Planning and Development Commission (Camilla, Georgia) is conducting energy audits of office buildings and schools and recommending steps that might be taken to eliminate problem areas.

Some councils have also developed long and short range energy plans that can be used by local governments, businesses and private citizens to increase the efficient use of energy. I have attached for the Committee's inspection a copy of the NARC publication "What Regional Councils Are Doing In Energy," which outlines some of these activities. However, these efforts have been hampered by a shortage of both federal and local funds. For example, only \$3.5 million was available this year under DOE's Comprehensive Community Energy Management Program. It is hard to see how local governments and their regional councils will be able to participate meaningfully in the development of a State Energy Plan without additional financial resources.

NARC policies recognize the important role the States have to play in the development of energy policy. Nevertheless, as elected officials who deal with local problems firsthand, we reject a top-down approach to energy policy. The majority of States do not have any experience in formulating an overall State energy program. However, local elected officials through their regional councils have developed a great deal of expertise in such related fields as transportation, air quality, housing, and land use planning. Regional councils would be a logical vehicle for developing coordinated and comprehensive energy strategies. They already have the needed experience in analyzing local and regional development problems, promoting decision-making on multi-jurisdictional issues, and planning federally-funded projects so that they are consistent with regional needs and priorities.

Regional energy programs could develop inventories and forecasts on regional energy demands and supply potential. They could assess the energy consumption implications of land use and analyze the impact of all major energy facilities and sources on the environment. Finally, they could act as energy information centers and coordinate other federal areawide programs with energy programs.

Existing local and regional planning efforts could be easily integrated into an overall State Energy Plan. By utilizing existing relevant policies and plans, it will be much easier to obtain the cooperation of local elected officials who will continue to make critical planning and zoning decisions necessary for implementation of the State Energy Plan. The greatest energy savings are likely to result from

land use decisions which contain urban sprawl and reduce unnecessary automobile traffic. Further, a regional perspective will permit an assessment of economic impacts to prevent any single jurisdiction from suffering adversely from a change in energy use patterns. Many regional councils are already engaged in such activities under the auspices of other federal programs.

NARC believes an equitable and practical energy program can be developed through cooperative efforts by all levels of governments. The "local" component is missing from S. 3283. We would envision a process whereby national energy goals would be used by local governments to develop local areawide energy management plans. The local plans would be coordinated at the areawide level and submitted to the State for review and approval. The reviews would be based on identification of inconsistencies with established policies, and conflicts over scarce resources. A basic element of the areawide energy management and planning system would be that DOE would set national energy conservation goals but local governments would have the opportunity to develop the best plan from the local perspective for meeting those goals. We feel such an element is absolutely necessary to make any energy policy effective. In short, we believe the Committee should amend S. 3283 to provide for an areawide energy planning process similar to the one required by the Clean Air Act. Further, States should be required to pass-through a portion of their funds to finance local and regional planning efforts.

The energy crisis is one of the most difficult problems we face today. How we address this issue will determine our fate as a great industrial nation and world

power. I look forward to working with you in formulating a national energy policy which will guarantee a bright future for our country and future generations.

Thank you.



June 24, 1977

What Regional Councils Are Doing in Energy

Conserving energy is one of the most serious issues we face today. This report has been prepared to provide you with information on what regional councils are doing in the field of energy conservation.

During the fall of 1977, 50 (15%) out of 331 regional councils responding to a NARC survey reported that they had an energy program. Recently we surveyed those 50 councils to learn more about their program activities. Information from 12 of these are described in this report. A listing of the remaining agencies with energy programs is attached.

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- The Toledo Metropolitan Area Council of Governments (Toledo, Ohio) disseminates tips on weatherizing homes and offices to both elected officials and the public.
- The San Luis Valley Council of Governments (Alamosa, Colorado) is conducting workshops emphasizing techniques for utilizing solar energy, energy conservation and natural building design.
- The Southwest Georgia Area Planning and Development Commission (Camilla, Georgia) is conducting energy audits of office buildings and schools and recommending steps that might be taken to eliminate problem areas.

Councils have also developed long and short range energy plans that can be used by local governments, businesses and ordinary citizens to increase the efficient use of energy. Plans address the following methods of energy conservation:

- increased building insulation;
- use of energy efficient air conditioners and other appliances;

- total energy systems for heat and electricity;
- solar energy; and
- use of solid waste, especially from agriculture, for energy production.

In spite of manpower and monetary constraints, regional councils have achieved success in energy planning and believe that these programs will help solve some of the current energy problems. To date, funding of these programs has come from a variety of state and federal agencies including:

- The Federal Energy Administration
- U.S. Energy Research and Development Administration
- Department of Housing and Urban Development
- Economic Development Administration
- National Science Foundation
- Individual states

For more information about these projects, please get in touch with the contact person listed for each program or Lori Dendy, NARC's Membership Services Coordinator.

Toledo Metropolitan Area Council of Governments (Toledo, Ohio)

In FY 1975-76, the Toledo Metropolitan Area Council of Governments established a central information library and an on-going collection of materials dealing with energy conservation, weatherization tips, thermal efficiency for structures, and appliance labeling for dissemination to the elected officials and the public.

In addition, a series of energy strategies workshops were developed for the public and presented in different locations throughout the region. Topics presented included:

- Minimizing impact of the natural environment by reducing energy consumption.
- Case studies of thermal efficiency, lighting, and fuel reduction.
- Necessity of rehabilitating older residential properties through adequate insulation procedures.
- Building code requirements and techniques relating to new construction.
- Alternative energy sources - wind, solar, gasification and liquefaction.
- State government activities dealing with energy.
- Economic and social implications of rate structures and energy pricing.
- Energy conservation ethic.

The Ohio Energy Resource and Development Agency has incorporated the proceedings from these workshops into the proposed Ohio Energy Conservation Plan and will transfer TMACOG's experience throughout the state. The Ohio Energy Resource and Development Agency has also awarded TMACOG funds to conduct additional seminars.

Funding

The project is being funded by the Department of Housing and Urban Development and the Ohio Energy Resource and Development Agency.

Publications

- Regional Energy Strategies (Workshop Proceedings)
- Brochure for the Seminars

For Further Information Contact

June M. Brown, Environmental Associate
 (419) 241-9155
 Toledo Metropolitan Area Council of Governments
 Suite 725, 420 Madison Avenue
 Toledo, Ohio 43604

Delmarva Advisory Council (Salisbury, Maryland)

Local Governments served by the Delmarva Advisory Council that need answers to energy questions and/or problems need only pick up the telephone thanks to the Delmarva's Technology Acquisition Unit (TAU).

TAU is a consortium of colleges and universities from Delaware, Maryland and Virginia. Also participating in the program is the Regional Federal Laboratory Consortium (e.g. National Science Foundation, National Aeronautics and Space Administration, Department of Defense, Economic Development Administration, Department of Housing and Urban Development and the Environmental Protection Agency). Working in conjunction with these organizations, TAU is able to help local decision-makers solve problems ranging from heating houses with solar energy to finding suitable paints to withstand Ocean City's salty air.

At the request of the Delaware Technical Community College, TAU made arrangements for specialists from the National Aeronautics and Space Administration to identify sources of heat loss from the exterior of their main building. A team of specialists spent hours photographing the walls with a highly sophisticated infra-red camera. The resulting photographs revealed heat leakage through the walls and around doors and windows. These photographs will be used to aid the college with its energy audit by pinpointing areas that can be corrected during the course of planned renovations.

TAU also jointly sponsored a workshop highlighting ways truckers can save fuel -- and dollars -- by improving fuel efficiency.

Funding

The TAU is jointly funded by the National Science Foundation and the Economic Development Administration.

Publications

- TAU Report (monthly publication distributed to 3,000 people)

For Further Information Contact

Tom Rienert, TAU Director
(301)742-9271
Delmarva Advisory Council
One Plaza East, Suite 700
P.O. Box 711
Salisbury, Maryland 21801

Iowa Northland Regional Council of Governments (Waterloo, Iowa)

The Iowa Northland Regional Council of Governments is currently compiling background information which will aid in determining future energy needs as they relate to people mobility (transportation), supply of electricity for heating homes or workplaces (business or industry) and the energy consumption of farming operations, which are a major source of land use (95% of the land) in the region.

To assist in the development of this study, an Energy Audit Committee (made up of all utility companies in the area) was formed. The Committee will attempt to document the feelings of various lending institutions about future needs and to encourage more use of solar energy systems in the area.

To date the following has been accomplished:

- An inventory map with gas line transmission lines and their capacities has been developed.
- Future KWH needs have been projected to the year 2000.
- Area developers have been helped with information and data to get HUD Solar Demonstration Grants.
- Work is in progress to reduce the very high ratio of 13 calories of energy being used to produce 1 calorie of food energy on 95% of land use in the region.

Funding

701 Planning HUD Funds

Publications

Available September 1977

For Further Information Contact

Vinod K. Sarin, Senior Planner
(319) 235-0311
Iowa Northland Regional Council of Governments
Suite N, Russell Lamson Building
Waterloo, Iowa 50701

San Luis Valley Council of Governments (Alamosa, Colorado)

The San Luis Valley Council of Governments has undertaken a study of critical energy issues affecting the region. Focal points of the study have been:

- To document energy demand/consumption since 1959 (on a seasonal basis) i.e., coal, natural gas, electricity, gasoline and fuel oil.
- To develop cost per unit of the various fuels used since 1950.
- To project cost increases into the foreseeable future and assess the impact of such cost increases.
- To develop discussion and analysis of where individuals, businesses, energy suppliers, the construction industry, financial institutions, communities and the San Luis Valley can participate in energy conservation; short-term, mid-term and long term.

The San Luis Valley Council of Governments is also conducting workshops on solar energy and energy conservation. To date over 110 registrants have participated in the workshops. The workshops are designed to provide a basic understanding of solar energy technology and energy conservation measures to enable individuals, families and communities to begin using alternative methods for heating homes and growing food. The workshops emphasizes techniques for utilizing solar energy, anaerobic digestion, energy conservation and natural building design in the San Luis Valley. The proposed solutions revolve around the concept of domestic (do-it-yourself) technology which emphasizes applicability and efficiency for individuals or families at reasonable cost.

Other accomplishments to date are:

- Organized the San Luis Valley Solar Energy Association designed to help coordinate and develop solar energy and energy conservation programs.
- Sponsored "Sunshine Company" a traveling solar exhibit program.
- Coordinated individual efforts in energy conservation and solar energy utilization. Disseminated information regarding individual efforts in energy conservation and solar energy utilization.
- Encouraged, through the San Luis Valley's Energy Awareness and Action Program, over 80 solar projects in the San Luis Valley, the majority of which utilize low technology do-it-yourself concepts.

(Continued)

San Luis Valley Council of Governments (Alamosa, Colorado)--ContinuedFunding

No specific funding for the program. Some staff time allocated for the program.

Publications

None

For Further Information Contact

Akira Kawanabe, Senior Planner
(303) 589-7925
San Luis Valley Council of Governments
Box 28, Adams State College
Alamosa, Colorado 81102

Southwest Georgia Area Planning and Development Commission (Camilla, Georgia)

Through a program coordinated by the Southwest Georgia Area Planning and Development Commission, local governments and school districts in the S.W. Georgia Area may realize a 10 percent reduction in their energy consumption over the next year.

Utilizing an energy audit approach, the Commission conducts energy assessments of office buildings and schools and recommends steps that might be taken to eliminate problem areas. The audits include a survey of existing equipment including insulation, ventilation and lighting standards; total capacity of all terminal heating units and air conditioning units; maintenance of heating systems; and updating rate structures and load management.

To date one school has been completed, one school is 90 percent completed and one city is 75 percent completed.

Funding

Funds for the project were secured from the Economic Development Administration and Georgia Tech. University

Publications

- Energy Management and Conservation in the 14 county S.W. Georgia Area Planning and Development Commission. (Publication available on a limited basis.)

For Further Information Contact

Wayne Williams, Director of Research & Technical Assistance
(912) 336-5616
Southwest Georgia Area Plng. and Develop. Comm.
P.O. Box 346 Camilla, Georgia 31730

Chattahoochee-Flint Area Planning and Development Commission (LaGrange, Georgia)

Local governments served by the Chattahoochee-Flint Area Planning and Development Commission have agreed to participate in the Commission's energy program which is designed to reduce the energy consumption of city operations through conservation efforts. The plan includes:

- Suggested changes in operational procedures.
- A study of building design, heating and cooling systems, and mechanical equipment.
- A study of past energy expenses.

In order to achieve the objectives of the program, an energy audit team was established to evaluate the efforts of energy conservation. Through a monitoring procedure established by the Energy Audit Team, records of energy consumption for the past three years have been obtained. These records contain the following information:

- Past consumption data which includes weather and energy consumption in the area.
- Evaluation of energy consumption in buildings, activities in the buildings and street lights.
- Evaluation of energy consumption of vehicular activities.
- Recommended changes in operational procedures to achieve energy conservation and estimate the potential savings. Also included are long and short range capital improvements to buildings to achieve further energy conservation, if needed.
- Possible use of solar heating for heating water of buildings now using boilers. Engineers estimate that this will result in a savings of 75 percent in electrical bills.

Funding

Funding of the project was secured from Georgia Tech University, local funds and the Appalachian Regional Commission.

Publications

Will be available at a later date.

For Further Information Contact

Pete Rayfield, Community Development Planner
 (404) 882-2956
 Chattahoochee-Flint Area Plng. & Develop. Comm.
 P.O. Box 1363
 LaGrange, Georgia

Comprehensive Planning Organization of the San Diego Region (San Diego, California)

In November, 1976, the Comprehensive Planning Organization began work on a regional energy plan that will produce a program to promote energy conservation measures and alternative energy sources that are feasible for the San Diego Region. The program is being conducted in three phases under the direction of a regional energy task force which is:

- Defining energy problems in the San Diego Region.
- Analyzing energy conservation targets and measures, and recommending measures which would be the most cost effective and the least disruptive for the region.
- Analyzing which alternative energy sources are practicable for the region and also come under the jurisdiction of local governments.

These activities will result in a regional energy plan to be recommended to the CPO Board for adoption.

To date energy forecasts for electricity, natural gas and gasoline have been gathered and a "shopping list" of alternative energy conservation methods has been prepared. This list outlines steps local residents and businesses can take to get more efficient use from homes, appliances, cooling systems, existing equipment, transportation, etc.

Funding

The \$46,028 project is being funded by CPO member jurisdictions - 50 percent and (tentative) California Energy Conservation and Development Commission - 50 percent. The estimated completion date is May 1978.

Publications

- Regional Energy Policies - June 1976
- Study Design Regional Energy Plan for the San Diego Region - December 1976
- Conservation Tactic Shopping List - April 1977 (Draft)

For Further Information Contact

Mike Aulick, Senior Planner
 (714) 233-5211
 CPO San Diego
 Suite 524, Security Pacific Plaza
 1200 Third Avenue
 San Diego, California 92101

Sacramento Regional Area Planning Commission (Sacramento, California)

The Sacramento Regional Area Planning Commission's Regional Energy Conservation and Use Plan is designed to help the Commission and member jurisdictions conserve gasoline, natural gas and electricity.

The regional energy goal is to reduce consumption of nonrenewable resources, while increasing usage efficiency -- without radically altering lifestyles. Major objectives of the plan are:

- Use of large scale wind-electricity generator equipment.
- Use of solid waste, especially from agriculture, for energy production.
- Use of solid waste residue (after resources reclamation) for energy production.
- Water use reduction.
- Improve efficiency in the use of equipment and appliances by "load management" to reduce impacts during peak energy use periods, and design and label new equipment and appliances for energy efficiency.

Funding

The cost of the project is \$49,500. Funding was received from the State Energy Commission, Department of Housing and Urban Development and local matching funds.

Publications

Available in September, 1977.

For Further Information Contact

Bruce E. Jones
 (916) 441-5930
 Sacramento Regional Area Planning Commission
 800 H Street, Suite 300 - P.O. Box 808
 Sacramento, California 95804

Southern California Association of Governments (Los Angeles, California)

The overall objectives of the Southern California Association of Governments proposed three year Energy Demonstration Project is to show that local governments working through regional councils can develop an effective plan to conserve energy, minimize energy impacts on environmental projects and develop alternative energy sources.

(Continued)

Southern California Association of Governments (Los Angeles, California)

The Areawide Energy Management Plan includes the following elements:

- Areawide energy conservation through transportation, housing, land use and economic development planning.
- Environmental and energy program coordination through the areawide water quality, solid waste and air quality management plan.
- Energy facilities impact mitigation by identifying inconsistent energy development and the impact of transportation facilities.
- Energy planning coordination through identification of energy planning and policy making agencies which impact energy policies for the SCAG region.

Funding

The cost of the project is estimated to be \$2.5 million over the three year period. Agencies anticipated to provide assistance to this demonstration project include the Federal Energy Administration (FEA) and the U.S. Energy Research and Development Administration (ERDA).

Publications

- Draft Preproposal for an Areawide Management Plan Demonstration Project - April 1977.
- The SOHIO Project - April 1977

For Further Information Contact

Brian W. Farris, Senior Planner
 (213) 385-1000
 Southern California Association of Governments
 600 S. Commonwealth Avenue, Suite 1000
 Los Angeles, California 90005

Association of Bay Area Governments (Berkeley, California)

The Association of Bay Area Governments' proposed energy program is designed to promote wiser use of limited energy resources and to integrate new energy strategies into the public decision-making process. The proposed plan includes the following objectives:

- To integrate energy concerns into the planning process.
- To help determine what local governments, through existing regulations and discretionary action can do to promote wiser use of energy resources.

(Continued)

Association of Bay Area Governments (Berkeley, California)--Continued

- To determine through analysis and evaluation those energy actions that have most positive (or least negative) impacts on regional planning.
- To help local communities take full advantage of special energy opportunities that may be available in the Bay Area.

ABAG submitted the proposed plan to the State Energy Commission and is exploring with the Commission the idea of adapting its projections of the Bay Area's future population, housing and economic conditions to improving forecasts of energy demands.

At the request of the State Energy Commission ABAG conducted a lengthy review of a proposed combined cycle generating plant to determine its impact on the Bay Area. Following a comprehensive review of the plan ABAG made the following recommendations:

- That forecasts for new energy facilities be made part of the program of controlled strategies developed under the Air Quality Maintenance Plan.
- That the impact of desulphurization be examined closely, especially as it might affect fuel supply reliability and the need for alternative fuel sources such as solid waste derived fuel.
- That an examination of the correlation between smaller household size and energy consumption be made and, if proven significant, make corresponding adjustments in the modeling system used to forecast energy demands.

Funding

State Energy Commission

Publications

- Review of the Pacific Gas & Electric Company's notice of intention for a Combined Cycle Power Plant
- ABAG's Proposal to the State Energy Commission to Develop a Regional Energy Plan

For Further Information Contact

Christopher Hartzell, Senior Regional Planner
(415) 841-9730
Association of Bay Area Governments
Hotel Claremont
Berkeley, California 94705

Stanislaus Area Association of Governments (Modesto, California)

The Stanislaus Area Association of Governments is in the first phase of development of a potential three year project to develop expertise in the energy field within the Stanislaus Area.

To date, a report outlining available energy, how it is used, its cost and demand has been completed. The following items are covered in the report:

- Electricity - residential electrical rates in the area; growth consumption since 1950; peak demand for electricity; and power sources required to make up shortages.
- Natural gas - Number of customers using natural gas and how it is primarily used.
- Petroleum - Total sale of taxable gasoline since 1975.
- Transportation - Total amount of gasoline used since 1975; and total number of registered vehicles.
- Residential - Total household electrical consumption since 1955.

Funding

Department of Housing and Urban Development and local funding.

Publications

Data Report: Energy Sources and Uses in Stanislaus County

For Further Information Contact

Stanhope F. Cunningham
(209)526-6200
Stanislaus Area Association of Governments
814 14th Street
Modesto, California 95354

Metropolitan Washington Council of Governments (Washington, D.C.)

The Metropolitan Washington Council of Governments' energy project is designed to develop contingency plans to assist local governments in dealing with the impacts of fuel shortages, and to develop information and data resources to assist with the region's future energy planning.

Metropolitan Washington Council of Governments (Washington, D.C.)--Continued

Major elements of this program are:

- Creation of Energy Information Center: - Since June, 1975, approximately 500 books, monographs, pamphlets and serials has been acquired and catalogued. These resources are used to answer energy inquiries from local governments, the media, planning agencies, elected officials and the public.
- Energy Contingency Planning - With the cooperation of the District of Columbia Office of Civil Defense, two emergency notification and alert systems -- one for natural gas and one for electricity -- have been implemented. Through these plans, local governments will be notified of interruptions in natural gas and electricity service using civil defense communications channels.
- Metropolitan Energy Projections to 1995 - Designed to link consensus projections of future households, jobs and transportation facilities, with the assessment of consequent impact upon government fiscal capabilities, energy consumption and the use of the region's transportation system.
- Utility Peak Load and Block Rate Pricing - Study of utility peak load and block rate pricing as they affect the Washington area.

Funding

Department of Housing and Urban Development and local funds

Publications

- Natural Gas Supply Emergency Alert Plan
- Metropolitan Washington Council of Governments Areawide Gasoline Allocation Plan Energy Balance for the Metropolitan Washington Area for 1973
- Energy, Land Use, and Growth Policy: Implications for Metropolitan Washington
- Energy Information Resources Maintained by the Metropolitan Washington Council of Governments
- Energy Consumption and the Air Transportation System in Metropolitan Washington: Implications for the Future
- Peak-Load Pricing and Block Rates: A COG Background Paper
- Energy Projections to 1995 for the Metropolitan Washington Area

For Further Information Contact

Trevis D. Markle
 Manager, Land Resources
 (202)223-6800, Ext. 308
 Metropolitan Washington Council of Governments
 1225 Connecticut Ave., N.W.
 Washington, D.C. 20036

OTHER REGIONAL COUNCILS INVOLVED IN ENERGY

Southeast Alabama Regional Planning
and Development Commission
P.O. Box 1406—Suite 207, Plaza 2
Dothan, Alabama 36301
Phone: (205) 794-4092

Northern Arizona Council of Governments
P.O. Box 57
Flagstaff, Arizona 86001
Phone: (602) 774-1895

Southeast Arkansas Regional Planning
Commission
1124 West Pullen
Pine Bluff, Arkansas 71601
Phone: (501) 534-4247

Northwest Arkansas Regional Planning
Commission
P.O. Box 745
Springdale, Arkansas 72764
Phone: (501) 751-7125

Merced County Association of Governments
P.O. Box 2201
Merced, California 95340
Phone: (209) 723-3153

East Central Council of Governments
Box 28
Stratton, Colorado 80836
Phone: (303) 348-5562

Wilmington Metropolitan Area Planning
Coordinating Council
2062 New Castle Avenue
New Castle, Delaware 19720
Phone: (302) 656-5449

Southwest Florida Regional Planning
Council
2121 West First Street
Ft. Myers, Florida 33901
Phone: (813) 334-7382

South Florida Regional Planning
Council
1515 N.W. 167th Street, Suite 429
North Miami, Florida 33169
Phone: (305) 621-5871

Barrington Area Council of Governments
206 South Hough Street
Barrington, Illinois 60010
Phone: (312) 381-7871

South Central Illinois Regional
Planning and Development
Commission
107a South Broadway
Salem, Illinois 62881
Phone: (618) 548-4234

Indiana Heartland Coordinating
Commission
7212 N. Shadeland Avenue, Suite 120
Indianapolis, Indiana 46250
Phone: (317) 849-4629

Iowa Northland Regional Council
of Governments
Suite N, Russell Lamson Building
Waterloo, Iowa 50701
Phone: (319) 235-0311

Kentucky River Area Development
District
1001 North Main—P.O. Box 986
Hazard, Kentucky 41701
Phone: (606) 436-3158

Lower Pioneer Valley Regional
Planning Commission
26 Central Street
West Springfield, Mass. 01089
Phone: (413) 739-5383

Mid-America Regional Council
20 West Ninth Street, Third Floor
Kansas City, Missouri 64105
Phone: (816) 474-4240

Southeast Missouri Regional Planning
and Economic Development Commission
19A North Main Street—P.O. Box 366
Perryville, Missouri 63775
Phone: (314) 547-8357

Cape Fear Council of Governments
P.O. Box 1491
One North Third Street, Suite 206
Wilmington, North Carolina 28401
Phone: (919) 763-0191

Souris Basin Planning Council
Dakota Hall—Minot State College
Minot, North Dakota 58701
Phone: (701) 839-6641

Williston Basin Regional Council
for Development
512 Fourth Avenue East
Williston, North Dakota 58801
Phone: (701) 572-8191

Ohio Mid Eastern Governments Association
326 Highland Avenue
Cambridge, Ohio 43725
Phone: (614) 439-4471

Miami Valley Regional Planning
Commission
333 West First Street, Suite 500
Dayton, Ohio 45402
Phone: (513) 223-6323

Eastgate Development and Transportation
Agency
1616 Covington Street
Youngstown, Ohio 44510
Phone: (216) 746-4663

Columbia Region Association of Governments
527 S.W. Hall
Portland, Oregon 97201
Phone: (503) 221-1646

Mid Willamette Valley Council
of Governments
220 High Street N.E., Senator Building
Salem, Oregon 97301
Phone: (503) 588-6177

Lower Savannah Council
of Governments
P.O. Box 850
Aiken, South Carolina 29801
Phone: (803) 649-7981

Upper Savannah Council
of Governments
P.O. Box 1366
Greenwood, South Carolina 29646
Phone: (803) 229-6627

Catawba Regional Planning Council
P.O. Box 862
107 Hampton Street
Rock Hill, South Carolina 29730
Phone: (803) 328-6108

First Planning and Development
District
401 First Avenue, N.E.
Watertown, South Dakota 57201
Phone: (605) 886-7224

First Tennessee-Virginia
Development District
207 North Boone Street
Johnson City, Tennessee 37601
Phone: (615) 928-0224

Middle Rio Grande Development
Council
P.O. Box 1461
Del Rio, Texas 78840
Phone: (512) 775-1581

Permian Basin Regional Planning
Commission
P.O. Box 6391
Midland, Texas 79701
Phone: (915) 563-1061

Nortex Regional Planning Commission
1914 Kemp Boulevard
Wichita Falls, Texas 76309
Phone: (817) 322-5281

Six-County Economic Development
District
P.O. Box 78
Nephi, Utah 84648
Phone: (801) 623-0150

Six-County Commissioners Organization
Sevier County Courthouse
250 North Main
Richfield, Utah 84701
Phone: (801) 896-4609 or 4675

Peninsula Planning District Commission
2017 Cunningham Drive
Hampton, Virginia 23666
Phone: (804) 838-4238

Southeastern Virginia Planning District
Commission
16 Koeger Executive Center
Norfolk, Virginia 23502
Phone: (804) 461-3200

Klickitat Regional Council
P.O. Box 268
Goldendale, Washington 98620
Phone: (509) 773-5703



