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COMMENTS OF GENE VARANINI
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DELTA VISION BLUE RIBBON TASK FORCE
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WHAT SINGLE ENTITY COULD SATISFY THE OBJECTIVE OF ACHIEVING THE TWO
EQUAL GOALS OF ECOSYSTEM REVITALIZATION AND ADEQUATE WATER SUPPLY
FOR CALIFORNIA?

I think this can be done but it will be important to precisely define adequate and water supply. The reason for this is that adequacy and supply are complex terms which take into account forecasts and value judgments concerning adequacy and the preference for efficiency and conservation in meeting demand. A single entity can be designed to make these decisions, but its first charge must be to produce a credible need assessment with ecosystem and other important values of the delta, setting the criteria for statewide efficiency cost effectiveness and functional limitations on supply created by ecosystem costs.

The CEC as originally confected and implemented can serve as a conceptual model for the necessary balancing process anticipated in management of the delta. In later years the tandem responsibilities of the CEC on the one hand and the PUC and Muni boards on the other approximate CEC original responsibilities.

Precatory (intent) language and broad policy statutory language leave critical decisions and more importantly non decisions (inaction) to the discretion, courage, and personalities of the entity. Intent and broad statutory directives are generally limited to law suits concerning legal authority and brochures. Blowsy macro plans which follow broad policy statutory language are good for long range planning, RD&D oversight and PR.

Implementation should be accomplished by a statutorily required tactical plan which determines need, evaluates and ranks facility and efficiency alternatives, sets facility regulatory parameters, insures that the parameters are applied in regulation and includes RD&D targets and investment levels. The tactical plan should include:

1. Need determination in terms of ecosystem requirements and supply remainders.
2. Efficiency and conservation mandates; explicit categorical conservation requirements should be spelled out.
3. Ranking of supply technology facilities by impact, supply requirements and approval preferences of projects within the need paradigm.
4. Regulatory process as a CEQA equivalent thereby giving the plan regulatory “clout” and limiting interlocutory law suits.
5. RD&D, research development and demonstration of mitigating and alternative technologies, and their potential role in dampening demand and meeting supply.

DELTA VISION’S 6 ATTRIBUTES OF SUCCESS.

The determinants that I just outline conceptually meet the first, second, part of the third, and sixth of your Vision’s attributes for success of a governance entity, and can be procedurally structured to meet the fourth and fifth. (Vision p. 53)

The part of the third and the sixth concerning financing will require a more complex solution. Particularly as large amounts of funds will be required over and above operational and initial seed funding for RD&D. However, the funds should be directed by the entity and to the extent possible be continuously appropriated.

DELTA VISION’S 12 INTEGRATED AND LINKED RECOMMENDATIONS.

All the key elements of the delta visions twelve excellent recommendations need to be folded into the governance mechanism. An area of particular attention should focus on the state level process and regional land use decisions. Permitting and enforcement will be very complex; the CEC operates on a unique basis in this regard having been granted primary jurisdiction over most other general land use regulatory entities regarding the approval of power plant sites.

RESPONSE TO COMMENTS AND QUESTIONS BY THE TASKFORCE.

In response to comments and questions the following is respectfully added to my comments.

CEC PLANNING PROCESS IS CONCEPTUALLY STRAIGHT FORWARD.

The original CEC planning and regulatory process was an attempt to create a tension between demand and supply projected forward into a reasonably foreseeable future. The goal required long range planning of 20 years, an action planning horizon of 10 years (because of long lead time capital outlay supply solutions), and two year regulatory period. The regulatory period provided a basis for accurate marginal analysis in terms of balancing demand, demand at a price, demand dampening by efficiency and conservation activities which are underway or nearly so; and finally required approval of the supply stimulation or infrastructure necessary to meet “final” demand. As well, the process insures that alternatives analyses are properly scoped into what is possible. This eliminates the potential for an infinite list of alternatives, which in some analysis postulates facilities with superior attributes, which in reality are have not been fully developed and whose residuals remain unanalyzed and whose superior attributes are probably unachievable. The original models utilized in developing the CEC legislation were the Dynamic Model developed at MIT by the Meadows a husband and wife team, as well as, the Rand Corporation's, *California's Electricity Quandary*. Vols. I-III.

PUBLIC EDUCATION OF LONG TERM THREATS TO THE DELTA NEED NOT DELAY NECESSARY CONSERVATION AND FACILITIES DECISIONS.

The notion that the public needs to be educated about potential outcomes in the delta from earth quake and the myriad of impacts from global warming i.e. rise in water, increased severity of storms, increased salinity, drought, rapid shifts from micro storms, etc. are no less threatening than the promised economic and social disaster predicted by those who argued in 1971 that California needed to build a nuclear power plant every ten miles along the coast to make it into the 21st century.

The concept developed by Charles Warren after extensive hearing on forecasting and predicting the future was based on an early form of scenario planning. That approach was to use reasonably

unbiased analytical and heuristic tools to project a range of outcomes, and since no one can predict the future to deflect the “unacceptable futures” by choosing a preferred direction or trend and implement the policies and actions necessary to move in the appropriate direction. If that logic is applied to your mission - and to Joe Bodovitz's recommendations - you can recommend discrete policies and more importantly actions which can be taken now with "no regrets". It seems to me that "no regrets" is nothing more than a modernization of Pascal's gamble, which is after all a wager with infinitely more profound stakes.

Waiting for the better to crowd out the good will result in getting nothing done or at the least create a no action alternative for either facilities or a sympathetic set of efficiency requirements. It seems to me that the water delivery system has already committed flows based on levels of availability and a number of facilities are already part of the planning, regulatory and development paradigm. If this is so, two levels of mitigation are required. One to offset the immediate impacts and two to limit facilities to only those vitally needed to transport a defined and limited amount of water. The direction of a substantial commitment to efficiency and conservation is an independent and dependent public good. Tying facilities and efficiency together in a dynamic model which provides guidance and defines the bounds of analysis for facilities and opportunities for advanced conservation is not rocket science; it is a necessity to achieve the dual missions. Waiting to define the notion of a restored ecosystem is simply not an option. Determining the actions necessary to maintain the resource and meet reasonable and varying limited commitments needs to be done now.

CREATING CATEGORIES OF SPECIFIC CONSERVATION MANDATES AND SPECIFIC REGULATORY ACTIONS ENHANCE AND EXPEDITE CONCRETE RESULTS AND BY DEFINITION DEAL WITH CLIMATE ISSUES.

Process directives in legislation set the initial direction for the entity and insure that present day critical analysis and actions are taken. More importantly, in the efficiency portion of the legislation categories of conservation actions can be imposed based on substantive models already available from early adaptors and leaders such as MWD. Allowances can be made for regional variation just like they are in the residential building standards of the CEC legislation, taking into account climatic, the variety of end users, and other regional variants. These

conservation actions can be mandated just like the numerous mandates applied to electric utilities and classes of developers and end users by the CEC, PUC and the Municipal Boards.

The entity can take prudent and necessary actions now which will deal with water economics, carrying capacity for the delta, increased efficiency of water utilization, and other facility improvements which simply are the best we can do to deal with the problems including climate change which will or may impact the delta. The global challenge of climate change awaits a post Kyoto policy environment and a change in US leadership.

JOE BODOVITZ'S AGRICULTURE AND WATER USAGE DILEMMA.

Another point made by Joe needs some thought and consideration as well. It may not be the mission of the Delta entity, but to the extent the entity is to take the lead in directing and recommending water conservation state wide his concern for agricultural policies based on an alternative of either selective or brute force pricing needs some additional consideration. As your staff pointed out I worked with Chairman Warren on a process to over-zone the state and protect prime and commercially important agricultural lands. In order to promote the legislation we attended the World Food Conference sponsored by FAO in Rome as NGOs. Among the important things that we learned was a report of the US CIA (unclassified) that food and food policy would be to the 21st century what nuclear arms were to the end of the 20th. We circulated this report in the California legislature and it was one of the reasons that the legislation failed by only one vote. This work and result are important today as you deliberate because it made the point that some agricultural uses are fundamental and that there is a relationship between the basic land resource, agricultural production, and efficient utilization of inputs including water. For example drip irrigation and other advances have certain cache' over trying to overpower nature in desert and desertification lands. Again in Joe's parlance (and in diffidence to both of our Mediterranean heritages and apologies to Martha Stewart) tomatoes are a "good thing." But in order to have good things it may be necessary to mix and match efficiencies and conservation to particular land resources such as the efficacy of application of drip irrigation to appropriate soils and climates.

ENHANCED PUBLIC PARTICIPATION.

In developing the Warren Alquist Act it was determined that dedicated and uncompromised public assistance would be necessary to insure that there was full public participation given the regulatory and subject matter complexity of the Commission's planning, quasi judicial, and quasi administrative proceedings. A Public Advisor was created whose mission was to provide information and guidance to the public. The Advisor is appointed by the Governor upon recommendations from the Commission, and is independent of the Commission and its staff. Although the Public Advisor is not an advocate, the essential function of providing unbiased information on effective participation and insights into the CEC process has assisted public persons and public intervenors in their participation. As well, to some extent the Public Advisor has acted as both a clearing house for available information, and on occasion has, if requested, assisted in organizing the various publics for more efficient and effective public participation.

CONCLUSION.

Thank you for the opportunity to assist you in your important mission, I remain available to you and your excellent staff for any other assistance that you may require of me.