

INFORMATIONAL HEARING AND SITE VISIT  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Certification for ) Docket No.  
the Avenal Energy Power Plant ) 08-AFC-1  
 )  
 )  
\_\_\_\_\_ )

CITY OF AVENAL RECREATION CENTER  
717 E. MONTEREY STREET  
AVENAL, CALIFORNIA 93204

TUESDAY, MAY 20, 2008

5:53 p.m.

Reported by:  
Troy Ray  
Contract No. 170-07-001

COMMITTEE MEMBERS PRESENT

Jeffrey Byron, Presiding Member

HEARING OFFICER AND ADVISORS

Gary Fay, Hearing Officer

STAFF AND CONSULTANTS PRESENT

Christopher Meyer, Siting Project Manager

Lisa DeCarlo, Senior Staff Counsel

PUBLIC ADVISER

Nick Bartsch

APPLICANT

Jim Rexroad, Vice President  
Joe Stenger, Project Manager  
Tracey Gilliland  
Frank Wilson  
Avenal Power Center, LLC

Branden Chadwick, Attorney  
Downey Brand Lawfirm

ALSO PRESENT

Steven Sopp, Community Development Director  
Jim Jepsen, Chairman, Planning Commission  
Dagoberto Ovalle, Planning Commissioner  
Melissa Whitten, City Manager  
City of Avenal

Sidney Craighead, Council Member  
City of Avenal

Israel Sanchez, Assistant Resource Analyst  
Westlands Water District

ALSO PRESENT

Dixie Neal  
Avenal Chimes News

Loulena Miles, Attorney  
Adams, Broadwell, Joseph and Cardozo  
representing California Unions for Reliable Energy

Alicia Meray

Daniel Preda  
University of California Berkeley

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

5:53 p.m.

HEARING OFFICER FAY: I'd like to welcome you to the informational hearing for the Avenal Energy project, being conducted by the California Energy Commission.

To my left is Presiding Commissioner Jeff Byron, who is heading up the Committee of Commissioners that will review this project. Unable to join us today is Associate Member of the Committee, Commissioner Arthur H. Rosenfeld. And my name is Gary Fay, and I'm the Hearing Officer for the case. I'll be assisting the Committee in making its decision.

What I'd like to do first is go around and get introductions from the parties. So we'll begin with Mr. Rexroad for the applicant.

MR. REXROAD: Yes. My name is Jim Rexroad; I'm the Project Developer for the Avenal Power Center project. With me I have Branden Chadwick representing Downey Brand. He's Counsel for the project.

I've Joe Stenger with me; he is the consultant project manager for the application, itself. With me I also have Tracy Gilliland,

1 assisting with the project. And Frank Wilson, who  
2 is the Project Public Information Officer.

3 HEARING OFFICER FAY: Thank you. Ms.  
4 DeCarlo, you want to introduce the staff.

5 MS. DeCARLO: Hi, I'm Lisa DeCarlo; I'm  
6 Senior Staff Counsel for the Energy Commission  
7 Staff.

8 MR. MEYER: Hello, I'm Christopher  
9 Meyer; I'll be the Siting Project Manager for the  
10 Energy Commission.

11 HEARING OFFICER FAY: Do we have any  
12 public agencies represented here today? Okay.

13 MR. SOPP: The City of Avenal.

14 HEARING OFFICER FAY: Okay. And your  
15 name, sir?

16 MR. SOPP: Steven Sopp, I'm the  
17 Community Development Director.

18 HEARING OFFICER FAY: Okay.

19 Welcome.

20 MR. CRAIGHEAD: Sid Craighead, Council  
21 Member.

22 HEARING OFFICER FAY: Welcome.

23 MS. NEAL: Dixie Neal, Avenal Chimes.

24 HEARING OFFICER FAY: Avenal Times?

25 MS. NEAL: Chimes.

1 HEARING OFFICER FAY: Okay. Great,  
2 thank you.

3 City of Avenal, um-hum.

4 MS. WHITTEN: Melissa Whitten, City  
5 Manager, City of Avenal.

6 HEARING OFFICER FAY: Great.

7 MR. JEPSEN: Jim Jepsen, Chairman,  
8 Planning Commission.

9 HEARING OFFICER FAY: Planning  
10 Commission, okay.

11 Any other agencies here today? The City  
12 is well represented, that's good. Okay.

13 And we have from the Commission's Public  
14 Adviser's Office, Nick Bartsch. Nick, do you want  
15 to just indicate where you are.

16 In addition, we're fortunate to have  
17 with us a Spanish language translator, and I'd  
18 like her to please stand and introduce herself --  
19 in Spanish.

20 (Thereupon the Spanish/English  
21 interpreter introduced herself.)

22 HEARING OFFICER FAY: Great. So if  
23 anybody feels more comfortable asking their  
24 questions in Spanish, please address them to her.

25 I've got some boilerplate that I'd like

1 to go through, and hopefully it'll help everybody  
2 understand what we're doing and why we're here.

3 If you have any questions at anytime, please  
4 indicate, and we'll try to answer them.

5 Avenal Power Center, LLC, filed an  
6 application with the Energy Commission to obtain a  
7 power plant license for the Avenal Energy project  
8 here in Avenal. The purposes of today's hearing  
9 are to provide information about the proposed  
10 project, to describe the Energy Commission's  
11 licensing process in reviewing the application,  
12 and to provide information on opportunities on how  
13 individuals can participate in this process.

14 Later in the hearing I'll ask Mr.  
15 Bartsch to describe the Public Adviser's Office,  
16 and how it can help people. And also he can  
17 explain how you may wish to intervene and what  
18 that means if you do.

19 By the way, I want to acknowledge that  
20 we did receive a petition to intervene from the  
21 California Unions for Reliable Energy. Do we have  
22 a representative here today? What is your name?

23 MS. MILES: Loulena Miles.

24 HEARING OFFICER FAY: Loulena Miles,  
25 thank you. And we will be ruling on that. I

1 don't want to leave you in doubt. That will  
2 probably come out along with the scheduling order.

3 At this point that's the only petition  
4 for intervention that we've had from anybody. But  
5 that process is certainly open if anybody else  
6 feels the need to intervene in the case.

7 I hope all of you were able to go on the  
8 site visit. And I want to thank the applicant, it  
9 was very informative and helped us get a real  
10 picture of the project.

11 The applicant received the go-ahead from  
12 the Energy Commission to begin processing this  
13 license on April 16th of this year. It was deemed  
14 an adequate application at that time.

15 The project is a nominal 600 megawatt,  
16 natural-gas fired power plant proposed for  
17 construction on 25 acres of a 148-acre site just  
18 south of the Fresno County line.

19 Notice of today's event was mailed out  
20 on May 1st to all parties, adjoining landowners,  
21 interested governmental agencies and other  
22 individuals.

23 Today's hearing will be the first in a  
24 series of formal Committee events that will occur  
25 throughout the coming year. The Commissioners

1 conducting this proceeding will eventually issue a  
2 proposed decision that will contain  
3 recommendations to the full Energy Commission  
4 regarding the proposed project.

5 It's important that I emphasize that the  
6 Committee's proposed decision must, by law, be  
7 based solely on evidence contained in the public  
8 record. And to insure that this happens, and to  
9 preserve the integrity and the impartiality of the  
10 Commission's licensing process, the Commission's  
11 regulations and the California Administrative  
12 Procedures Act expressly prohibit private contacts  
13 between the parties and the Committee Members.

14 The prohibition against off-the-record  
15 communication is known as the ex parte rule. And  
16 this means that all contacts between parties to  
17 the case, such as the applicant and the staff and  
18 any intervenors, regarding a substantive matter  
19 must occur in the context of a public discussion  
20 such as today's hearing, or in the form of a  
21 written communication that is submitted to the  
22 Commission's docket, and is distributed to all the  
23 parties.

24 The purpose of the ex parte rule is to  
25 provide full disclosure to all participants of any

1 information that may be used as a basis for future  
2 decision in this case.

3 Additional opportunities for the parties  
4 and government agencies to discuss substantive  
5 issues with the public will occur in public  
6 workshops to be held by the Commission Staff; and  
7 most likely they will be held right here in  
8 Avenal.

9 Information regarding these workshops  
10 and opportunities for input will be reviewed by  
11 Christopher Meyer later when the staff discusses  
12 their participation.

13 Any reports and letters received by the  
14 Energy Commission are made available to the  
15 public. Most of them are posted on the Energy  
16 Commission website, and Mr. Meyer will give you  
17 the address for that so you can dial that in if  
18 you have internet access.

19 At this time I'd like to ask Nick  
20 Bartsch from the Public Adviser's Office to just  
21 briefly review the services of his office.

22 MR. BARTSCH: Thank you, Mr. Fay. My  
23 name is Nick Bartsch. I'm Manager of the Public  
24 Adviser's Office. I'm here to tell you a little  
25 bit about the role of the Public Adviser, and

1 specifically our outreach to the community and the  
2 region in this area, publicizing this particular  
3 event generally, and all the public events that  
4 are going to be part of this process.

5 The main purpose for the Public  
6 Adviser's Office, which is part of the Energy  
7 Commission, but is headed by a Governor-appointed  
8 Public Adviser, is to provide full and meaningful  
9 participation for the public in the Energy  
10 Commission's siting process.

11 Now that process is a long one, and it  
12 has several, typically at least a year, takes  
13 about a year for an application for certification  
14 to go through, sometimes longer. And there are  
15 several opportunities for the public to  
16 participate in it. And our role is to encourage  
17 that participation, and in fact, to reach out to  
18 the public and assist them with participation,  
19 providing information to them.

20 There are two ways generally that the  
21 public can participate. One is to participate as  
22 an interested person. And we can certainly help  
23 you with that, giving you all the information that  
24 you need concerning this particular project.

25 But the other way to participate is a

1 little more formal way, as an intervenor, which  
2 would give you, the participant, an opportunity  
3 not only to provide input that becomes part of the  
4 record, but more importantly, and going beyond  
5 that, is to give you an opportunity to provide  
6 testimony, which generally carries more weight.  
7 And have your own witnesses, and, in fact, cross-  
8 examine witnesses of other parties.

9 So it is a considerably more formal  
10 participation, with some filing requirements along  
11 the way. But it is something that you, as an  
12 interested party, can do on your own. You do not  
13 need an attorney, nor do you have to be an  
14 attorney to participate as an intervenor.

15 Now, let me -- I'd like to give you just  
16 a brief rundown on our outreach efforts to provide  
17 information for the general public in this  
18 particular case.

19 We do our own outreach, in addition to  
20 reviewing the information that's provided by the  
21 applicant. And incidentally, those big binders  
22 are also available to the general public not only  
23 at the City of Avenal, and also the local Air  
24 Quality Management District, but also the local  
25 libraries of Kings County, the Avenal Library and

1 also in the other surrounding communities. If you  
2 go in there and ask for the Avenal Energy project  
3 binder, you'll be able to access all the  
4 information that the applicant provided. And that  
5 we, in fact, will be reviewing in this process.

6 Now, in addition to reviewing the  
7 applicant's information we did our own outreach.  
8 In this particular case we have contacted all the  
9 public officials, both elected and the managerial-  
10 type appointed public officials for Kings County,  
11 as well as for the City of Avenal.

12 We have -- in addition to that we have  
13 contacted and put in a public notice with the help  
14 of the Avenal Chimes, the local paper, in their  
15 May 14th issue. There was a public notice in  
16 there.

17 And we have also identified what we call  
18 sensitive receptors within this area. We  
19 typically consider six miles as a radius -- a six-  
20 mile radius around the plant as an area of  
21 greatest potential impact of a power plant. And  
22 so we typically identify and notify the sensitive  
23 receptors within that region.

24 These would include organizations or  
25 entities that could, because of age or health

1 condition or some other factors, could potentially  
2 be more impacted by a power plant than others.

3 In this particular case there were no  
4 sensitive receptors within a six-mile radius, but  
5 just outside the six-mile radius we were able to  
6 identify 12 sensitive receptors. And those were  
7 all notified. We went beyond the six miles in  
8 this particular case, since the power plant is --  
9 even though it's within the city limits, but it's  
10 more than six miles just outside the six-mile  
11 limit from the business and residential districts  
12 of the City of Avenal.

13 Now, in addition to that notification,  
14 we have, with the help of the City of Avenal, they  
15 distributed for us 1500 flyers in public places  
16 throughout the City of Avenal to help publicize  
17 this particular event.

18 And we have contacted seven radio  
19 stations, including four that broadcast to the  
20 Hispanic community in Spanish, and four television  
21 stations, and requested that they do public  
22 service announcements both in English and Spanish  
23 to publicize this particular -- these two events  
24 today, and future events.

25 So that, in a nutshell, was our outreach

1 effort. And then I think we have -- we were able  
2 to cover this area pretty well. It's just always  
3 a challenge in sparsely populated areas.

4 Now should you want to get more  
5 information about the project, we have a dedicated  
6 website, which I've included on this notice. This  
7 is a bilingual notice; these are the notices we  
8 sent out, including the 1500, and we distributed.

9 On this bilingual notice there is a  
10 website, a dedicated website, to this particular  
11 project. And I will, if you have any questions,  
12 if you can't find it, I'll point it out to you.  
13 That will give you all the information that you  
14 need. It has a listserver place where you can  
15 sign up for it.

16 Now, if you do not have a computer, if  
17 you're not on the internet, then I encourage you  
18 to contact us at the contact information at the  
19 bottom of this blue sheet, and we will send you by  
20 snail-mail hardcopy information. And we'll also  
21 assist you with providing information or becoming  
22 an intervenor if you choose to do so.

23 If you'd like to make a public comment  
24 today, which incidentally will become part of the  
25 record, we have these blue cards. And I ask you

1 to fill it out and give it to me. I'll take it up  
2 to the Chair of this Committee for them to call  
3 upon you to make your public comments.

4 Thank you, and if you have any further  
5 questions, I'll be in the back of the room and be  
6 happy to answer them for you.

7 Yes?

8 MS. SPEAKER: How do you define  
9 sensitive receptors?

10 MR. BARTSCH: Well, there isn't really a  
11 definition of it, but it's basically this would be  
12 any entity or organization that would have -- that  
13 could potentially be either more interested or  
14 could be potentially more affected by -- any  
15 organization or any facility because of their  
16 interest, because of their conditions or --

17 HEARING OFFICER FAY: Does it include  
18 residences?

19 MR. BARTSCH: Pardon me?

20 HEARING OFFICER FAY: Does it include  
21 residences?

22 MR. BARTSCH: That would include, it  
23 could include the individuals, for example, or  
24 organizations like community organizations that  
25 represent residences; or it could be somebody who

1 represents health facilities, for example.

2 HEARING OFFICER FAY: Okay.

3 MR. BARTSCH: Okay?

4 HEARING OFFICER FAY: Thanks very much,  
5 Mr. Bartsch.

6 MR. BARTSCH: Sure, thank you.

7 HEARING OFFICER FAY: And if you have  
8 further questions you can talk to Nick; he'll be  
9 in back.

10 What I'd like to do now is ask the  
11 parties to make their presentations. First we'll  
12 hear from the applicant regarding its plans for  
13 the project. Then the Commission Staff will  
14 provide an overview of the licensing process and  
15 its role in reviewing this project.

16 Then we'll hear comments from any  
17 parties who petitioned, and in this case CURE is  
18 the only party that's petitioned, in case you'd  
19 like to make some comments.

20 Then after that we will discuss with the  
21 parties their plans for the schedule based on  
22 staff's recommended schedule that's in the issues  
23 identification report. And I believe copies of  
24 that are available here, is that right, Mr. Meyer?

25 MR. MEYER: I actually don't have extra

1 copies of the issues ID report here, but if anyone  
2 wants to get them I will have a slide showing  
3 where to find them electronically, or you can talk  
4 to me at the meeting today and I'll get you a  
5 copy.

6 HEARING OFFICER FAY: Okay. And then  
7 we'll certainly give the City or any other  
8 agencies that might happen to show up, an  
9 opportunity to make comments or ask questions.

10 Are there any questions about the way we  
11 plan to proceed today before we start? Okay.  
12 Then I'll turn it over to Mr. Rexroad for the  
13 applicant's presentation.

14 MR. REXROAD: All right, thank you, all,  
15 for coming this evening. I'd like to take a few  
16 minutes to talk about the Avenal Power Center LLC  
17 project.

18 This is the -- obviously we had  
19 everybody take a look at the site, and behind you  
20 you'll see a number of presentation boards that  
21 will expand on the discussions we had at the site.  
22 And then we'll expand on some of the discussions  
23 in this presentation.

24 First, just a general overview of the  
25 project. It's a 600 megawatt, natural gas fueled,

1 dry cooled, zero liquid discharge facility  
2 interconnecting at the 230 kV substation or buss  
3 at the Gate Substation.

4 In general, the natural gas will be  
5 provided through an interconnection on the PG&E  
6 intrastate system near the Kettleman Compressor  
7 Station.

8 The water that we plan to use for that  
9 project, the amount of water will be through a  
10 recycling system installed in the facility, and a  
11 dry-cooling system. We'll use approximately 12  
12 gallons per minute on a sort of an average basis.  
13 And that translates, at our peak usage, our peak  
14 usage is approximately 60 gallons per minute.  
15 It's 100 acrefeet a year of water. So a fairly  
16 small amount of water.

17 The design is based on a General  
18 Electric gas turbine technology, 7FA. The plant's  
19 turbine technology, it's state of the art. You'll  
20 find that most of the combined cycle power plants  
21 today in the United States are built with GE  
22 technology.

23 It's located adjacent to the Avenal  
24 Cutoff road and the California aqueduct, in an  
25 industrial zoned area, adjacent to the City of

1 Avenal's water treatment facility.

2 The map that you see there, and there's  
3 a larger version of it behind us, shows the shaded  
4 area is the industrial zoned area in the City.  
5 You can see near the bottom of the map, which is  
6 on a scale basis, approximately six miles from the  
7 project site.

8 And then up in the far top right-hand  
9 corner you'll see a small box marked as the Avenal  
10 Energy site. So that's the general location of  
11 the facility.

12 Several key benefits of the project.  
13 Probably the first and foremost is there's no real  
14 significant environmental impacts that we've  
15 identified in our fairly extensive review of the  
16 site. And, in fact, many of the things that have  
17 been identified over the years as things that  
18 people have concerns with, water usage primarily,  
19 we've shifted to dry cooling to address those  
20 kinds of concerns.

21 From a positive standpoint, 320  
22 construction jobs on average over the construction  
23 term of approximately two and a half to three  
24 years. That will actually peak out at something  
25 close to 500 jobs. There'll be 25 permanent

1 operations and maintenance positions at the  
2 facility.

3 We'll be contributing to the local  
4 property tax base and the local community through  
5 ongoing purchases in the local and surrounding  
6 region. And that equates to approximately \$530  
7 million of additional local -- additional  
8 contribution to the local economy over the life of  
9 the project.

10 A few more key benefits a little more  
11 technical in nature. The dry cooling minimizes  
12 the amount of water that we're using on the  
13 project. The technology that we've chosen to use  
14 has a very low carbon footprint for a fossil  
15 plant. We're well within the SB-1368 rules, which  
16 define what CO2 limits should be for the project,  
17 which are 1100 pounds per megawatt hour as a  
18 reference. We're significantly below that range  
19 for this particular project.

20 We'll be able to provide a fair amount  
21 of rapid response load to meet the rapid changes  
22 in demand in the marketplace through 100 megawatts  
23 of duct firing included in that 600 megawatts.

24 And the project, itself, is well  
25 positioned to serve both northern and southern

1 California loads, being positioned interconnecting  
2 to a very large transmission buss in the state  
3 located centrally within the state. So that's a  
4 big plus to the project.

5 Avenal Power Center, LLC, just a brief  
6 discussion of who that is. It's a project entity  
7 that's wholly owned by Macquarie Group, Limited.  
8 It's a global institution that is involved in a  
9 wide variety of infrastructure projects in the  
10 United States and around the world, many of them  
11 energy projects.

12 Additionally we've started this focus in  
13 Macquarie Cook Power, which is the owner of Avenal  
14 Power Center, the direct owner, in power and  
15 energy trading marketing and development projects  
16 throughout the United States. That particular  
17 business has over 20 years of doing business.  
18 Either the company or the employees of the company  
19 have been in the energy sector, the power sector,  
20 for over 20 years. And the staff is well  
21 positioned and has a long history of experience in  
22 developing power plants throughout the United  
23 States.

24 Just as a quick note, for those that  
25 were not able to take the site tour, this is a

1 small photograph of standing at the Avenal Cutoff  
2 road in the close proximity of the canal. And you  
3 can see approximately what the project would look  
4 like looking towards the project from the entrance  
5 road at Avenal Cutoff road.

6 A couple of milestones with the project.  
7 As Mr. Fay suggested, we filed with the California  
8 Energy Commission, the San Joaquin Valley Air  
9 Pollution Control District, and the EPA in  
10 February. We were deemed -- the data adequacy  
11 determination occurred in April. In March we  
12 received a completeness determination from EPA and  
13 San Joaquin Valley.

14 Our system, as we look forward in this  
15 process, our system impact study, which is the  
16 next major step of the interconnection process, is  
17 expected in July of 2008. And we actually target  
18 certification of this project in second quarter  
19 2009.

20 And finally, with a second quarter 2009  
21 certification date, we would propose this project  
22 would be able to become commercial in 2012.

23 Construction would begin in late 2009 based on  
24 this schedule.

25 And the photograph that you see there is

1 really a rendition of what that project would look  
2 like if you saw it from just the east side of I-5  
3 on the Avenal Cutoff road. The difference is  
4 there's a few more trees out there now than there  
5 were when we took this photograph.

6 The last slide, just a larger photograph  
7 showing the rendition with the landscaping that we  
8 would have with the project in the general  
9 vicinity of the entrance road, what that project  
10 would look like.

11 You see on the left-hand side is the air  
12 cooling unit. The way to think of that is simply  
13 a very large radiator in your car. Works on the  
14 same principle. That's how we're able to minimize  
15 the water consumption that we use in the project.

16 The two stacks are the two gas turbines  
17 on the right-hand side of the project. We'll have  
18 some -- our plans are to have some trees growing  
19 on the property after the project construction is  
20 completed. And then some row crops around the  
21 rest of the project.

22 So, with that, that was my last. Is  
23 there any questions? Went through that pretty  
24 quickly.

25 HEARING OFFICER FAY: Any questions from

1 anybody?

2 PRESIDING MEMBER BYRON: Mr. Rexroad, --

3 MR. REXROAD: Yes, sir.

4 PRESIDING MEMBER BYRON: First of all, I  
5 should say thank you for dinner. That was very  
6 good.

7 But just a couple of questions. I  
8 understand that this particular site has been  
9 before the Commission before by another applicant.  
10 It precedes my involvement with the Commission, so  
11 I don't have a lot of details around it.

12 But, you know, the state invested a lot  
13 of time and effort in those earlier applications.  
14 Can you give me a sense of whether or not you  
15 think your company will be requesting any  
16 extensions as I understand were similarly asked in  
17 the previous case? And, -- well, I have a couple  
18 of other questions, too. Let's start with that  
19 one.

20 MR. REXROAD: Well, first of all, we  
21 purchased this project site in January of 2008,  
22 this year. And in the short bit of time we've  
23 prepared an application, we've filed an  
24 application, we've been deemed complete.

25 We believe in that sort of timeframe

1 being able to move through that process that  
2 quickly shows a fair amount of commitment to  
3 aggressively advancing this project.

4 We have, within our organization, a very  
5 well experienced staff that's very well committed  
6 to the project. We've made a fairly substantial  
7 financial commitment to advancing this project.  
8 And, you know, frankly we see a business in power  
9 in California, and we're committed through this  
10 project to achieve that goal.

11 To answer your question specifically, at  
12 this time we would not see any reason why we would  
13 need an extension to the project.

14 PRESIDING MEMBER BYRON: Do you have a  
15 power purchase agreement for the project?

16 MR. REXROAD: No, sir, we do not have a  
17 power purchase agreement to this project.

18 PRESIDING MEMBER BYRON: How about site  
19 control at this point.

20 MR. REXROAD: We do have site control  
21 for this project through an option agreement that  
22 we are moving to closing with.

23 PRESIDING MEMBER BYRON: Well, that's  
24 all good news. I notice the system integration  
25 study is supposed to be done 128 days from the

1 date of application, which I think was around  
2 March 28th or so. So, I think you feel like  
3 you'll have that resolved in July?

4 MR. REXROAD: Yes, sir.

5 PRESIDING MEMBER BYRON: However, I know  
6 our friends at the Independent System Operator are  
7 pretty backed up. Do you really think you'll have  
8 a system integration study by then?

9 MR. REXROAD: We are working very  
10 closely with the Independent System Operator to  
11 achieve that date. And as we sit today we see no  
12 reason why they will not achieve that date. In  
13 fact, we asked them last week and they said  
14 they're on track for that date.

15 PRESIDING MEMBER BYRON: Okay. Thank  
16 you very much.

17 MR. REXROAD: Thank you.

18 HEARING OFFICER FAY: Would anybody else  
19 like to ask any questions of the applicant about  
20 the project? Okay, I see no indication. So,  
21 thanks very much, Mr. Rexroad.

22 MR. REXROAD: Thank you.

23 HEARING OFFICER FAY: And also thank you  
24 for dinner.

25 Mr. Meyer for the staff.

1           MR. MEYER: While I'm getting set up  
2 there's actually a copy of my presentation, a hard  
3 copy with two slides per page. So if anyone wants  
4 to be able to read along --

5           HEARING OFFICER FAY: Chris, Nick can  
6 help pass that out.

7           (Pause.)

8           MR. MEYER: I double-copied two  
9 presentations on the same file. So if everyone  
10 wants to take a moment to grab one of these, a nd  
11 we'll just do this the old fashioned way, with  
12 everyone's indulgence.

13           Anyway, thank you very much for giving  
14 me a chance to give you all a presentation on what  
15 the Energy Commission does. As I said earlier, my  
16 name is Christopher Meyer, and I'll be staff's  
17 Project Manager for the review of the Avenal  
18 Energy application for certification.

19           Just as the Commissioner brought up,  
20 there was a previous case, another Avenal Energy  
21 project. So we'll be referring to this one just  
22 as Avenal Energy. So if you are looking through  
23 any of the website information and you see things  
24 referring to a case with an AFC number back in  
25 2001, it's the previous one. And if you have any

1       confusion on that, please use the contact  
2       information in the handout to get ahold of me, and  
3       I'll tell you where the correct documents are for  
4       this case.

5               The first slide you'll see in your  
6       handout just gives you an idea, you know, of who  
7       the chief people on the project are, who have  
8       already been announced, so I won't spend a lot of  
9       time on it.

10              You'll see a lot, you'll hear a lot of  
11      people talking about the docket number. The  
12      docket number is just simply the 08-AFC-1, which  
13      just means it was the first application for  
14      certification received in 2008 by the Energy  
15      Commission. So everything that will be on the  
16      docket log on our Energy Commission website will  
17      be based on that number.

18              Basically on this second slide, page 2,  
19      the purpose of the siting process of the Energy  
20      Commission is, as it says very clearly, just to  
21      insure the reliable supply of electrical energy is  
22      maintained at a level consistent with the need for  
23      such energy for protection of public health,  
24      safety, promotion of general welfare and the  
25      environmental quality protection.

1            Basically a very, you know, long way of  
2            saying the Energy Commission works to make sure  
3            that the energy available for the people of  
4            California and the development of that energy is  
5            done in an environmentally responsible manner.

6            On slide 3 the Energy Commission permits  
7            thermal power plants that are greater than 50  
8            megawatts. You'll see, there's different  
9            processes for permitting power plants under 50  
10           megawatts at a local level. Between 50 and 100  
11           you'll see a small power plant exemption that some  
12           of you might be familiar with from other cases.

13           In this case, since this project is over  
14           50 megawatts it will go through a full application  
15           for certification process.

16           We also deal with the related  
17           facilities. Electric transmission lines, we look  
18           at up to the first point of interconnection, but  
19           also during our analysis we'll look at impacts in  
20           the transmission line system beyond that first  
21           point of interconnection as to how they may affect  
22           other issues. We won't actually permit that, but  
23           as part of our transmission system engineering  
24           analysis, the Energy Commission Staff will look  
25           at, is putting this power plant online going to

1 potentially cause the need for new conductoring,  
2 new poles somewhere 10, 20 miles from here;  
3 upgrades to substations that might have an  
4 environmental impact that needs to be addressed.

5 And if that's so, that impact would be  
6 actually handled under certificate of public  
7 necessity by the Public Utilities Commission  
8 instead of the Energy Commission.

9 We also look at water supply pipelines,  
10 natural gas pipelines and disposal of any waste  
11 that's created by the plant. The ZLD system,  
12 you'll hear about this, zero liquid discharge. It  
13 will have a filter cake, we look at the disposal  
14 of that and any other materials that need to get  
15 hauled off.

16 We'll also look at access roads, not  
17 just for the power plant, itself, but whenever you  
18 have linears. You know, mainly in rural areas  
19 you're going to have to have access roads to them.  
20 This plant, because of where it's located, and the  
21 nature of the transmission lines, most of those  
22 access issues are already -- are going to be on  
23 existing roads. So that will minimize the impact.

24 Slide 4. The Energy Commission has  
25 basically -- a three-step process. The first

1 process has already occurred, and that's data  
2 adequacy. What that is is where the Energy  
3 Commission looks at the application that's come  
4 in. And we review it in all the specific areas on  
5 very specific set of requirements to see if it has  
6 the minimum level of information required for the  
7 Energy Commission to advance it to review.

8 And staff would make -- at this point we  
9 made a recommendation to the Commissioners. And  
10 they agreed that the application for certification  
11 was appropriate, and we moved on to start the 12-  
12 month clock.

13 The second phase is the discovery and  
14 analysis phase where staff looks at the  
15 application, now that we've determined that it is  
16 data adequate, and starts looking at individual  
17 areas where staff may need additional information.  
18 And that's the discovery where we start looking  
19 and saying, okay, to look at specific questions of  
20 air quality or land or whatever the other areas  
21 may have, we need additional information.

22 And right now staff is in the process of  
23 finalizing questions to present to the applicant.  
24 That will be a public document that's public and  
25 all the parties can look at it. And then the

1 applicant will provide us that information.

2 And that will bring us to the analysis  
3 phase where staff will take all the information we  
4 have and write an analysis on it. And I'll go  
5 into that a little bit more.

6 The third part of the process is the  
7 evidentiary hearing and decision. And I'll go  
8 into that in a little bit more detail in a moment.

9 On slide 5, staff's discovery and  
10 analysis process, as I talked about, has different  
11 people that are going to be involved in the  
12 discovery and analysis process. As Nick explained  
13 very clearly, when the intervenors in the process,  
14 or becoming an intervenor, you actually get a seat  
15 at the table. You both can send data requests to  
16 the applicant. You can also have data requests  
17 sent to you. So, if you're up at the table people  
18 get to ask you questions, as well. So, it's  
19 something to keep in mind.

20 And Nick is the Public Adviser's  
21 representative; will help in that process of  
22 making sure the public has access to me and has  
23 access to staff as far as getting their questions  
24 answered and making sure that they're on the  
25 record.

1                   And in that process we work with the  
2                   applicant and with local agencies to get as much  
3                   information as possible to have a very complete  
4                   analysis.

5                   On slide 6, those agencies that we  
6                   talked about, we're dealing with local, federal  
7                   and state agencies. To give you an idea, we'll be  
8                   working with the City of Avenal's Planning  
9                   Department, which we have representatives here. A  
10                  lot of people from the City of Avenal.

11                  We'll be dealing with Kings County;  
12                  we'll be looking at, you know, land use issues of  
13                  that nature, public works and public health.

14                  Also dealing with the San Joaquin Valley  
15                  APCD, the Air Pollution Control District for air  
16                  quality issues. And on that same line we'll be  
17                  dealing with the State Air Resources Board. I  
18                  won't go through all of these, but it gives you an  
19                  idea on the slide of the different agencies, state  
20                  and federal, that we're going to be dealing with.

21                  Okay, to give you -- we went through the  
22                  data adequacy on slide 7 pretty well. And the  
23                  discovery analysis, the issues identification  
24                  report, which staff just completed. Basically  
25                  it's available on the website. If anyone wants a

1 hard copy, let me know and I'll make sure you get  
2 one.

3 The issues identification report is  
4 basically staff's first document when we have sort  
5 of the first blush after data adequacy saying, you  
6 know, is there a real big glaring issue with this  
7 project that staff feels might impact the ability  
8 to go forward in a timely manner.

9 And I'll get into that a little bit.  
10 Actually, I want to just talk about that now. In  
11 the issues identification report for this project  
12 it was actually a very simple one, since the  
13 project has been looked at before. And when  
14 Avenal Power inherited this project, it inherited  
15 a lot of that knowledge of what needed to get  
16 addressed, from the previous case, and addressed  
17 those. So, staff had very few issues in the  
18 issues identification report. And actually I'll  
19 go through those individually in a little bit.

20 But the second one, the data requests,  
21 as I said, you know, we're just trying to get more  
22 information on the project.

23 We also will have workshops on the  
24 process where it'll give a chance for staff and  
25 the applicant and the intervenors to work out any

1 questions in a public format. As the Hearing  
2 Officer explained, we have to make sure everything  
3 is done in a very public forum, so that there's no  
4 information that is handled that's not in the  
5 public view. It also gives us a chance to make  
6 sure that everything is going back and forth  
7 between the applicant and the Energy Commission  
8 and intervenors, the public has an idea of what's  
9 going on and they can participate and make sure  
10 that their voices are heard on any questions they  
11 have.

12           And some of those workshops we'll have  
13 after we have the data requests and data  
14 responses. We'll most likely have a data response  
15 and issues resolution workshop, which will be  
16 coming up in a few months.

17           The staff assessments. There's two,  
18 there's a preliminary and a final. Basically the  
19 preliminary is going to be the first really  
20 document of staff's draft recommendations of how  
21 they think the issues play out in the project.

22           And, you know, we're going to be looking  
23 at compliance of the proposed project with, you  
24 know, the local laws, ordinances, regulations and  
25 standards. You'll hear the term LORS thrown

1 around, but that's what they're referring to.

2 And we'll both have an engineering and  
3 environmental analysis. The environmental  
4 analysis, you know, dealing with your biology  
5 issues, cultural resources, water, air. You'll  
6 have in engineering dealing with hazardous  
7 materials, reliability, transmission system  
8 engineering, things of that nature.

9 And through this process basically we're  
10 going to further identify issues that may not have  
11 been identified in the issues identification  
12 report, but under further analysis we'll look and  
13 see if there's any other issues that need to be  
14 further evaluated.

15 And we'll also be looking at  
16 alternatives to the project. We'll look at both  
17 ways of potentially reducing the necessity of the  
18 project by conservation and other means. Also  
19 looking at different sites that might by moving  
20 the project would it mitigate any significant  
21 impacts that are discovered during the analysis.

22 And also the identification of  
23 mitigation measures. The mitigation measures  
24 basically that we'd be looking, we call them  
25 conditions of certification. If staff identifies

1 a significant impact to, let's say, biology, staff  
2 would look at is there a way to condition the  
3 project's approval such that that impact would be  
4 reduced to a less than significant level.

5 And if staff can identify those, that  
6 would be part of our preliminary staff assessment.  
7 And those conditions will be written up in that  
8 document and put out as a draft.

9 And once we've basically done the  
10 preliminary, we've had a workshop, let the public  
11 and the applicant and any intervenors make  
12 comments on that, we'll do a final document. And  
13 then that final document will go as recommendation  
14 to the Committee.

15 And as explained before, the Committee  
16 would be the Presiding Commissioner and the  
17 Associate Commissioner.

18 And that basically brings us to that  
19 third part, the evidentiary hearing and decision.  
20 At that point staff steps back a little bit, the  
21 technical staff and myself. And Gary Fay will  
22 take a much more front-and-center role in  
23 conducting the evidentiary hearings, and producing  
24 the Presiding Member's Proposed Decision.

25 And that will basically take our

1 document, and then he'll further expand on that  
2 and clarify it to create their decision. And that  
3 will go forward into the hearings. And that goes  
4 before the full Commission, not just the two  
5 members of the Siting Committee.

6 And as this says, I don't need to read  
7 the entire slide, but basically that's the  
8 document that they look at to see if it mitigates  
9 any impacts from the project.

10 On slide 9 it just gives you a little  
11 bit of a flow chart of the other people and  
12 parties involved in the evidentiary hearing  
13 decision process. This one is a little different  
14 than the preliminary staff assessment.

15 The staff, at this point, is actually  
16 giving testimony, as opposed to just providing a  
17 draft document for review. And this is going to  
18 have a time for the public to comment, intervenors  
19 to testify, local and state agencies to make  
20 comments, as well.

21 Okay, slide 10. Actually Nick covered  
22 this pretty well, but I'll just go over it just  
23 really quickly. As the public you can participate  
24 in several different ways. Providing oral  
25 comments in public meetings is a very good way.

1           Written comments, in most cases outside  
2           of a hearing where we have the benefit of official  
3           record, written comments are the best way to get  
4           your information to the widest audience without  
5           any dilution of translation.

6           If you provide oral comments at the  
7           workshops, we'll get that information into our  
8           notes and staff that are there will do their best  
9           to address it. But if you have a substantial  
10          comment you really need a very clear answer to, we  
11          always request that you send it to me, you know,  
12          email, letter. Then I can make sure that that  
13          gets to the appropriate people, the decisionmakers  
14          in the process and the people doing the analysis  
15          of those specific areas, as clear as possible.

16          So, I always ask if you can put things  
17          in writing, get it on the record so we can make  
18          sure it's very clear.

19          And as Nick said, becoming a formal  
20          intervenor is a process he can help you with if  
21          you believe that that's going to be the best way  
22          to proceed.

23          Okay. Once again, the public process on  
24          slide 11, Nick covered this pretty well. What you  
25          will find here is there's a couple things you can

1 do. You can sign up here on the list to get put  
2 onto the mailing list. Also if you go to the  
3 website at the Energy Commission, there's a way to  
4 get onto the electronic listserver at that  
5 location.

6 You'll see the Energy Commission website  
7 under siting cases slash Avenal. That will have  
8 all the documents, notices, everything up to this  
9 point. It's a great way to sort of keep an eye  
10 on, you know, what is going on in the project.

11 And on this one, like Nick said, there  
12 are several different libraries, actually listed  
13 out the libraries, that have the document. One  
14 thing that sometimes does happen in local  
15 libraries is we'll send it to them and ask them to  
16 keep it local, and they'll ship it all off to the  
17 main library. They will bring it back for you.  
18 So if it isn't there, just ask them. And the  
19 librarians have promised me that if they've  
20 shipped it off and someone wants it locally,  
21 they'll bring it back for you and won't make you  
22 go all the way off to the main library to find it.

23 Okay, on slide 12, basically it just  
24 gives you a little bit, as I said, of, you know,  
25 the kind of information that's on there. We have

1 figures and maps. Some of them will be like the  
2 sociology maps that they were talking about, the  
3 sensitive receptors in the one-mile and the six-  
4 mile area. As they said on this project, we  
5 didn't run across them in either of those  
6 distances.

7 It'll have the Commissioners' documents,  
8 the applicant's documents, any agency's documents.  
9 You already have a couple from -- questions from  
10 the Department of Conservation. You'll find those  
11 on the website.

12 And on slide 13 this goes into a little  
13 bit more detail of if you go to the website you'll  
14 see a yellow box. You just put your email address  
15 in there and click send. It's that easy to make  
16 sure that whenever a document goes out you'll get  
17 a electronic notification that that document is  
18 available on the website. So it's a really good  
19 way just, you know, you're not going to get a lot  
20 of things in writing -- or excuse me, in the mail.  
21 But it'll let you know that there's something  
22 available that you can look at. And if you want a  
23 hard copy, you can always contact us.

24 Slide 14 is just contact information  
25 from the people at the Energy Commission. As I

1       said, as Project Manager, it has both my phone  
2       number and my email address if you have any  
3       questions. The same for the Hearing Officer and  
4       for Nick with the Public Adviser.

5               And this is for the issues  
6       identification report. I'll give you a little bit  
7       more detailed look at that at this point.

8               As I said, it informs everyone of  
9       potential issues. It's also a good time for the  
10      Energy Commission Staff to tell the applicant  
11      these are the things that we have concerns about.  
12      It lets everyone sort of focus on those and put  
13      the energy upfront to try to keep things on track.

14              And as I said, the big issues are these  
15      things where staff believes that they may not be  
16      able to mitigate these to a less than significant  
17      level. Are they noncompliant with the local laws,  
18      ordinances, regulations and standards. And, you  
19      know, are there disagreements between the  
20      applicant, staff, agencies on how to proceed on an  
21      issue.

22              And that said, for this project we  
23      really only had two issues that were identified.  
24      And they were, according to staff they were not  
25      major issues at this point.

1           The first one in slide 16 you'll see is  
2           on air quality. Basically the California Air  
3           Resources Board has a recommendation of 5 parts  
4           per million volume dry basis for ammonia slip.  
5           And the proposed ammonia slip for the project is  
6           10. So, that's something that staff has  
7           identified that we're going to have to work with  
8           the applicant and our staff and the Air Resources  
9           Board to address that disagreement on what the  
10          best number is.

11           And that's something staff will continue  
12          to do. And we'll probably be addressing that in  
13          data requests, data responses. So you'll see more  
14          information on that on the record.

15           And the second issue would be the  
16          transmission system engineering. This is the area  
17          that they look at the impacts of the project, the  
18          proposed project, on the transmission system.  
19          This is both just to the first point of  
20          interconnect, and also beyond that.

21           And as the Commissioner mentioned  
22          earlier, this system impact study is always a big  
23          issue. And if some of you aren't following the  
24          latest issues on that, California's Independent  
25          System Operator is getting deluged with a massive

1 amount of requests for these. So they're looking  
2 at a way of sort of streamlining the process.

3 And in the middle of all that, talk  
4 about trying to figure out how they're going to do  
5 things in the future, Avenal sort of got in right  
6 before they were doing that. So, they think that  
7 we'll probably be able to move ahead of that slow-  
8 down. But it's just something that staff  
9 recognized, as well as the Commissioner did, that  
10 system operator is very busy. And if they're not  
11 able to do this system impact study in a fairly  
12 rapid, or sort of in a normal process, it could  
13 delay the project.

14 Basically the two things that our staff  
15 needs in that report are really to identify  
16 downstream impacts and other impacts to the  
17 system, or locally.

18 So on 18, this gives you an idea of our  
19 proposed schedule. This is just the schedule  
20 proposed by staff. And some of these issues have  
21 already been dealt with as far as the application  
22 for certification, the data adequacy. But you can  
23 read through there and it gives you an idea where  
24 the different steps will fall approximately.

25 But as we proceed in the process, you'll

1 get notices, and what also staff will be doing is  
2 status reports, both the applicant and staff will  
3 be doing status reports. And as part of the  
4 status reports, we'll have updated schedules.

5 So if we have any changes based on  
6 documents coming in early or late, that will get  
7 updated. So you'll start seeing in the end of  
8 June our first status report. That'll have issues  
9 up to this point. It's a great way of just  
10 getting a good overview of the project.

11 And you'll see the to-be-determined  
12 dates. Those ones will happen a little later in  
13 the process and will be determined by the Hearing  
14 Officer.

15 But, as you can see, based on the  
16 schedule at this point in our attempts to keep it  
17 approximately a 12-month process, we're estimating  
18 right around 4/15/09 as the point when the project  
19 will be ready for the Commission to make a  
20 decision on it.

21 And on slide 19 just sort of a little  
22 disclaimer. It's just talking about this is a  
23 proposed schedule. It can be impacted by right  
24 now we have a fairly high work volume at the  
25 Commission. And staff is working on a lot of

1 different things. We're trying to get everything  
2 through as quickly as possible, but also  
3 maintaining the highest quality on the documents.

4 And staff has actually put together a  
5 very good set of data requests. And we think that  
6 we're not going to have to go back and forth a lot  
7 on that because the project is fairly  
8 straightforward. And will be, actually probably  
9 by the end of this week, those data requests will  
10 go out to the applicant and they'll be able to get  
11 those hopefully in 30 days, the responses.

12 And, again, as we said before, you know,  
13 some agencies, as far as how fast they provide us  
14 the information as far as the Independent System  
15 Operator or the local air board giving us  
16 information, that will affect how quickly this  
17 schedule can proceed.

18 And the last slide is just sort of a  
19 recap that has the contacts for the Energy  
20 Commission. Also on there are applicant's contact  
21 information. So if you want to get directly ahold  
22 of the applicant, Jim Rexroad is a great contact  
23 to talk to, the owner. Joe Stenger is with --  
24 he's the Project Manager; he's dealing with a lot  
25 of the environmental issues. And he's probably

1 the most knowledgeable on those.

2 So that is my old school paper  
3 presentation. Thank you for your patience on  
4 that. Does anyone have any questions on the CEC  
5 process? Yes?

6 HEARING OFFICER FAY: Chris, just at  
7 least one. You said on the schedule it lists data  
8 request set one going out tomorrow. And then you  
9 mentioned by the end of this week. So, what is  
10 it?

11 MR. MEYER: When I did this they were  
12 going out tomorrow. When I got an update from my  
13 boss on her schedule, end of the week is I can  
14 guarantee. I might be able to get them out by  
15 tomorrow, but I'm not sure if I'll be able to get  
16 them published by the end of tomorrow. But they  
17 should be done by the end of tomorrow.

18 HEARING OFFICER FAY: Okay. Does  
19 anybody else have any questions of the staff? Or  
20 how they plan to conduct their analysis?

21 PRESIDING MEMBER BYRON: I have a  
22 comment, Mr. Meyer. Back on page 18 that is the  
23 longest string of letters I have ever seen before  
24 for an acronym, 11 letters I count.

25 MR. MEYER: Yes.

1                   PRESIDING MEMBER BYRON:  Would you say  
2                   it out for us, please.

3                   MR. MEYER:  San Joaquin Valley Air  
4                   Pollution Control District preliminary  
5                   determination of compliance.

6                   PRESIDING MEMBER BYRON:  Um-hum, okay.

7                   MR. MEYER:  Yeah, I needed a bigger  
8                   screen --

9                   PRESIDING MEMBER BYRON:  All right,  
10                  good.

11                  MR. MEYER:  -- to get that on.  Yes,  
12                  that is a mouthful.

13                  PRESIDING MEMBER BYRON:  That's an award  
14                  winner; thanks, Chris.

15                  MR. MEYER:  Yeah.

16                  MR. SPEAKER:  We just call them the air  
17                  district.

18                  (Laughter.)

19                  MR. MEYER:  And if that's it, thank you  
20                  very much.  I'll turn this back over to Gary.

21                  HEARING OFFICER FAY:  Okay.  Recalls our  
22                  famous sentence saying that SCR was BACT for NOx.  
23                  An air quality joke.

24                  (Laughter.)

25                  HEARING OFFICER FAY:  Unintelligible to

1 the regular English-speaking population.

2 Would CURE like to make any comment or  
3 tell us what they have in mind, how they'd like to  
4 participate?

5 MS. MILES: No comment.

6 HEARING OFFICER FAY: No comments at  
7 this time, okay.

8 And then I'd like to ask if there is any  
9 public comment, anybody in the audience. If you'd  
10 like to make a comment for the record, or put us  
11 on notice of anything or ask a question, we ask  
12 that you do so now.

13 Yes, sir, please come up. Identify  
14 yourself, your department, and then --

15 MR. OVALLE: My name's Dagoberto Ovalle  
16 and I was just selected Planning Commissioner for  
17 the City of Avenal. And I just have a question  
18 that Mr. Byron asked Mr. Rexroad.

19 He asked if he had a power purchasing  
20 agreement. You said no. What does that mean?

21 MR. REXROAD: A power purchase agreement  
22 is a contract that a power plant or some other  
23 marketing entity would enter into with some other  
24 marketing entity such as a utility like PG&E, to  
25 actually sell the power from the power plant to

1 some other wholesale customer, such as the utility  
2 PG&E or SoCalEdison.

3 So it's a purchase contract is what it  
4 is.

5 MR. OVALLE: Let's say that for some odd  
6 reason you didn't get one, then what?

7 MR. REXROAD: Right now this project's  
8 being developed as a merchant plant, which simply  
9 stated is we're developing it without the need for  
10 a PPA.

11 So as we stand today, the project is  
12 moving forward whether we get a contract or not.  
13 And that's largely based on the economic  
14 conditions in the region.

15 And we believe that, you know, our  
16 commitment to the project is such that we think  
17 it's a good business to be in, and we think that  
18 power plant's a good power plant to build.

19 MR. OVALLE: And you're confident that  
20 you're going to get a PPA, you said?

21 MR. REXROAD: I mean we will actively  
22 participate in the marketplace to contract the  
23 project once it's constructed, yes.

24 So the answer is yes, we think we'll be  
25 able to contract the power plant.

1                   MR. OVALLE:  If not, then it stays off,  
2 shut down?

3                   MR. REXROAD:  Not necessarily.

4                   MR. OVALLE:  Oh.

5                   MR. REXROAD:  Not necessarily.

6                   MR. OVALLE:  What are you --

7                   MR. REXROAD:  That's the nature of a  
8 merchant plant.  It means that that the project  
9 can be constructed without a contract.  It doesn't  
10 necessarily need one.  It doesn't -- and it's  
11 simply driven by the economic conditions in the  
12 state and in the power market in the area.

13                   So if the power market, as we've seen in  
14 California there's a continuing growth in demand  
15 for electricity, there's a continuing growth in  
16 the Central Valley, a large demand for need, this  
17 power plant will serve 450,000 homes.  We think  
18 there's a need for the power plant, and we think  
19 it's a good business to be in, so we plan to be  
20 here with that power plant.

21                   MR. OVALLE:  Thank you.

22                   PRESIDING MEMBER BYRON:  Pretty good  
23 questions.

24                   HEARING OFFICER FAY:  That is a good  
25 question.  And would anybody else like to ask the

1 applicant or the staff or the Committee anything  
2 about this project? Yes, sir.

3 MR. CRAIGHEAD: Sidney Craighead, City  
4 Council. I guess our is not really a question,  
5 just support. Because we have been -- I was on  
6 the Council when we started the process of the  
7 power plant. I know it was an idea in our mind as  
8 the City Council, you know, that this is something  
9 that we can use, it will create jobs. We're on  
10 the west side of the Valley, which there's not a  
11 lot of things for us here. And this is an area  
12 that creating jobs that we want for our people and  
13 people who would want to move into the area.

14 We know that the power is needed  
15 throughout the state. We've had numerous  
16 blackouts or brownouts or whatever you want to  
17 call them, but when the power starts getting shut  
18 down in the state, you know, this is one thing  
19 that we feel, or the Council has felt that would  
20 help the entire state out.

21 This additional power that we want. And  
22 in the proximity that we are, with the water close  
23 by; we have the gas that they're bringing in. We  
24 have main powerline running up and down, the Gate.  
25 It's somewhat of an ideal situation for us.

1                   And, again, being on our industrial park  
2                   area, it will help out our industrial park. We  
3                   have approximately 900 acres out there that we can  
4                   use for industrial. This is just 25, I think, of  
5                   that corner park.

6                   And so this is just a piece of the  
7                   puzzle that we hope. At one time we were hoping  
8                   this was going to be our basic foothold for it,  
9                   and we can go off the rest of it.

10                   So, with that, I want to say thank you  
11                   for everything; thanks for coming down and  
12                   listening to us. I'll be glad to see it get  
13                   finished.

14                   Thank you.

15                   MR. REXROAD: Thank you.

16                   HEARING OFFICER FAY: Yes, sir.

17                   MR. SANCHEZ: I just had a --

18                   HEARING OFFICER FAY: Could you come up  
19                   to the microphone, please, and give your name  
20                   and --

21                   MR. SANCHEZ: I just have a quick --

22                   HEARING OFFICER FAY: What is your name,  
23                   sir?

24                   MR. SANCHEZ: My name is Israel Sanchez  
25                   and I'm just here to make quick observation on

1       behalf of Westlands Water District.

2               According to the AFC it identifies the  
3       three wells that are posted here on this aerial  
4       overview. I just wanted to make the comment that  
5       several years ago the ownership of the mentioned  
6       groundwater facilities were transferred to the  
7       District.

8               So that electrical power could be  
9       provided through the District's groundwater  
10      management program. So any agreement for  
11      groundwater use from these wells would have to be  
12      approved by the District's Board of Directors.

13              Also, the City of Avenal has a contract  
14      with the United States for water services shortage  
15      provisions within the contract for reductions in  
16      supply due to hydrology and environmental  
17      restrictions.

18              This year the United States, the initial  
19      allocations to municipal and industrial was  
20      allocated 75 percent. The District's agriculture  
21      allocation was only 45 percent.

22              Having stated that, the District's  
23      allocation kind of falls short within what is  
24      necessary to sustain today's crops. And the  
25      District expects the majority of the shortfall

1 would be made up through pumping groundwater.

2 Just to date, I guess the District's  
3 Board has opposed projects that have a potential  
4 in increasing water demand from the groundwater  
5 basin, which is currently overdrafted.

6 Just make that comment.

7 HEARING OFFICER FAY: Based on your --  
8 I'm sorry, go ahead.

9 PRESIDING MEMBER BYRON: Mr. Sanchez,  
10 thank you for being here. That's important  
11 information.

12 HEARING OFFICER FAY: Yeah, Mr. Sanchez,  
13 I second that. And I want to encourage you, at  
14 the very least, to keep in touch with the Energy  
15 Commission Staff so that they know the concerns of  
16 the Westland Water District.

17 And if the District isn't satisfied with  
18 their communication with the staff, or just feels  
19 it needs to be more connected to this process,  
20 they could formally intervene as a party.

21 You will be given a place at the table,  
22 whether you intervene or not, just because you are  
23 a government district, you represent certain  
24 resources in the area. Okay.

25 Any other concerns, comments, questions?

1 Okay. Oh, yes, sir.

2 MR. SOPP: Steven Sopp, Community  
3 Development Director for the City of Avenal. I  
4 suppose I can address my remarks to Mr. Meyer.

5 We'll offer any assistance you need,  
6 whether night and day. And I'm certainly -- the  
7 general plans, I think we should do general plans,  
8 zoning ordinance, anything you need. So I just  
9 wanted to make that offer to you and your staff.

10 MR. MEYER: Great, thank you very much.

11 MS. WHITTEN: Good evening, everyone. I  
12 want to welcome everybody to the City of Avenal,  
13 and thank you for traveling down here. I know  
14 it's quite a drive, but believe me, we make the  
15 same visit to Sacramento once in awhile. So we  
16 realize that it does take a commitment to come  
17 down, but thank you very much. We appreciate  
18 that.

19 I just have a couple of statements.

20 I --

21 HEARING OFFICER FAY: Could I ask you to  
22 state your name, first, please.

23 MS. WHITTEN: I'm sorry. Melissa  
24 Whitten, City of Avenal. Can you hear me okay?

25 HEARING OFFICER FAY: Um-hum.

1 MS. WHITTEN: My voice kind of goes up  
2 and down. Okay.

3 I was here for the first hearing. I  
4 would like to state, I'm not sure that everybody  
5 knows this, but the City of Avenal is the one that  
6 made the initial contact with the first applicant,  
7 understanding that we felt we had a good site or a  
8 good area to possibly locate a power facility.  
9 That established the City's support, and that  
10 support still stands today.

11 This project not only would meet a need  
12 within the State of California, but it also helps  
13 the City because we've had -- it's a significant  
14 project in that our EDA grant application, which  
15 was successful, noted that the power facility was  
16 to be our anchor facility for our industrial park.  
17 The industrial property has been zoned as such  
18 since 1993. So this is all part of a larger plan  
19 for the City of Avenal.

20 But we understand this is significant,  
21 not only for the City, but also for the State of  
22 California. And I just wanted to note our  
23 support, which has not wavered since the  
24 beginning.

25 Thank you very much.

1 HEARING OFFICER FAY: Nick, who else has  
2 indicated an interest in speaking?

3 MR. BARTSCH: Anybody else?

4 HEARING OFFICER FAY: You don't have any  
5 blue cards from somebody that --

6 MR. BARTSCH: I wasn't having them fill  
7 them out, so --

8 HEARING OFFICER FAY: Okay. And that's  
9 fine. If you've already spoken the blue cards  
10 will help us keep you informed as the process  
11 moves along.

12 Just one last call. Would anybody else  
13 like to make a comment or ask a question?

14 Okay. Commissioner, would you like to  
15 make some closing remarks?

16 PRESIDING MEMBER BYRON: Well, yes,  
17 thanks, Mr. Fay. I can't come all this way  
18 without taking an opportunity to say thank you  
19 very much for having us. And thank our elected  
20 officials for turning out here this evening.  
21 That's extremely important, representing your  
22 constituency.

23 Again, I apologize for my Associate  
24 Member, Commissioner Rosenfeld, who could not be  
25 here today.

1           But I do want to impress upon all of you  
2           that we take this very seriously, this process of  
3           licensing and reviewing applications for power  
4           plants at the Energy Commission. It's one of the  
5           most important things that we do. And we have a  
6           very dedicated staff that takes this very  
7           seriously, as you'll see over the course of the  
8           next year.

9           There's going to be some workshops that  
10          will be held here. We look forward to input from  
11          members of the public. And we welcome all of you  
12          back to those workshops, as well.

13          I'm reminded that we're very early in  
14          this game. If I could use the analogy of a  
15          baseball game, since it's baseball season, we're  
16          at the top of the first. There's a lot of data  
17          that our staff will be going through. They'll do  
18          their evaluation.

19          We will take the input from the public,  
20          the intervenors, everything's done on the public  
21          record. And that's what we'll consider in our  
22          evaluation and the Committee's recommendation to  
23          the full Commission.

24          I'd also want to assure you that there's  
25          no prejudgment on the part of this Committee. We

1 will base our decision on what we hear here today,  
2 and on all the public record going forward.

3 So, again, thanks to all the agencies,  
4 they're here, the elected officials and the City  
5 for hosting us at this nice, air-conditioned  
6 venue.

7 Mr. Fay.

8 HEARING OFFICER FAY: Thank you. And  
9 I'd just like to add that the Committee will be  
10 issuing a scheduling order. And I didn't hear any  
11 disagreement with the proposed order by the  
12 applicant. They're indicating no disagreement.  
13 So, the scheduling order will probably look a lot  
14 like staff's proposal.

15 We'll also rule on the petition to  
16 intervene. And if you have any additional  
17 concerns, please be in touch with Mr. Meyer of the  
18 staff, or Mr. Bartsch of the Public Adviser's  
19 Office. There's a lot of ways to keep up on this  
20 case, the easiest of which is using the website.

21 So, we thank you all for taking the time  
22 to come in here and learn about the project. And  
23 thank the applicant for taking the effort to  
24 explain it all to us.

25 Thank you very much. We are adjourned.

1 (Whereupon, at 7:10 p.m., the hearing  
2 was adjourned.)

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## CERTIFICATE OF REPORTER

I, TROY A. RAY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; 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 hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of June, 2008.

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