

MINUTE ITEM

This Calendar Item No. 40
was approved as Minute Item
No. 40 by the State Lands
Commission by a vote of 3
to 0 at its 2/24/80
meeting.

CALENDAR ITEM

40.

4/80
W 7355.9
Hoagland

AMENDMENT OF THE MEMORANDUM OF UNDERSTANDING
CREATING A STATE GEOTHERMAL COORDINATING COUNCIL

P.R.C. Section 3742 creates the Geothermal Resources Board (GRB) within the Department of Conservation. The GRB is composed of the Director of Conservation as its Chairman, the State Geologist as its Secretary, and the State Oil and Gas Supervisor, Executive Officer of the State Lands Commission, Chairman of the State Water Resources Control Board, Director of the Department of Water Resources, President of the Public Utilities Commission, and the Director of the Department of Fish and Game, as members.

The purpose of the GRB, among others, is to act as a board of appeals to decisions of the Oil and Gas Supervisor, to declare known Geothermal Resources Areas, and to issue certificates of primary purpose for geothermal wells.

In September 1971, the GRB created a Technical Advisory Committee (TAC) to supply it with technical staff assistance. TAC was composed of staff of the above-listed agencies.

Chapter 958, Statutes of 1976 created a State Geothermal Resources Task Force to study all aspects of the development of the geothermal resources of the state and to respond to a number of questions posed by this legislation. The task force was composed of 4 legislators, 3 public members, all of the member agencies of the GRB plus the Office of Planning and Research, Air Resources Board, Energy Commission, and the Solid Waste Management Board.

The report was completed on December 29, 1977. As a result of the deliberations of the Task Force, many members, who were also members of TAC, felt that the scope of TAC and its membership should be broadened so that TAC could serve as a clearinghouse for state and federal agencies, local government, industry, and the public involved in development of geothermal resources.

In early 1978, the GRB, at the urging of representatives of agencies which had served on the Task Force, expanded the size of the TAC by adding seven state agencies as well as 3 public members.

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From that time on the activities of TAC expanded while those of the GRB diminished. TAC subcommittees were formed to review and comment on proposed land use activities on both the state and federal level, an ad hoc State/Federal committee was formed and met regularly to discuss and seek solutions to mutual problems, legislation was reviewed and commented on and proposals for funding and research activities by the United States Department of Energy were monitored and commented upon.

Despite this increased tempo of activity and awareness of the importance of TAC as a problem clearinghouse among the geothermal community, TAC still had no legal status since it was a child of the GRB. This lack of legal status and consequent lack of credibility was felt by many to be a serious deterrent to making it a more effective organization.

Since an earlier legislative attempt at changing the structure of the GRB had failed, it was suggested that a new organization to replace the presently constituted TAC be created by Executive Order. When this plan failed to secure support, it was recommended that a new organization, the Geothermal Coordinating Council, be created through execution of a Memorandum of Understanding (MOU) by participating agencies.

The new State Geothermal Coordinating Council (GCC) would be composed of one representative of the following state agencies: Air Resources Board, Energy Commission, Departments of Conservation, Fish and Game, Parks and Recreation, Water Resources, and Health, Solid Waste Management Board, Water Resources Control Board, Public Utilities Commission, State Lands Commission, the Office of Planning and Research and 3 public members. Other agencies could join the Council by petitioning to become a signator to the MOU.

Under this proposal, TAC would revert to its previous form and only meet on call to provide technical assistance to the GRB. The new GCC would take over the more wide-ranging activities of a coordinating organization.

The MOU does not bind the State Lands Commission to any position taken by the GCC; in fact, the MOU stipulates that positions on issues and legislation must be taken back to the member agencies for approval. Member agencies may withdraw from the GCC upon 30-days notice. Failure to attend 4 consecutive council meetings or all meetings

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during a 6-month period, whichever number of meetings is greater, shall infer a repudiation of the MOU and a termination of membership by that agency.

At its September 1979 meeting, the Commission authorized the Executive Officer to execute the memorandum of understanding creating the new Geothermal Coordinating Council and to name a designee to attend in his place.

At subsequent meetings of the Geothermal Coordinating Council, concerns were expressed by the Departments of Fish and Game, Conservation and Water Resources that the new Geothermal Coordinating Council should not act as a separate State entity to express policies formulated by its membership. These agencies asked for amendments to the MOU to reflect this view.

The amended MOU reflects, through additional language, the concern described above which is simply a reaffirmation of language contained in the original document which prohibits the organization from expressing views or making policy without the express consent of the member agencies. The State Lands Commission and the Public Utilities Commission are the only member agencies which have not yet executed the amended MOU.

Because of the growing interest in the development of geothermal resources and the complex interplay by state, federal and local agencies as well as industry, there is a need for an organization within state government such as the proposed Geothermal Coordinating Council.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE AMENDED MEMORANDUM OF UNDERSTANDING ON FILE IN THE OFFICE OF THE COMMISSION IN ORDER FOR THE COMMISSION TO BECOME A MEMBER OF THE GEOTHERMAL COORDINATING COUNCIL.