

**INTERIM REPORT OF THE**

**COMMISSION TO STUDY THE**

**ENERGY CRISES IN THE COMMONWEALTH**

**TO**

**THE GENERAL ASSEMBLY OF VIRGINIA**



**Senate Document No. 6**

COMMONWEALTH OF VIRGINIA  
Department of Purchases and Supply  
Richmond  
1978 74



## MEMBERS OF COMMISSION

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GEORGE F. BARNES, *Chairman*  
C. D. DUNFORD, *Vice-Chairman*  
LESLIE D. CAMPBELL, JR.  
CLAIBORNE D. GREGORY  
WILLIAM B. HOPKINS  
GEORGE W. JONES  
GLENN B. McCLANAN  
JOHN L. MELNICK  
LEWIS W. PARKER, JR.  
STANLEY RAGONE  
EUGENE M. SCHEEL

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## STAFF

JOHN A. BANKS, JR., *Director*

ROBERT B. COUSINS, JR.  
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Interim Report of the  
Commission to Study the Energy Crises in the Commonwealth  
To  
The General Assembly of Virginia

Richmond, Virginia  
December 10, 1973

**TO: THE GENERAL ASSEMBLY OF VIRGINIA**

**I. INTRODUCTION**

Virginia, along with the remainder of the United States, is experiencing an energy crisis. Supplies of fossil fuels such as coal, natural gas and petroleum—the generators of the energy we use—have dwindled. In addition, consumption of energy and demand for energy exceed the supply of that energy in forms which are compatible with existing environmental standards. The search for new and expanded sources of energy has not kept pace with the same growth rate of needs for energy.

Numerous factors contributing to this energy crisis led the 1973 General Assembly to enact Senate Joint Resolution No. 128 creating a commission to study the energy crises in the Commonwealth. The resolution reads:

## SENATE JOINT RESOLUTION NO. 128

Creating a commission to study the energy crises in the Commonwealth.

Whereas, a conflict exists between the Commonwealth's increasing demand for energy to further economic growth and maintain a high standard of living, and its ability to provide that energy; and

Whereas, such conflict affects not only the Commonwealth, but also the nation, and has been termed an energy crisis; and

Whereas, the elements of this crisis consist of a decreasing supply of fuels, an increasing demand for the energy created by these fuels, and an increasing cost to acquire them; and

Whereas, ways must be found to meet the increasing demand for energy-producing fuel without sacrificing our natural environment; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That there is hereby created the Commission to Study the Energy Crises in the Commonwealth, hereinafter referred to as the Commission. The Commission shall study dimensions and consequences of the energy crises by conducting a study of the existing and future demands for energy-producing fuels in the Commonwealth, the amounts and types of needed fuel supplies that will be available, the likely cost to the future consumers of energy in Virginia, and the environmental consequences of extracting and utilizing such fuels.

The Commission shall be composed of eleven members, five to be appointed by the Speaker of the House of Delegates from the membership thereof, three to be appointed by the Committee on Privileges and Elections of the Senate from the membership of the Senate and three to be appointed by the Governor from the State at large.

Members of the Commission shall serve without compensation but shall be reimbursed for the expenses incurred by them in the performance of their duties in the work of the Commission, for which, and for such other expenses as may be required, including secretarial and other professional assistance, there is hereby appropriated from the contingent fund of the General Assembly the sum of fifty thousand dollars.

The Commission shall submit to the General Assembly an interim report no later than November one, nineteen hundred seventy-three, and a final report no later than November one, nineteen hundred seventy-four, of its findings along with recommendations to be considered in establishing an energy policy for the Commonwealth designed to meet the energy crisis.

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## II. ORGANIZATION AND WORK OF THE COMMISSION

A. Pursuant to Senate Joint Resolution No. 128, John Warren Cooke, Jr., Speaker of the House of Delegates, appointed the following delegates as members of the Commission:

Honorable C. D. Dunford, Tazewell  
Honorable George W. Jones, Bon Air  
Honorable Glenn B. McClanan, Virginia Beach  
Honorable John L. Melnick, Arlington  
Honorable Lewis W. Parker, Jr., South Hill

The Committee on Privileges and Elections of the Senate appointed the following Senators as members of the Commission:

Senator George F. Barnes, Tazewell  
Senator Leslie D. Campbell, Jr., Ashland  
Senator William B. Hopkins, Roanoke

The Honorable Linwood Holton, Governor of Virginia, appointed the following members of the Commission from the State at large:

Mr. Claiborne D. Gregory, Doswell  
Mr. Stanley Ragone, Richmond  
Mr. Eugene M. Scheel, Waterford

The Virginia Advisory Legislative Council and the Division of Legislative Services made staff and facilities available to carry out this study; Robert B. Cousins, Jr., and Janet Miri being assigned to assist the members of the study commission.

B. The Commission met, organized and elected Senator George F. Barnes, Chairman, and Mr. C. D. Dunford, Vice-Chairman. At a subsequent meeting commission members heard from the following representatives of their respective organizations: Dr. Bruce C. Netschert, Vice-President of National Economic Research Associates, Inc.; J. Neal Miller, Jr., Vice-President for Governmental Relations for the Southern Region, Gulf Oil Company; Minor H. Hawley, Emergency Resources Coordinator of the Virginia Department of Agriculture and Commerce; Mark Owings, Gulf Oil Company; W. Luke Witt, President of the Virginia Coal Association; Maurice B. Rowe, Secretary of Commerce and Resources; and George H. Lawrence, Senior Vice-President for Public Affairs of the American Gas Association.

As a result of the Commission's meetings and research, the Commission presents its interim report to the General Assembly of Virginia.

### III. DISCUSSION

#### A. Definition of Problem.

Demand for all sources of energy on both national and state levels exceeds our fuel supplies that meet federal and state environmental regulations and standards. The United States, with 6 percent of the world's population, consumes approximately 33 percent of the world's total energy. Energy consumption in the United States has doubled over the past 20 years, and demand is expected to again double in the 15-year period between 1970 and 1985. Demand for all types of energy — oil, gasoline, diesel fuel, naptha, propane, natural gas, coal, and nuclear power—has grown at an average annual rate of 4.8 percent in recent years, and this rate is expected to increase between 1970 and 1985.<sup>1</sup>

#### B. Causes of the Crisis.

A few of the many factors contributing to the energy crisis are:

Due to federal regulations, the price of natural gas has been kept low, and thus our gas reserves have been wastefully used and further exploration has been discouraged. At the same time, environmental efforts have, for all

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<sup>1</sup> Jones, Daniel G. *The National "Energy Crisis" and Virginia* (Richmond, Virginia: Division of State Planning and Community Affairs, August, 1973).

practical purposes, brought to a halt the use of coal and oil with high-sulfur content, thus further increasing the consumption of natural gas and low-sulfur fuels such as No. 2 fuel oil (home heating oil). In addition, a major new energy source, nuclear power, is encountering numerous delays due to environmental and regulatory problems as well as construction problems associated with labor availability and productivity.

With natural gas in short supply, with the environmental problems associated with most coal use, and with delays in nuclear units, energy users began to rely more heavily on petroleum. A further burden on petroleum supply was encountered when environmental standards reduced the efficiency of automobile engines, thus increasing the consumption of gasoline. Now with ever increasing demand and very little growth in drilling and refinery facilities, petroleum is also in short supply. Thus, there is greater reliance on growing imports at a time when some of the oil-producing countries are restricting supplies. Therefore, many experts feel that although the growing importation of oil has brought the energy situation to a critical stage, the federal government's policy of regulating the price of natural gas at the wellhead has contributed as much as any other factor to the foundation of the energy shortage.

### C. Solutions to the Problem.

There are different opinions as to the quickest, easiest and most economical and environmentally desirable solution to the energy problem, and there is no doubt that a combination of efforts will be required in order to increase the production and supply of oil, gas, coal and electricity.

The Commission, realizing its responsibilities to the citizens of the Commonwealth, coordinated its efforts with the State agencies responsible to Secretary Rowe to initiate certain proceedings that would help to ease the projected shortage of heating oil this winter. Concurring with policies already established, wherein, as of November 1, 1973, the Commonwealth of Virginia has stored twelve million gallons of heating oil at the Cheatham Annex through a lease with the United States Government, the Commission study revealed that this particular program would represent no cost or need for appropriation by the General Assembly, and all benefits derived from this emergency effort would be to the advantage of all citizens of the Commonwealth.

To increase the supply of energy the Commission recommends:

- \* Immediate relief from all emission standards, laws and regulations in those areas where the health and safety of the public is not endangered until the energy crisis is abated.

- \* Immediate removal of governmental pricing restrictions on natural gas at the wellhead.

- \* Immediate relief of some standards, laws and regulations restricting underground coal-mining operations, unless the health and safety of the workers and the public is endangered. Additional strip-mining bills and other restrictions on mining operations presently under consideration by Congress should be deferred for the duration of the energy crisis.

- \* Reduction of time-consuming procedural requirements necessary to locate and construct:

1. New refineries needed to process crude oil into products demanded by consumers,

2. New coal operations,
3. New oil ports and tank farms needed to receive and store oil, and
4. New electric generating stations and associated transmission facilities needed to meet the electrical demands of the Commonwealth of Virginia.

- \* Immediate construction of the Alaskan pipeline, needed to transport oil from the North Slope of Alaska to refineries and utilization within the lower 48 states.

- \* Development of off-shore oil and natural-gas fields with proper environmental safeguards.

- \* Study of the necessity for a deep-water port for large tankers off the coast of Virginia.

- \* Increased research and development on such items as gasification of coal, solar, geothermal and nuclear breeder and fusion reactions with the purpose of reducing the dependence upon oil as our major energy supply.

- \* Amendment of the 1969 federal Coal Mine Safety Act to delete the provision that all coal mines are considered to be gassy, thus enabling a return to the former classification system whereby mines containing methane are considered to be gassy and mines where no methane is present are considered to be non-gassy.

- \* Continuance of the federal government's practice of paying pneumoconiosis ("black lung disease") claims to relieve mine operators of the financial burden of paying future claims. This would encourage marginal mine operators to continue to mine coal and others to open new mining operations.

#### D. Depletion and conservation of existing energy supplies.

The problem of depletion of existing supplies of energy is the most critical immediate problem consumers face. While methods of increased production of energy are being studied and provided for, efforts to conserve existing supplies of energy must be made. It is believed that education of the public to the seriousness of the energy crisis and to steps that can be taken to help is most important at this time.

Suggestions concerning transportation include:

- \* Provide that in the future the Commonwealth of Virginia purchase automobiles which consume less fuel.

- \* Encourage use of mass-transit systems, car pooling and better driving habits along with a reduction of non-essential travel.

- \* Encourage citizens to purchase automobiles which consume less fuel.

- \* Reduction of maximum speed limits on all highways to 50 m.p.h. for the duration of the energy crisis.

In order to save energy and fuel bills in industrial and commercial establishments and residences, the following items should be considered:

- \* Lower thermostat settings in winter and use higher settings for air conditioning in summer.

- \* Turn the thermostat down at night or when a building or room is unoccupied.



- \* Encourage commercial and industrial establishments to review their processes to make certain that they are using energy efficiently and wisely.

- \* Encourage architects and builders to design and construct buildings to minimize energy requirements.

- \* Incorporate into the Uniform Statewide Building Code requirements for insulation of new buildings.

In addition to the above recommendations, the residential section should:

- \* Install storm windows and doors and weatherstrip them.

- \* Close shades and drapes at night, and during winter daylight hours let the sun's heat come through windows.

- \* Install at least six inches of attic insulation, and, when possible, wall and floor insulation in older homes.

- \* Insulate heating ducts and hot-water pipes.

- \* Tune up the heating system and keep it clean.

- \* Keep fireplace dampers closed when not in use.

- \* Close off attic spaces from the rest of the house.

- \* Reduce wasteful use of energy by turning off household lights and appliances when not needed.

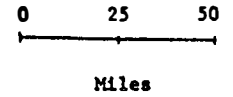
#### IV. CONCLUSION






In this interim report the Commission has sought to define the scope of the energy crisis and to offer some suggestions, which, it is felt, may help to ease energy shortages. The Commission believes that it is useless to single out a group or groups to provide a scapegoat for the present situation. For this reason, it has attempted to direct its study toward ways in which the energy shortages can be met. In its final report, due November 1, 1974, the Commission will present more specific and technical near-term and long-term proposals for consideration. It should be recognized that the proposals for the near term are "stop-gap" measures. Long-term solutions require careful consideration and involve a number of alternate possibilities.

The Commonwealth of Virginia has already initiated certain programs to help deal with present problems, including, as already noted, the purchase of fuel supplies for use in emergency situations and the appointment of an agency task force to formulate a position and act as a liaison with the federal government on questions of off-shore exploration and drilling and off-shore ports. The Commission expects to continue to work closely with those State officials and agencies with responsibilities in this area.

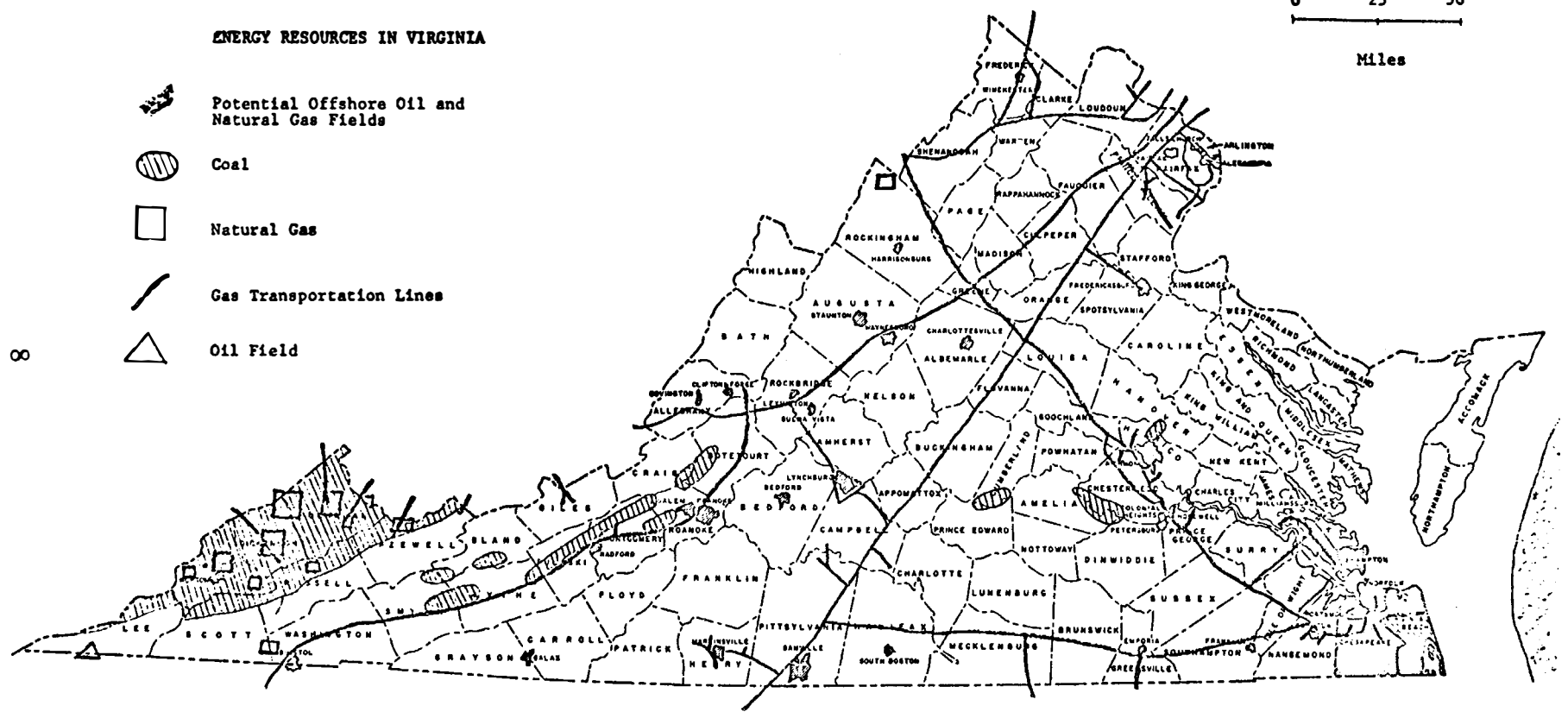
The Commission emphasizes, however, the necessity to set energy priorities and to implement a national energy policy, which will require a total national commitment to overcome the present energy crisis. This is a problem of utmost concern which cannot be dealt with by a piecemeal approach. Over

**ENERGY RESOURCES IN VIRGINIA**



-  Potential Offshore Oil and Natural Gas Fields
-  Coal
-  Natural Gas
-  Gas Transportation Lines
-  Oil Field

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the long term, it is believed that with proper development, the United States has the resources to meet its energy needs and to check the growing energy import problem.

Respectfully submitted,

George F. Barnes, Chairman

C. D. (Don) Dunford, Vice-Chairman

Leslie D. Campbell, Jr.

Claiborne D. Gregory

<sup>1</sup> William B. Hopkins

George W. Jones

<sup>2</sup> Glenn B. McClanan

<sup>3</sup> John L. Melnick

Lewis W. Parker, Jr.

Stanley Ragone

<sup>4</sup> Eugene M. Scheel

1. Senator Hopkins filed the following statement with his approval of the Commission's report:

I do not desire to file a minority report as I am in general agreement with the recommendations made. However, I believe a long term solution can be found where we can meet our energy needs as well as make progress in cleaning up our environment. I definitely feel that where irreparable damage is not done, there must be some relaxation with existing environmental standards. I would object to relaxation for any longer time than is necessary.

2. Mr. McClanan asked that the following statement be appended to his signature:

While I agree with many of the Commission's proposals to ease the energy shortage, I cannot concur with the precise wording of certain of these recommendations. In place of the recommendation for "immediate

relief from all emission standards, laws and regulations in those areas where the health and safety of the public is not endangered," I would recommend "a review of all emission standards, laws and regulations to determine ways in which they may be relaxed without endangering the health and safety of the public." Similarly, I would recommend "a review of our standards, laws and regulations restricting underground coal-mining operations to determine if their provisions can be relaxed without endangering the health and safety of the workers and the public," in place of the Commission's proposal for "immediate relief of some standards, laws and regulations restricting underground coal-mining operations, unless the health and safety of the workers and the public is endangered." Since we have had no testimony before us concerning the federal strip-mining bills and other restrictions concerning mining operations that are presently before Congress, I could not concur with the Commission's recommendation that "additional strip-mining bills and other restrictions on mining operations presently under consideration by Congress should be deferred for the duration of the energy crisis." I would also recommend that the Commission's proposal for "development of off-shore oil and natural-gas fields with proper environmental safeguards" be prefaced with the words "a study of." Finally, I do not concur with the Commission's recommendation for "continuance of the federal government's practice of paying 'black lung disease' claims to relieve mine operators of the financial burden of paying future claims." I am not aware that there has been testimony before our Commission on this subject. Additionally, I am concerned that there may have been numerous abuses of the existing law concerning payments of certain black lung claims.

3. Mr. Melnick asked that the following statement be appended to his signature:

I object to any recommendation in this report that would defer any bill presently before Congress where lack of regulations now could cause irreparable damage to the environment for years to come.

4. Mr. Scheel does not concur in the Commission's recommendation that: "Additional strip-mining bills and other restrictions on mining operations presently under consideration by Congress should be deferred for the duration of the energy crisis." He does approve the following alternate wording: "Consideration should be given to Congressional deferral of strip-mining bills and other restrictions on mining operations if such deferrals meet with the approval of the Environmental Protection Agency."

