

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

HEARING ROOM A
CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, AUGUST 15, 2001

10:00 a.m.

Reported By:
Valorie Phillips
Contract No. 150-01-006

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

William J. Keese, Chairman

Michal C. Moore

Arthur Rosenfeld

STAFF PRESENT

Steve Larson, Executive Director

Arlene Ichien, Assistant Chief Counsel

Bob Eller

Kristy Chew

Darcie Houck

PUBLIC ADVISER

Roberta Mendonca, Public Adviser

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1 P R O C E E D I N G S

2 CHAIRMAN KEESE: We will convene this
3 meeting of the California Energy Commission as a
4 subcommittee until we get Mr. Rosenfeld on the
5 line, who will be our third member. Commissioner
6 Pernell and Commissioner Laurie are out of state
7 on business.

8 Before we start on any of that business,
9 I would ask if we have any Chief Counsel's report?
10 Do we have anything to be reported?

11 MS. ICHIEN: Not today.

12 CHAIRMAN KEESE: Executive Director's
13 report?

14 EXECUTIVE DIRECTOR LARSON: Not today.

15 CHAIRMAN KEESE: Public Adviser's
16 report?

17 PUBLIC ADVISER MENDONCA: Good morning,
18 Chairman Keese.

19 I received an e-mail on the 14th of
20 August. Normally, when the Public Adviser
21 receives a public comment type of e-mail it fits
22 into a docket, and I docket it. But this one
23 didn't exactly fit in, so I thought I would share
24 it.

25 It's from Matt -- Matthew Early, from

1 San Diego. Prior to the electricity shortage, I
2 was able to choose who supplied my power. Because
3 I care deeply about the environment and because I
4 feel that power is under-priced when all social
5 costs are taken into account, I choose a renewable
6 energy provider, Green Mountain Energy.
7 Unfortunately, my ability and freedom to pay more
8 for clean energy was taken from me. Now I have
9 been informed that California is on the verge of
10 suspending customer choice in California
11 indefinitely. This is an extremely short-sighted
12 decision with many unforeseen circumstances
13 lurking in the bushes.

14 Please preserve California's right to
15 choose their electricity provider. I am willing
16 to conserve energy and, if need be, to pay more
17 for a clean environment. I doubt that I am alone.

18 CHAIRMAN KEESE: Thank you.

19 COMMISSIONER ROSENFELD: Good morning,
20 everybody. This is Commissioner Rosenfeld,
21 calling in from Berkeley.

22 CHAIRMAN KEESE: Thank you, Art. Then
23 we have a quorum present, so we will formally
24 convene us as a Commission.

25 I have the Consent Calendar. Do I have

1 a motion?

2 COMMISSIONER MOORE: I move Consent.

3 CHAIRMAN KEESE: Motion, Commissioner
4 Moore.

5 COMMISSIONER ROSENFELD: Second.

6 CHAIRMAN KEESE: Second, Commissioner
7 Rosenfeld.

8 All in favor.

9 (Ayes.)

10 CHAIRMAN KEESE: Approved, three to
11 nothing.

12 Then we will go to our carry-over items
13 from our previous meeting, when we had before us
14 the data adequacy recommendation of the Colusa
15 Power Plant project, which was put over until
16 today. Staff.

17 MS. CHEW: Good morning, Chairman Keese
18 and Commissioners. My name is Kristy Chew. I am
19 the Project Manager on behalf of the Energy
20 Commission for the Colusa Power Plant project. To
21 my left is Darcie Houck, Staff attorney for the
22 project.

23 The Colusa Power Plant project is a
24 proposed 500 megawatt combined cycle dry cooled
25 power plant located approximately five miles west

1 of the City of Maxwell in Colusa County. The
2 Applicant, Reliant Energy, submitted their AFC on
3 July 6th, and supplemental information on August
4 6th. Reliant Energy has requested that the Energy
5 Commission review their application under the
6 provisions of the six-month certification process.

7 Staff have reviewed the application and
8 supplemental information, and has found the AFC to
9 be data adequate for the twelve-month and six-
10 month processes. Staff recommends that Commission
11 accept the AFC and assign a Committee.

12 We would be happy to answer any
13 questions that the Commission has at this time.

14 Thanks.

15 CHAIRMAN KEESE: Thank you.
16 Commissioner Moore, any questions?

17 COMMISSIONER MOORE: No, only that -- to
18 note that this is coming in with a proposed dry
19 cooling system out of the chute, so this may
20 presage some of the applications that we get in
21 the future. Certainly is interesting, in light of
22 some of the other cases that we have up.

23 So I'd simply note that, that this is an
24 apparent change in some of the marketing
25 characteristics.

1 I would move the Executive Director's
2 recommendation of data adequacy.

3 COMMISSIONER ROSENFELD: I second.

4 CHAIRMAN KEESE: Motion by Commissioner
5 Moore. Second by Commissioner Rosenfeld.

6 Any public comment?

7 Hearing none, all in favor?

8 (Ayes.)

9 CHAIRMAN KEESE: Approved, three to
10 nothing.

11 Thank you.

12 I will step aside in my role as
13 Chairman, and suggest -- I will move that we have
14 a Committee, Art Rosenfeld, Chair, Michal Moore,
15 Second, on the Colusa Power Plant project.

16 Do I get a second?

17 COMMISSIONER MOORE: I'll second the
18 motion.

19 CHAIRMAN KEESE: Second by Commissioner
20 Moore.

21 All in favor?

22 (Ayes.)

23 CHAIRMAN KEESE: Get your "aye" in
24 there, Art.

25 COMMISSIONER ROSENFELD: Aye, aye.

1 (Laughter.)

2 CHAIRMAN KEESE: All right. We have a
3 Committee, Rosenfeld and Moore.

4 Item 2, City of Vernon Power Plant
5 Project. Commission consideration of the
6 Executive Director's data adequacy request --
7 recommendation for the City of Vernon Power
8 Project.

9 Good morning, Robert.

10 MR. ELLER: Good morning, Commissioners.
11 Bob Eller, for Commission Staff. I'm Project
12 Manager for the City of Vernon Malburg Generating
13 Station, Application for Certification.

14 The application was filed by the City of
15 Vernon on August the 2nd. On August the 13th,
16 Staff filed their recommendation for data
17 adequacy, and that's contained in a memo signed by
18 the Executive Director.

19 We do not believe the AFC meets the
20 requirements for California Code of Regulations
21 Title 20, Section 1704, Appendix B, for the 12-
22 month process. Specifically, we found the data
23 inadequate in nine areas. Those would be Air
24 Quality, Cultural Resources, Noise, Project
25 Overview, and Socioeconomics, Soil Resources,

1 Traffic and Transportation, Visual Resources, and
2 Water Resources.

3 The city has requested a review under
4 the four-month process, which requires we also
5 examine the data adequacy requirements for the
6 four-month review. We found that the data was
7 inadequate in six areas under the four-month
8 process. Those are Air Quality, Cultural
9 Resources, Public Health, Soil Resources, Water
10 Resources, and Visual Resources.

11 As a result, Staff has proposed that we
12 not -- that the Commission not accept the AFC
13 until the additional information specified in our
14 worksheets is supplied.

15 Staff and the City of Vernon are here if
16 you have questions for them this morning. I'd be
17 happy to answer any questions.

18 COMMISSIONER MOORE: Mr. Chairman, I
19 have a question for Staff.

20 CHAIRMAN KEESE: Commissioner Moore.

21 COMMISSIONER MOORE: Mr. Eller, why
22 would we prefer to have this under a six-month
23 project process instead of a -- or, I'm sorry,
24 shortened process, instead of a year process?

25 MR. ELLER: This project is -- is

1 requesting a four-month review. The project is
2 eligible to request that review if they believe
3 there are no environmental impacts from the
4 project. Based upon the project description, the
5 project is an 80 megawatt simple cycle project.
6 They have proposed to go to combined cycle in the
7 future, which is a requirement under the four-
8 month process. They have no transmission, they're
9 in an existing site within the city that is
10 currently used for generating electricity, and
11 they are proposing an 1100 foot gas line.

12 Those, on its face, appear to be
13 reasonable for a request for a four-month process.
14 Again, Staff is just looking at the data, has
15 begun the review.

16 COMMISSIONER MOORE: Mr. Chairman, I --
17 unless the city has some compelling reason why we
18 should find differently, I -- I'm prepared to
19 accept the Executive Director's recommendation.

20 CHAIRMAN KEESE: Can we hear from the
21 Applicant, please.

22 MR. FRESCH: Oh, Eric Fresch, Staff
23 Attorney, Utilities Department, City of Vernon.
24 I'm here with the power project manager, Ramon
25 Abueg. And it's our intent to supply the

1 additional information that the CEC Staff has
2 identified, and have that to them within two weeks
3 from today's date.

4 CHAIRMAN KEESE: Thank you. So the --
5 you're concurring in the recommendation at this
6 time. And we're just going to hold open the date
7 when this comes back until we receive the
8 information, and then we'll reschedule the --

9 MR. FRESCH: Another hearing.

10 CHAIRMAN KEESE: -- we're not going find
11 another date today.

12 MR. ELLER: That's --

13 MR. FRESCH: Yes, sir.

14 CHAIRMAN KEESE: Okay.

15 COMMISSIONER MOORE: I move the
16 Executive Director's recommendation.

17 CHAIRMAN KEESE: We have a motion for
18 the Executive Director's recommendation.

19 COMMISSIONER ROSENFELD: Second.

20 CHAIRMAN KEESE: Second by Commissioner
21 Rosenfeld.

22 COMMISSIONER ROSENFELD: Yes.

23 CHAIRMAN KEESE: All in favor.

24 (Ayes.)

25 CHAIRMAN KEESE: We have accepted the

1 inadequacy. And it will be back on the agenda
2 after submission by Vernon of more materials.

3 Thank you.

4 We have no minutes before us. Do we
5 have anything on Commission Committee and
6 Oversight?

7 We've dispensed with the other items on
8 the agenda. Public comment at this time?

9 Hearing none, this meeting is adjourned.
10 Thank you.

11 (Thereupon, the Business Meeting was
12 concluded at 10:15 a.m.)

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CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said Meeting, nor in any way interested in the outcome of said Meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of August, 2001.

VALORIE PHILLIPS