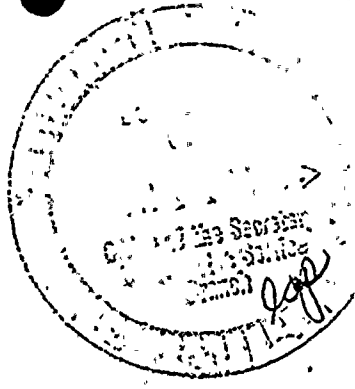
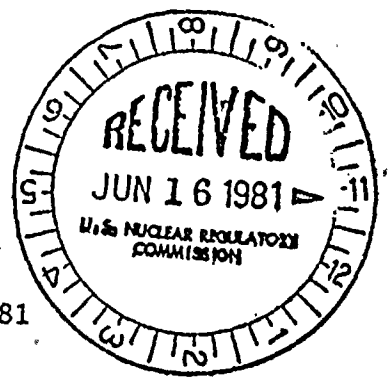


QUADREX

QUADREX CORP. 1700 DEL ANTELO CALIFORNIA 95814



50-275-323 APR 20 1981



4/16/81 April 16, 1981

The Honorable Assemblyman Ernest Konnyu State Capitol Sacramento, CA 95814

Dear Assemblyman Konnyu:

I have enclosed an editorial clipping from the San Jose Mercury News for your review. I agree--we must open Diablo Canyon.

The "illusion of abundant energy" of the 70's has been painfully shattered for Santa Clara Valley residents and all Californians by gasoline lines and increased costs of energy and petroleum-related products. Countless studies have been generated stating that, in spite of conservation efforts, the U.S. demand for energy will out-strip supply in the 1980's. The growing demand for energy will deepen the economic and social traumas of this decade.

I support our country's effort to develop alternative energy sources. Long lead times required to establish such energy sources mean that, through the year 2000, our only alternatives are nuclear and coal. Our state's leaders must realize that the U.S. needs to rely on sources of energy which can meet our need for electricity and reduce our dependence on foreign oil.

Planning new nuclear electric generating facilities has come to a halt as has our planning for most other energy facilities, because Government has simply said "No" to new energy facilities, or simply said nothing. Government and the energy industry must together formulate an energy policy now to keep the energy shortage indicated in the 1970's and anticipated for the 1980's from becoming irreversible for the 1990's and beyond.

I invite you to address this crisis that is a result of our State and Country not having an effective energy policy. I also offer my help and Quadrex's resources in meeting this challenge.

Very truly yours, Sherman Naymark Sherman Naymark President

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Enclosure

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Sunday Mercury News

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Editorials

April 5, 1981

6C.

Providing the power for California's future

LIKE the blossoming of the daisies by the side of the freeway and the cheery note of the mockingbird building its nest, warnings of impending power shortages from Silicon Valley industrialists are a familiar California springtime phenomenon.

The danger is that the warnings will become so familiar that they will be ignored. And that would be a serious mistake for all Californians because there's a sizable element of truth in what the industrialists are constantly reiterating.

This year, Santa Clara Valley manufacturers are jittery over Pacific Gas and Electric Co.'s efforts to institute a voluntary program under which industries would agree to cut back their power demands in the event of a shortage. In return for joining the program, companies would get an assurance that they would never lose all their power, except in case of a disaster.

Neither the manufacturers nor PG&E nor the state Energy Commission believes the voluntary curtailment plan is evidence that power blackouts or brownouts are expected this summer. But the existence of the plan reinforces the manufacturers' fears about the long-term reliability of Northern California's power supply.

The available projections show that the manufacturers are not simply playing Chicken Little. Utilities, state officials and manufacturers generally agree that an adequate reserve power margin is in the range of 15 to 20 percent. Thanks to more-than-ample rain and snow two winters ago and adequate precipitation this year, which ensures a plentiful supply of hydroelectric power, the reserve margin for PG&E is projected to be 12.4 percent in 1981. That means the power situation will be

tight, according to PG&E officials, but shortages aren't likely unless unexpected equipment failures occur.

The picture for next year and beyond, however, is anything but reassuring. In 1982, without the twin Diablo Canyon nuclear reactors in operation, PG&E's reserve margin will shrink to 10.9 percent, according to Energy Commission projections. If the year is dry and no excess power is available for purchase from the Northwest, PG&E's reserve could shrink to a distinctly dicey 5.7 percent; the statewide reserve would drop to 12.2 percent.

With Diablo Canyon cranking out its two million kilowatts of power — equivalent to 16 percent of Northern California's total need — the reserve margin would be more than comfortable. If the nuclear plant is on line in 1982, the Energy Commission estimates PG&E's reserve would be 24.2 percent and the statewide reserve would be 27.4 percent.

But after nearly six years of hearings, studies, reports and protest demonstrations, the utility still hasn't gotten the permission it needs from the Nuclear Regulatory Commission to start operating Diablo Canyon. And shrewd manipulation of the licensing procedures by the diehard anti-nuclear faction could stall approval for months or even years.

The NRC licensing board has examined the seismic safety problem at Diablo Canyon exhaustively and concluded that the plant would be adequately protected from earthquake jolts. If opponents of the plant have any substantive new issues to raise, by all means they should raise them. If they are only engaging in obstructionism for obstructionism's sake, they should get out of the way and let PG&E get on with the job of providing the power California needs.



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