

PUBLIC SITE VISIT AND COMMITTEE CONFERENCE
BEFORE THE
ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the:)
)
Bottle Rock Geothermal)
Power Plant Amendment)
_____)

Docket No.
79-AFC-4C

California Energy Commission

DOCKETED
79-AFC-4C

TN 2953

JUN 10 2013

BOTTLE ROCK GEOTHERMAL POWER PLANT
MULTIPURPOSE ROOM
7385 HIGH VALLEY ROAD
COBB, CALIFORNIA

FRIDAY, MAY 31, 2013

5:00 p.m.

Reported by:
Ramona Cota
Contract No. 170-09-002

COMMITTEE MEMBERS PRESENT

Karen Douglas, Presiding Member

Janea Scott, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Paul Kramer, Hearing Officer

Jim Bartridge, Advisor to Commissioner Scott

Galen Lemei, Advisor to Commissioner Douglas

Jennifer Nelson, Advisor to Commissioner Douglas

CEC STAFF PRESENT

Kevin W. Bell, Staff Counsel

Camille Remy-Obad, Compliance Project Manager

Roger Johnson, Siting Manager

RESPONDENT/PROJECT OWNER

Brian Harms
Samantha Huggins
Bottle Rock Power, LLC

Kristen T. Castaños, Esq.
Stoel Rives LLP

PROJECT LANDOWNER

Robert Francisco (via WebEx)
V.V. & J. Coleman LLC

Mark Peterson
Eileen Diepenbrock
Diepenbrock Elkin LLP

COMPLAINANT (in related case 12-CAI-04)

David Coleman

Donald B. Mooney
Law Offices of Donald B. Mooney

INTERESTED AGENCIES

Doug Gearhart
Lake County Air Quality Management District

ALSO PRESENT

Linda Fung

Hamilton Hess
Friends of Cobb Mountain

Kelly Fletcher

Ronald Fidge

Joan Moss

Randall Fung

Sharon Matzinger

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Legend:

OTR = Off the Record

1 PRESIDING MEMBER DOUGLAS: Thank you.

2 MS. CASTAÑOS: I'm Kristen Castaños, I am counsel
3 for Bottle Rock.

4 PRESIDING MEMBER DOUGLAS: All right, thank you.
5 Staff?

6 MR. BELL: I'm Kevin Bell, Senior Staff Counsel
7 with the California Energy Commission. With me here today
8 is the Siting Director Roger Johnson and Compliance Program
9 Manager Camille Remy-Obad.

10 PRESIDING MEMBER DOUGLAS: Thank you, Mr. Bell.

11 Can we have the complainant in the related
12 complaint case, Mr. Coleman and Mr. Mooney, introduce
13 yourselves for the record.

14 MR. COLEMAN: David Coleman.

15 MR. MOONEY: And Donald Mooney representing David
16 Coleman in the complaint matter.

17 PRESIDING MEMBER DOUGLAS: Thank you.

18 MR. MOONEY: And in this matter as well.

19 PRESIDING MEMBER DOUGLAS: Great. Is there anyone
20 here from the Department of Water Resources?

21 (No response.)

22 PRESIDING MEMBER DOUGLAS: Is there anyone here
23 from Department of Conservation, DOGR?

24 (No response.)

25 PRESIDING MEMBER DOUGLAS: We had earlier a

1 representative from DOGR but I think he mentioned he wasn't
2 able to stay.

3 MEMBER OF THE AUDIENCE: He had a 6:30 graduation
4 to go to.

5 PRESIDING MEMBER DOUGLAS: A 6:30 graduation,
6 that's understandable.

7 Is there anyone here from Lake County?

8 (Show of hands.)

9 PRESIDING MEMBER DOUGLAS: Could you introduce
10 yourselves.

11 (Several people spoke at once.)

12 PRESIDING MEMBER DOUGLAS: All right, the record
13 will reflect we have a number of residents of Lake County
14 here.

15 Is there anyone here representing Lake County?

16 MR. GEARHART: (Raised hand.)

17 PRESIDING MEMBER DOUGLAS: Would you introduce
18 yourself for the record.

19 MR. GEARHART: Doug Gearhart with the Lake County
20 Air Quality Management District.

21 PRESIDING MEMBER DOUGLAS: Great, thank you.

22 Anyone else here from any public agencies, local,
23 state or federal?

24 (No response.)

25 PRESIDING MEMBER DOUGLAS: All right then, very

1 good. I'll turn this over to the Hearing Officer.

2 HEARING OFFICER KRAMER: We have one more group,
3 the Project Landowner V.V. and J. Coleman LLC. Anyone here?

4 MR. PETERSON: Mark Peterson. And with me, Eileen
5 Diepenbrock, counsel for V.V. & J. Coleman LLC.

6 HEARING OFFICER KRAMER: Okay. Mr. Gearhart,
7 could you spell your name for me.

8 MR. GEARHART: G-E-A-R-H-A-R-T.

9 HEARING OFFICER KRAMER: Thank you. First some
10 housekeeping items.

11 But first we will reiterate the purpose of this
12 Committee Conference is to provide an opportunity for
13 members of the public to obtain information, to offer
14 comments and earlier to view the project site.

15 Bottle Rock Power is going to explain its Petition
16 to Amend and then the Energy Commission staff is going to
17 explain the amendment process and their role in reviewing
18 the amendment.

19 After that anyone can present oral comments during
20 the public comment portion of our agenda. And to help us
21 organize that -- we've mentioned it a couple of times and
22 I'll mention it one more, we'd like you to fill out a blue
23 card like this. Mr. Bell, sitting up to our left now, he is
24 both acting as the attorney for the staff, but because our
25 public adviser couldn't be here today he is also serving in

1 that role. So he'll collect the cards and give them to us.

2 For those on the phone -- and there are none so I
3 won't lecture them.

4 One of the matters to be discussed now is the
5 process for this amendment. Our Commission regulations are
6 pretty much silent on exactly what process has to be
7 followed. If you looked at an application for a new power
8 plant there's a lot of details specified in our regulations;
9 but for amendments, not so much. All they really require is
10 that staff analyze the petition to amend and then present a
11 recommendation to the full Energy Commission, which is five
12 commissioners. We have two of the five here with us acting
13 as a Committee. But because of the likely public interest
14 in this amendment the Commission appointed this Committee to
15 conduct meetings to consider all the public input and
16 concerns and then make its own recommendation to the full
17 Commission.

18 We are not sure at this point. We could go so far
19 as to have formal evidentiary hearings or maybe something
20 short of that, just a meeting where we listen to everyone,
21 let people ask questions of each other, present us their
22 issues and concerns and documents that they think we need to
23 look at and then issue a proposed decision after that. So
24 that's one of the things we would like the parties to
25 address tonight or this evening, if they have any particular

1 preferences as far as the level and the complexity of the
2 process. What we won't be doing, however, is dispensing
3 with the portion where the staff analyzes the petition and
4 files an initial report, that is going to get the ball going
5 -- rolling, rather.

6 The other thing we need to do is establish a
7 schedule for processing the petition. The staff and the
8 project owner have filed in their written comments proposed
9 schedules. They differ a little bit so we've -- I have a
10 couple of extra copies of a handout where I have simply
11 charted the proposals of both the staff and the applicant
12 and if somebody wants a copy of that I can share the few
13 extras I have. But that may be the key decision we need to
14 make tonight is what is the schedule going to be so that you
15 have a rough idea of what is going to follow after what and
16 roughly when we hope that this proceeding will conclude.

17 I have already mentioned that we have handouts at
18 the back of the room, the various filings of the parties
19 staff and the parties in the last couple of weeks in
20 response to the notice of this event.

21 All of this is being recorded in audio form and
22 then it will be transcribed into a written transcript. So
23 when you speak the first time please give us your name and
24 then spell it so our court reporter will make sure it's
25 properly spelled in the transcript.

1 Then as we proceed if you haven't spoken for
2 awhile when you first speak again please just say your name.

3 In the past we have had some trouble with the transcripts
4 not noticing that a new person is speaking so it will help
5 make sure we attribute the words to you and, say, not to
6 your mortal enemy, first instance, in the transcript.

7 And let's also try to talk one at a time, not talk
8 over each other, because we are not all separately mic'ed.
9 And if we are all yelling the transcript is probably just
10 going to say, paren, yelling, which isn't very helpful.

11 (Laughter.)

12 HEARING OFFICER KRAMER: Finally, as a matter of
13 procedure, we have two -- there's two active Commission
14 proceedings relating to this power plant. One is the
15 complaint that Mr. Coleman filed last year and that -- in
16 that case the Committee made a decision and it's been
17 appealed by Bottle Rock to the full Commission but it's on
18 hold at this point. Further action in that case is awaiting
19 the outcome of this amendment proceeding.

20 So when the parties are filing documents please
21 file them in the compliance proceeding, that's the 79-AFC-4C
22 as in Charlie proceeding and not in the complaint
23 proceeding. You don't have to file it in both places, one
24 is enough. The compliance proceeding is the one that we
25 want you to file them in.

1 Okay, we have already had the site visit. So
2 let's begin the part where I quit speaking and that first
3 involves a presentation about the amendment from Bottle
4 Rock.

5 MR. HARMS: Again, I'll try to position myself so
6 that I can both reach the microphones and be polite. Brian
7 Harms again, General Manager of Bottle Rock.

8 HEARING OFFICER KRAMER: Would it be more
9 convenient if you could see the whole room maybe, if you
10 could stand where Mr. Bell is?

11 PRESIDING MEMBER DOUGLAS: That would be better.

12 MR. HARMS: Good afternoon, Commissioners and
13 staff as well as everyone from the public. Thanks for
14 coming this afternoon. I hope you -- those of you who were
15 on the tour got a chance to see Bottle Rock and maybe learn
16 a little bit about our operation.

17 To get to the point, because everyone's time is
18 valuable, I want to briefly discuss how Bottle Rock got to
19 this situation that we're in that we're trying to solve.
20 And I am going to have my legal counsel discuss the actual
21 petition in terms of point by point and how we are
22 attempting to address the Energy Commission's needs as well
23 as the business needs of Bottle Rock.

24 Bottle Rock had a Purchase and Sale Agreement with
25 the Department of Water Resources. For maybe those in the

1 public that aren't aware, that was a piece of state
2 property, this was owned by the state of California. It was
3 sold to a private entity, then at that time it was called
4 Bottle Rock corporation. It is not the entity today. I was
5 not there then. But that transaction went through the
6 Energy Commission and there was an ownership change
7 approved. There were, however, stipulations in that
8 Purchase and Sale Agreement requiring a certain level of
9 bonds be in place to handle the eventual decommissioning of
10 the plant.

11 However, the reasons the bonds -- again, the DWR
12 -- which is unfortunate they are not here, but the reasons
13 those bond were in place, from their standpoint in dealing
14 with both the landowner and the DWR, was to address that
15 concern. The landowner at that time would not provide for
16 the DWR or for the state if California the unconditional
17 release of liability.

18 So it was a problem for the state of California
19 because they still maintained some level of obligation
20 regarding potential liability that could exist with Bottle
21 Rock. So the landowner wouldn't provide that, we had bond
22 obligations. The state of California needed a release of
23 liability, the landowner had particular interests regarding
24 some changes to the lease, Bottle Rock needed to have some
25 changes to the Purchase and Sale Agreement

1 So it was not just a \$5 million bond that was
2 really the business issue at stake. We approached the state
3 of California, that was our perspective in dealing with the
4 Department of Water Resources, because the \$5 million was
5 somewhat arbitrary. It was a number that wasn't really
6 based on anything and there were provisions in the Purchase
7 and Sale Agreement whereby Bottle Rock would be required to
8 increase that amount to the decommissioning estimate by an
9 independent engineer and add 25 percent to that number.

10 Now depending on whose number was being used it
11 was substantially more than \$5 million. Bottle Rock is a
12 small business, we're generating 10 megawatts, we have 24
13 employees here. We don't have provisions to do that.

14 Well why is a bond a problem, those who think that
15 it's simply insurance. A small business like mine has to
16 back that with collateral, which means cash. So we had to
17 solve that problem. The state needed their problem solved
18 regarding liability, the landowner had a problem with
19 conditions in the lease. So we worked together for close to
20 I think a year and a half to attempt to find a solution and
21 we did, in our mind anyway.

22 The solution that we found was that the landowner,
23 who is represented here today, would provide an
24 unconditional release of liability to the state of
25 California, in exchange for that Bottle Rock would provide

1 changes to the lease that were acceptable to the landowner.

2 The landowner would then -- because they were giving the
3 unconditional release of liability to the state of
4 California, the Department of Water Resources agreed to
5 modify the Purchase and Sale Agreement in accordance with
6 the procedures that were specified in the Purchase and Sale
7 Agreement.

8 So what we found, in our mind, was a solution to a
9 problem, we weren't trying to make one. We approached the
10 state, we believed we were working directly with the state
11 of California, our agreement was approved and signed off by
12 the Department of General Services in August of 2012.

13 Now where -- there is a recognition on our part
14 that the Energy Commission has a different opinion of
15 whether they should have approved that ahead of time and we
16 recognize that and that's why we're here, that's why we are
17 petitioning to amend our -- essentially our license to
18 address that concern that the Energy Commission has.

19 But basically what Bottle Rock did was not attempt
20 to find an underhanded way or some way of getting away with
21 something, it was a solution that was mutually beneficial to
22 the state of California, to the landowner and to Bottle Rock
23 as a business. It was -- in every sense to those three
24 parties it looked like a win-win situation. We took what
25 was a liability for the state of California, turned it into

1 an operating renewable energy asset that pays taxes, employs
2 people, provides economic activity in this community, and
3 all we had to find was a solution to a business problem.

4 Having obligations that are somewhat undefined,
5 whether the number is \$5 or \$20 million, you could throw
6 these numbers around. Having a potential obligation over a
7 business like that, like Bottle Rock, a small business, is a
8 financial black cloud. It prevents equity, prevents debt --
9 any financing to allow the business to expand.

10 We have checked the box on a number of things that
11 Bottle Rock needed. We needed to solve this issue with the
12 Department of Water Resources. We needed to permit our
13 expansion. We needed to get an extension on the existing
14 use permit. We had to get a new power purchase agreement
15 that made financial sense. That power purchase agreement
16 had a number of things that were necessary for the business.

17 We had large accrued penalties with PG&E, which have now
18 been forgiven. We had to have a revenue stream that made
19 more sense for a small business. We fixed all those things.

20 This was just one of the things that we had to fix so that
21 we could get the financing to expand the business.

22 And so now, while we recognize there is a
23 difference of opinion of how this Energy Commission should
24 have been involved in that process, that's how we got to the
25 point of petitioning to amend our license. Again, I'll be

1 -- I'm available to answer questions but at this point
2 perhaps I'll have my legal counsel actually present the
3 petition to amend.

4 MS. CASTAÑOS: Kristen Castaños, C-A-S-T-A-N-O-S,
5 with Stoel Rives and I am counsel to Bottle Rock.

6 So as Brian described, the genesis for this
7 petition really was the Commission's decision on our
8 complaint or the Committee's decision on the complaint
9 related to the elimination of the \$5 million bond. And we
10 -- you know, first I just want to express that we really
11 appreciate that the Committee gave us the opportunity to
12 submit this petition and stay the implementation of that
13 bond requirement while we get through this process.

14 We view our petition as being fairly
15 straightforward. We thought that in addressing the
16 financial assurance for decommissioning this was also an
17 opportunity for our license to be updated with modern
18 closure and decommissioning conditions.

19 So what we proposed, what we are proposing in our
20 petition is the elimination of three conditions that speak
21 to closure and decommissioning obligations and replacing
22 those three conditions with the Commission's current
23 standard condition related to developing a closure plan.
24 We, for the most part, verbatim copied that language from
25 modern licenses related to planned closure. And our

1 understanding of including that planned closure condition,
2 it's our Compliance-1, is that it would replace the prior
3 decommissioning conditions that related to developing a
4 biological resources element in our closure plan, submitting
5 restoration plans and a reclamation plan. It was our
6 intent, at least, that our Compliance-1 plant closure would
7 be the modern version of those old conditions. And we
8 proposed that our planned closure plan would be submitted
9 one year prior to planned closure, which is consistent with
10 the existing conditions of the license.

11 We understand from staff's issues report that
12 there are some questions about whether our planned closure
13 provisions failed to capture the biological resources
14 element or how hazardous wastes are going to be dealt with.

15 And again we took the modern conditions. It was our
16 understanding that those -- that all of the environmental
17 issues are captured in the current modern conditions, but we
18 are certainly open to tweaking and modifying that standard
19 condition as appropriate for this project to capture any
20 specific resources that the Committee or the Commission
21 feels need to be captured in our planned closure plan.

22 The other three -- we are also proposing to add
23 three additional conditions which we don't currently have in
24 our license. Two of them are contingency planning
25 conditions, one for a temporary closure contingency plan and

1 one for a permanent closure contingency plan. And again, we
2 took the language from existing modern licenses and
3 essentially verbatim copied that into our petition as
4 proposed conditions. There are slight tweaks based on the
5 fact that those conditions usually -- currently what we have
6 seen are triggered from operations because they are usually
7 part of a new project and they are triggered by operations.

8 And obviously we are currently operating so we tried to
9 just modify the time lines for when those plans would be
10 submitted to staff for approval to reflect the fact that we
11 are currently an operating plant.

12 The fourth condition that we are proposing to add
13 would essentially address the bonding requirement, the
14 decommissioning bonding requirement that was in the -- in
15 the ownership transfer approval. And what we are proposing
16 there is that we would submit to staff for analysis and
17 review a preliminary scoping decommissioning plan. So we
18 are trying to take into account the fact that this is a
19 plant that is intended to be operated for 30 years. Our
20 closure plan would not be developed until a year prior to
21 closure. But we understand that in order to develop an
22 appropriate cost estimate for closure and an appropriate
23 financing mechanism for closure we need to develop a
24 preliminary scope of decommissioning so that we can have an
25 adequate estimate of that.

1 So our proposal in our petition is that we would
2 submit such a preliminary decommissioning scoping plan to
3 staff for review and approval. And once that has been
4 approved then based on the estimates in that we would
5 establish a financing plan to fund that decommissioning
6 plan, that preliminary scope, And that that preliminary
7 scope would be periodically reviewed. And if circumstances
8 changed, which we anticipate they would over the life of the
9 project, that it would be updated and the financing plan
10 would also be updated to reflect current conditions.

11 It is -- so this is a condition that we created
12 from whole cloth because the licenses for existing power
13 plants that we have reviewed do not include requirements or
14 financing decommissioning. We have only seen one; there is
15 only one that we are aware of that includes a financing plan
16 for decommissioning. But we recognize that there was --
17 that there was this \$5 million bond and we are trying to
18 create a similar condition to address the concerns about
19 decommissioning financing for this facility.

20 Our petition does not propose any changes with the
21 potential to impact the environment, we are not proposing
22 any modifications to the design operations, we are not
23 making any suggestions or requesting any actions that would
24 result in a physical change in the environment. And it is
25 for that reason that we feel and we stated in our response

1 papers to staff's issues list that we feel that staff's
2 identification of issues exceeds the scope of our petition.

3 We will certainly review and respond to data requests but
4 we are concerned that the scope of issues identified in the
5 staff's issues report appears to be focused on a physical
6 environmental change that is not being proposed by this
7 petition.

8 While we submitted an engineer's estimate with our
9 petition, we did that because it was required by the Order
10 on the complaint and not because it has any relevance to the
11 conditions that we are proposing in our petition.

12 Essentially the way our petition envisions this process is
13 that a more detailed, specific estimate of decommissioning
14 costs would be developed through the mechanism that we have
15 set forth in our Compliance-4 proposed condition.

16 So we feel that data requests that relate to the
17 engineer's estimate are actually not relevant to our
18 petition. and it is for that reason that we feel that the
19 time frame for this process could be expedited and also that
20 the issues could be narrowed. And I think that the
21 landowner agrees with us in terms of expediting the process
22 for resolving.

23 This petition clearly having this obligation or
24 this uncertainty hang out for an extended period of time
25 makes it difficult for Bottle Rock to proceed with its

1 expansion project and that really is the goal of the entire
2 operation. So I am happy to answer any questions and thank
3 you very much for being here and for your time this evening.

4 Yes?

5 HEARING OFFICER KRAMER: One question. When I was
6 talking to Mr. McKinsey, your colleague, about the details
7 of setting up this meeting, dates and room and the like, he
8 mentioned that at some point after the initial approval of
9 the project there was a document that purported to be a
10 complete compilation of the conditions applied to the
11 project. And that it was -- he wasn't sure if it ever
12 formally adopted by the Commission. But what I am wondering
13 is if you think there would be some value as a part of this
14 process to just -- to reaffirm the complete set of what the
15 conditions are that apply as of now to the project.

16 MS. CASTAÑOS: Yes, we think that there would be
17 tremendous value in capturing all of the conditions that
18 apply to this project in one document. I think it would be
19 very useful not only for the project but also for the public
20 and the Commission going forward. Clearly there was some
21 misunderstanding about -- at least about the \$5 million bond
22 obligation and whether it was a condition of operation. And
23 we certainly would support an outcome, a petition outcome
24 that would reflect all those conditions in one place.

25 HEARING OFFICER KRAMER: Okay.

1 MS. CASTAÑOS: I don't believe that such a
2 document has ever been submitted to the Commission. Bottle
3 Rock has its own compilation of the conditions for its
4 operational purposes and it, you know, maintains all of
5 those in one place. But I don't believe that there is a
6 single document that captures all of the conditions.

7 HEARING OFFICER KRAMER: I think he thought there
8 was so could you look into that, and if you find such a
9 thing just docket it and share it with everyone.

10 MS. CASTAÑOS: Okay.

11 HEARING OFFICER KRAMER: So we can take a look.

12 MS. CASTAÑOS: Yes.

13 HEARING OFFICER KRAMER: Secondly, your proposed
14 condition on the financial assurances basically postpones
15 the determination of what the appropriate amount, ultimate
16 amount is and then also how it would be funded. But if the
17 Committee and the Commission wanted to accelerate that and
18 come to a number, so to speak, as a part of this process
19 rather than the process after this process, how do you think
20 that would affect the schedule?

21 MS. CASTAÑOS: Well I would hope that we could do
22 that still on an expedited schedule. I think that that --
23 we have set out in our petition a plan that within 90 days
24 of approval of the petition we would be able to submit our
25 preliminary scoping decommissioning plan. I think the

1 question is how long it would take, you know. We didn't --
2 I don't know how long it would take staff to evaluate that
3 and determine whether that scope was adequate and whether
4 the estimate associated with that scope was adequate.

5 In our minds this is really the kind of thing that
6 is appropriate for staff to be determining, similar to, you
7 know, preparing a closure plan and looking at evaluating a
8 closure plan. That this is not something we felt needed to
9 take up the Committee's time or the Commissioners' time and
10 that was why we had proposed this approach. This is -- this
11 is the kind of thing that in current licenses and in the
12 current conditions related to closure planning and
13 contingency planning, these are the types of activities that
14 are, you know, the plans that are submitted to staff for
15 review and approval.

16 HEARING OFFICER KRAMER: Any other questions?

17 PRESIDING MEMBER DOUGLAS: No.

18 HEARING OFFICER KRAMER: Thank you.

19 MS. CASTAÑOS: Thank you.

20 HEARING OFFICER KRAMER: We have one person on the
21 phone now. Do you wish to identify yourself.

22 MR. FRANCISCO: I'm Robert Francisco.

23 HEARING OFFICER KRAMER: I am just barely hearing
24 your voice, I can't make it out.

25 MR. FRANCISCO: (Inaudible) Robert (inaudible).

1 HEARING OFFICER KRAMER: I think I heard DOGR.

2 MR. FRANCISCO: No, Robert Francisco.

3 MS. CASTAÑOS: Robert Francisco.

4 HEARING OFFICER KRAMER: Robert Francisco, okay,
5 thank you. Are you going to want to speak later?

6 MR. FRANCISCO: No!

7 (Laughter.)

8 HEARING OFFICER KRAMER: Good, okay. That was
9 actually clearer, thank you.

10 So if we get noise from your phone I will just
11 mute you. I don't have to worry too much about cutting you
12 off because you don't want to say anything, correct?

13 MR. FRANCISCO: That is correct.

14 HEARING OFFICER KRAMER: Okay, thank you.

15 So now we will go to the --

16 MR. FIDGE: Is the public allowed to ask
17 questions?

18 HEARING OFFICER KRAMER: You can ask them as part
19 of your public comment and if we can get a quick answer from
20 the applicant or staff we'll try to get it answered for you
21 today. Some of the things you may ask may be so complicated
22 or they don't know the answer right now. They'll have to
23 take that down and then address it in their report or at
24 some later time. But we'll see what your question might be.
25 But we don't want to get into a dialogue during these

1 initial presentations between you and the presenters. We'll
2 first go through them. So the next up is the staff.

3 MR. BELL: I'll try to be brief. Those who know
4 me know that's difficult.

5 The California Energy Commission has exclusive
6 licensing jurisdiction over all thermal power plants of 50
7 megawatts or greater, including geothermal plants. The
8 geothermal plant we don't license every aspect of the
9 facility but for the main energy-producing part of the
10 facility, we do license that. And our licensing
11 jurisdiction extends over the life of the plant and that is
12 not subject to a difference of opinion.

13 One of the issues that we have had here from the
14 beginning of this complaint proceeding revolves around that
15 purchase and sale agreement that the Commission approved of
16 as a part of our jurisdiction back in, I believe that was
17 2001. Yes.

18 The Commission was not obligated to approve that
19 Purchase and Sale Agreement. As a part of the Commission's
20 approval they required a couple of different things be
21 adhered to in that Purchase and Sale Agreement. The only
22 thing that is relevant to this proceeding right here is the
23 requirement that Bottle Rock maintain a \$5 million bond.

24 Now we have already had our complaint proceeding
25 and the Committee assigned to that has already determined

1 that the complaint should be sustained, that Bottle Rock was
2 required to maintain that bond.

3 Mr. Harms was right when he addressed you earlier
4 when he said that there was a provision within that Purchase
5 and Sale Agreement itself that would allow for Bottle Rock
6 to adjust the amount of that bond. But to adjust the amount
7 of that bond it had to be supported by an engineering
8 estimate to show what the decommissioning costs would be and
9 Bottle Rock failed to get that decommissioning estimate back
10 at that time.

11 Earlier you also heard that the engineering
12 estimate actually is required and that staff is spending
13 maybe too much time focusing on the engineering estimate.
14 But that engineering estimate is still required. It was
15 required by the Committee as a part of this petition to
16 amend.

17 Now, the staff has been struggling with the
18 petition to amend, at least with respect to the amount of
19 that bond. The Committee could short circuit this and just
20 require that the original bond that the Committee ordered be
21 held be reinstated for \$5 million. If the Committee were to
22 do that then it would be -- we could just go back and look
23 at the recommended changes to those conditions and make
24 those changes and update those conditions on the part of
25 this process.

1 However, we would like to give Bottle Rock the
2 opportunity to justify changes to the amount of the bond.
3 And there are some things that we would like to see out of
4 the decommissioning estimate where Bottle Rock is going to
5 get data requests from staff with respect to some of that
6 information. The staff just needs more information to
7 ensure that public health and safety and the environment are
8 going to be protected once the facility is decommissioned.

9 Now, anytime that somebody wants to make a change
10 to one of the facilities that we've licensed, changes that
11 will affect the design performance or operation of the
12 facility or changing the conditions that apply to that
13 facility, whether it be one of the original conditions of
14 certification which deal with protection of the environment
15 or compliance with local LORS, or a condition on the
16 facility itself that results from something such as this
17 Purchase and Sale Agreement that the Commission approved of,
18 this process we are going through right now, the amendment
19 process, is going to give staff an opportunity to look at
20 all of the requested changes by Bottle Rock and ensure that
21 they comply with LORS. Sorry, laws, ordinances, regulations
22 and standards. And ensure that the public health and safety
23 is going to be protected and ensure that the eventual
24 environmental impacts are mitigated, that is, reduced to
25 less-than significant. In laymen's terms, we want to make

1 sure that the site is eventually cleaned up when that time
2 comes and that's what staff is -- that's going to be the
3 focus of staff's evaluation.

4 HEARING OFFICER KRAMER: Well let me ask you the
5 same question that I asked Ms. Castaños. Which is, if we
6 were trying to come to a number of a reasonable estimate of
7 the decommissioning costs would that affect the schedule,
8 from staff's perspective?

9 MR. BELL: That depends on the information that is
10 provided by Bottle Rock with respect to decommissioning. We
11 don't -- we don't have the in-house expertise to go through
12 all those different areas to come up with an estimate for a
13 dollar amount it would take to decommission.

14 I know that back at the time that the original
15 Purchase and Sale Agreement was approved by the Commission
16 and ownership transferred from DWR to Bottle Rock
17 Corporation, at that time staff was advocating a \$10 million
18 bond, Bottle Rock was asking for zero and the Commission at
19 that time set it at \$5 million.

20 Since that time, I am informed and believe that
21 DWR came up with an amount of close to \$20 million based on
22 their own estimates. I don't have that documentation in
23 front of me but I can tell you that that was a number that
24 DWR had proposed I believe back in 2009. So it could affect
25 the schedule but it depends on what information we get back

1 from Bottle Rock.

2 HEARING OFFICER KRAMER: Is it fair to say,
3 though, that trying to get a better understanding of what
4 that number should be is something that you are already
5 planning to do during your analysis?

6 MR. BELL: Yes.

7 HEARING OFFICER KRAMER: Okay, so it might not
8 affect it that much.

9 MR. BELL: It may not.

10 HEARING OFFICER KRAMER: The other suggestion that
11 Bottle Rock made was that the staff workshop, once your
12 initial report comes out, be skipped. Do you want to
13 respond specifically to that proposal?

14 MR. BELL: I think that's a valid suggestion,
15 however, I do -- you know I like workshops; we get a lot
16 resolved at workshops. It could be that everything is
17 resolved and we may not need a workshop set. I would
18 prefer, on behalf of staff, to leave the workshop date on
19 our schedule but with the option of canceling it if there is
20 nothing else that we need to work out.

21 HEARING OFFICER KRAMER: Okay, thank you. Any
22 questions for Mr. Bell?

23 Okay. Item B was discussion of the schedule and
24 other matters related to the proposed amendments. Does
25 other staff or the applicant or project owner have anything

1 else to say on those points? I think we have pretty much
2 covered it.

3 MS. CASTAÑOS: We do not.

4 HEARING OFFICER KRAMER: Okay, thank you. We have
5 no pending motions.

6 Do any of the parties, the other parties, wish to
7 speak at this point before we go into the formal public
8 comment? Mr. Mooney?

9 MR. MOONEY: Sure. I guess one of the things I'd
10 like to do with -- I'm here representing Mr. Coleman. I am
11 also here representing Friends of Cobb Mountain but
12 Mr. Coleman is still a party to the Complaint. And one of
13 the things that I would be hopeful that would be --

14 PRESIDING MEMBER DOUGLAS: Can you speak up a
15 little, please.

16 MR. MOONEY: Sure. One of the things that I'd be
17 hopeful for today is that if the Committee could formally
18 identify Mr. Coleman as an intervenor in this matter as
19 opposed to us needing to file a petition to intervene. As I
20 indicated in our response that I filed, we will be filing a
21 motion to intervene on behalf of Friends of Cobb Mountain.
22 And depending on what the Committee does here today we will
23 also file on behalf of -- I will also file on behalf of
24 Mr. Coleman. But it would be my preference, especially
25 since this petition is an outgrowth of the complaint, that

1 Mr. Coleman be identified as an intervenor pursuant -- I
2 think it's Code Section 1207.

3 HEARING OFFICER KRAMER: Right. Well what I did
4 when I created the proof of service for this case was I
5 basically moved over all the parties from the complaint. It
6 was my intention to avoid having to make them petition to be
7 intervenors again.

8 MR. MOONEY: Okay.

9 HEARING OFFICER KRAMER: Now the Friends of Cobb
10 Mountain, of course they were not parties in the first, in
11 the complaint case. Is it fair to say that their interests
12 would be the same as Mr. Coleman's?

13 MR. MOONEY: Their interests are similar if not
14 identical.

15 HEARING OFFICER KRAMER: Okay. So I might suggest
16 to you that --

17 MR. MOONEY: And also in representing both of them
18 they pretty much need to be similar.

19 (Laughter.)

20 HEARING OFFICER KRAMER: Yeah. So there may not
21 be -- it may simply be a formality to even do that because I
22 don't see any reason why they won't get an adequate voice
23 through Mr. Coleman's participation but if you want to
24 petition, that's fine. If none of the parties are -- if
25 neither the staff nor Bottle Rock objects I think we could

1 probably do that here today.

2 MR. BELL: No objection on behalf of staff.

3 MS. CASTAÑOS: No objection on behalf of Bottle
4 Rock.

5 HEARING OFFICER KRAMER: Okay, so we'll add
6 Friends of Cobb Mountain.

7 Mr. Mooney, if that means adding an individual
8 representative of the Friends to list as well as you send me
9 their address.

10 MR. MOONEY: Okay, we will do that.

11 HEARING OFFICER KRAMER: And I presume they will
12 accept e-mail service only of all the documents?

13 MR. MOONEY: Yes.

14 HEARING OFFICER KRAMER: Since we've gotten away
15 from paper. Okay. Well then they are granted intervenor
16 status. Let me say, though, that depending on the process
17 we choose, intervenor status may not have a lot of meaning.

18 If it is all going to be an informal discussion, basically,
19 then it's not going to convey a great amount of rights.
20 There won't be cross-examination as such, we will just be
21 sharing questions.

22 If you remember the original hearing, while we
23 didn't have much evidence but we probably would have had
24 informal -- we talked about an informal type of hearing
25 where everybody sits down on a particular topic around a

1 table and they all talk, one at a time of course. And, you
2 know, we are not into cross-examination. There are no
3 Matlock moments, a-ha, it's just a discussion among people.
4 We find it works a lot more effectively and efficiently.

5 MR. MOONEY: Well I did have one of those in a
6 Water Board hearing, a Matlock moment.

7 (Laughter.)

8 HEARING OFFICER KRAMER: All right, good for you,
9 and I hope you sold the film rights.

10 So carry on with the rest of your presentation.

11 MR. MOONEY: And the rest is -- we don't have a
12 lot to add. We agree with the proposed schedule set forth
13 by the staff. My clients would like to see there be a -- my
14 clients would like to see that there be a bond, something to
15 ensure that there will be adequate financing at the time of
16 closure.

17 With regards to some of the questions that were
18 asked about a staff workshop, I think a staff workshop would
19 be good because I think it would be good for the public
20 participation in that as well to get a good understanding.
21 My participation in these types of workshops, I think
22 everybody comes away with a better understanding of what is
23 being proposed and what is being -- and what is possible and
24 what the Commission may or may not do. I think it will help
25 facilitate the process. So other than that I don't really

1 have much else to say.

2 HEARING OFFICER KRAMER: Thank you. The Coleman
3 Trust LLC, the landowner, any comments?

4 MR. PETERSON: Yes. Mark Peterson for V.V. and J.
5 Coleman LLC. And we just want to reinforce what we said in
6 our submitted letter, that we would like to have this
7 resolved more quickly than -- as possible while
8 understanding and appreciating staff's comments and staff's
9 position to protect the public health and safety and make
10 sure the site is cleaned up. We definitely have an interest
11 in that as well.

12 We do hope that we can get this resolved as
13 quickly as possible so that everybody can get back to doing
14 what they do best, making power, doing something else. So
15 if we could do that, that would be -- that would be great
16 and we'd really appreciate it. But we do certainly want to
17 take what time is needed to make sure that the public health
18 and safety is protected and that the adequate financial
19 assurances are made to make sure that the site is cleaned up
20 at the end of the day. Because this is definitely --
21 although it's now an LLC it is still a family property and
22 the family is still interested in making sure that their
23 ancestral home is well protected. So thank you very much.

24 HEARING OFFICER KRAMER: And so Bottle Rock is
25 leasing from the LLC; is that correct?

1 MR. PETERSON: That's correct.

2 HEARING OFFICER KRAMER: The ground?

3 MR. PETERSON: Well yeah, the ground.

4 PRESIDING MEMBER DOUGLAS: Thank you.

5 HEARING OFFICER KRAMER: The other people on the
6 proof of service list were agencies, they weren't really
7 parties. But as an agency to agency courtesy we'll ask
8 Mr. Gearhart of Lake County, did you have any comments you
9 wanted to make?

10 MR. GEARHART: Not at this time but I'm available
11 if you have questions.

12 HEARING OFFICER KRAMER: Okay. Okay, that brings
13 us to the public comment portion. Mr. Harms, you've said
14 your peace, I presume?

15 MR. HARMS: Yes, sir.

16 HEARING OFFICER KRAMER: The same for you,
17 Ms. Castaños?

18 MS. CASTAÑOS: Yes.

19 HEARING OFFICER KRAMER: And Mr. Mooney, you
20 didn't want to speak under public comment?

21 MR. MOONEY: Nothing else to add.

22 HEARING OFFICER KRAMER: Mr. Coleman.

23 MR. COLEMAN: I'd like to comment on --

24 HEARING OFFICER KRAMER: Could you come up here,
25 though, so we make sure we get you.

1 MR. COLEMAN: The term "small business" keeps
2 being mentioned by Mr. Harms and essentially this is an LLC
3 out of Delaware with no discernible assets. It's owned by
4 two large equity companies and I think that should be
5 brought up. And I am concerned that as an LLC out of
6 Delaware, I mean, I don't think that they have the assets to
7 decommission this.

8 My family has been leased out to geothermal for
9 almost 30 years now. And Calpine tells us, be prepared, the
10 time is coming when we are going to be going out of
11 business. I mean, the steam is going -- because there's
12 less steam than there was in the past. So I would mention
13 that. Thank you.

14 HEARING OFFICER KRAMER: Thank you. Linda Fung.

15 MS. FUNG: My name is Linda Fung and I am a
16 resident. I'm the third house in up on the hill with the
17 donkeys, my husband and I.

18 I guess what my main comment is is about the time
19 element, which David Coleman just brought up. We all hear
20 about how the steam is running out, the steam is running
21 out. I asked somebody once from Calpine, he was a major
22 person there, why Calpine didn't buy that property. He
23 said, because the steam is going, there's not going to be
24 much steam. Even though they have this expansion idea and
25 this property for expansion, if you ask most people in

1 geothermal in this county they say no, that wouldn't be a
2 very good way to invest your money, on that, on that area.
3 That is the side of that mountain that has the least steam.

4 So a few weeks ago, about three weeks ago, we kept
5 hearing this roaring noise and the smell was awful and we
6 called up Air Quality and said what's going on up at Bottle
7 Rock? And they said, the wells are down, Coleman -- West
8 Coleman has four wells. Two of them -- three of them are
9 going to be bleeding. One is an open well and it'll be
10 venting out into the atmosphere. And we were kind of
11 concerned because we'd never seen this happen before except
12 during the extreme when they do a cleaning.

13 This went on for seven, eight days. And we called
14 Air Quality over and over and we said, what's going on?
15 We're having all this sulfur, sulfur dioxide and it's really
16 bad and this can't be right. We keep hearing this well or
17 something that's making a loud roar. So we were told that
18 there was a work plan made out by Air Quality and they were
19 saying this was fine to do this.

20 And I spoke to people from Calpine and they said,
21 we would never be able to do that. You can't do that, you
22 can't just have the well vent up into the atmosphere. If we
23 did do it it would only be for four hours or something like
24 that, not ten days.

25 So then I talked to other people and I said, well

1 what happens -- why did this happen? Because the well is
2 corroding, it's getting old. And in order to get the steam
3 going again they have to open everything up. So you had
4 five wells open. One was bleeding into the rock, whatever,
5 muffler, and the other was going straight into the
6 atmosphere, you could see the line up in the sky. And I
7 said, well are you going to have to -- would you have to do
8 this again if your wells started to fail again and he said,
9 yes we would.

10 So I'm looking at a company that is just barely
11 making it with their steam. I mean, we've been at this for
12 a good five years with this, with this company so we know a
13 lot of detail. We know a lot of things, you know, that most
14 people don't. We know that our health is at hazard -- it's
15 a hazard to our health to have all this sulfur to the people
16 of Cobb Mountain. We have people on bikes coming up on
17 weekends, it's a part of the economy, and we also feel very
18 sick and headachy when we have too much sulfur. And we know
19 that things are starting to slow down, you know, and they're
20 having to vent the wells.

21 So I'm dreading the next time one of the wells
22 fails because we might have to go through another several
23 days of pure venting into the atmosphere, which I've heard
24 is terribly illegal.

25 Let's see. I think that part of "protect the

1 public health and safety" that you have been bringing up
2 definitely has to be addressed with this time line for this
3 company because they are doing a lot of air pollution. And
4 thank you very much.

5 HEARING OFFICER KRAMER: Thank you. Next is
6 Hamilton Hess.

7 MR. FIDGE: Do you have a microphone for Hamilton.

8 HEARING OFFICER KRAMER: You can put a chair right
9 up here.

10 MR. HESS: My name is Hamilton Hess; I am Chairman
11 of Friends of Cobb Mountain, a local environmental
12 organization which has been in existence and active since
13 1970.

14 A lot of the work that we have done has been with
15 respect to geothermal operations, both within Lake County
16 and within Sonoma County, because of the tremendous noise
17 that we used to get from Sonoma County and hydrogen sulfide
18 we are still getting from Sonoma County as well as from
19 Bottle Rock. So we've had our, we've had our environmental
20 issues that have been very lively and have caused much
21 discussion and activity in relation to county ordinances and
22 county use permits.

23 We do look forward to the day when the Bottle Rock
24 plant will be closed. Look forward in the sense of wishing
25 them well but avoiding the problems that can arise from

1 abandonment.

2 We have followed the -- basically followed the
3 studies and documents that are current with regard to the
4 costs of abandonment and the restoration of the natural
5 environment. And it does certainly seem the case that a \$5
6 million and a \$12 million insurance policy would only begin
7 to cover the cost of abandonment.

8 So we are very much concerned that through these
9 proceedings the realistic establishment of a cost and
10 assignment of parties that would pay those costs, DWR or the
11 Energy Commission or Bottle Rock Power.

12 So that's who we are and what we stand for and we
13 will be involved in these proceedings as they go forward.
14 Thank you.

15 HEARING OFFICER KRAMER: Thank you. Kelly
16 Fletcher.

17 MR. FLETCHER: Kelly Fletcher, I live right down
18 the road. I moved out of my house because of the stink
19 smell, the rotten egg smell, the H₂S, I guess. I live kind
20 of in a valley down there where it's kind of spills -- right
21 over here it kind of spills over the hill and goes right
22 down to my house first and so I get the brunt of it.

23 I've tried for years to try to get a sniffer on
24 the property line here so, you know, we could monitor what
25 the levels go to. I think it took about five years to get

1 it. We finally got it the other day and now you can watch
2 the monitor on there where it goes -- periodically it goes
3 up to state -- I believe it goes over state standards once
4 in a while since the put the monitor in. Doug, do you know?

5 MR. GEARHART: No, it's not.

6 MR. FLETCHER: Well up two ticks then, 30 -- 30
7 parts per billion, which is what the meter says.

8 And the Lake County doctor of Lake County says
9 anything above 4 parts per billion creates -- can create
10 nausea, headaches and runny noses, which is what we've got
11 at night when the levels go real high. But usually it goes
12 high at night for some reason, it goes right down to our
13 house.

14 So we moved out of our house and my boys' runny
15 noses and stuff cleared up and so we don't live there
16 anymore. It's nice having the monitor there now because we
17 can see that in the past Air Quality has always said, well,
18 it's the same as what it is at the gate, which is the
19 official sniffer for Lake -- I'm not sure how that works but
20 the one at the gate down there is like the official one,
21 which is like a low line, it's always around 2 to 4, 2, you
22 know, parts per billion. But the one here in back of my
23 house here is, you know, goes to -- like last night it was
24 to 12 or 13 last night. So it goes considerably higher at
25 our gate.

1 So it's been a real nuisance. They haven't been
2 very good neighbors to our family. You know, I try to keep
3 the dust down in front of the house. I've been trying for
4 weeks just to get them to wash all the dirt off that they
5 put there for last winter. So if you guys would come out
6 here more often I would get it washed. The road looks
7 beautiful today but yesterday it was totally different.

8 So anyway, I would -- I would say if -- they
9 advertise for investors that they have a 55 megawatt plant
10 here and I think that's why DWR probably stopped it because
11 it wasn't putting out enough to be profitable. So if they
12 are going t have this big plant going I think you should put
13 in a \$5 million bond or whatever it has to be, \$20 million,
14 whatever it has to be, to clean it up because this is our
15 backyard.

16 And previously they have already caused numerous
17 problems in the county with dumping their toxic stuff in the
18 dirt and then giving it to, you know, plants that sell
19 topsoil for growth gardens and stuff. So it's worth looking
20 into to keep it so they really have to clean it up because
21 they have been able to get away with -- well, I would like
22 to move into my house and stay there. But the levels go
23 high and I don't get no phone call saying, it's bad tonight.
24 I wake up with headaches and I just have to leave the house.

25 I probably have a whole lot more I could tell you

1 about it but as far as you're concerned on that I think they
2 should have a big bond to do cleanup and make it right.

3 Thank you.

4 HEARING OFFICER KRAMER: Thank you. Ronald Fidge,
5 is it?

6 MR. FIDGE: I guess you've heard the term -- by
7 the way, Ronald Ridge, I'm a resident. I live on the land
8 that overlooks all this facility, Bottle Rock Power. Been
9 here since they first started it. Took a vacation for about
10 four years and then came back.

11 One of the reasons I left is because earthquakes
12 from drilling would cause me to be erect at nighttime when I
13 was supposed to be sleeping and my hair is standing on end.

14 Horrific earthquakes while they were developing this field.

15 And that was back in the days of McCoy when they were
16 drilling.

17 Very similar to Kelly Fletcher, I have a lot to
18 say but I don't want to beat your eardrums to death.

19 When DWR controlled this plant the PR was pretty
20 good. I've got to say, the PR was pretty good. When Ron
21 Sues, if I pronounced his name correctly, took over, at
22 least his PR was good. The way he operated the plant left a
23 lot to be desired and we later discovered a lot of things he
24 was doing was not environmentally friendly.

25 This current situation, this current manager of

1 this plant, he is not my friend. Mr. Brian Harms has tried
2 to stop me from using my easement and caused me eight months
3 of litigation. Finally it got dismissed by the DA when I
4 turned it over to an attorney. I was my own attorney during
5 that litigation.

6 Like I say, my home overlooks this whole field and
7 this power plant.

8 The question I have on the blue sheet there is
9 that if Brian Harms decides to go home, who is going to
10 clean this thing up? Because he is really not going to be
11 able to afford a \$5 million bond. And if it's more like
12 what estimates are it's going to be more like \$20 million.
13 I have been told that this place will become vacated. So I
14 hope you can work something out where the taxpayer doesn't
15 have to end up cleaning this mess up.

16 The wells are failing, the liners in the wells are
17 just a matter of time, an earthquake could close them, start
18 closing them down. They need big finances to keep this
19 thing going and it's on the brink. I think it's closer to
20 the brink than a lot of us know of not being able to
21 operate. I have many other concerns but that's --

22 If Bottle Rock is given the opportunity to
23 continue I hope the manager of this plant, Mr. Brian Harms
24 -- by the way, he still owes me a cup of coffee. When he
25 first showed up I bought him a cup of coffee, we sat down

1 and talked. I told him, you have to get in with the people
2 of High Valley because we have been rubbed the wrong way.
3 Exactly the opposite happened and he still owes me a cup of
4 coffee. Thank you.

5 HEARING OFFICER KRAMER: So are you inviting him
6 to have coffee or?

7 (Laughter.)

8 MR. FIDGE: I have no comment.

9 HEARING OFFICER KRAMER: Joan Moss. Is it Moss?

10 MS. MOSS: M-O-S-S.

11 HEARING OFFICER KRAMER: M-O-S-S, thank you.

12 MS. MOSS: I am a resident and a concerned
13 citizen. I would like to ask the Commission if this has
14 been a successful investment? Is this power plant operating
15 at a loss or is it operating -- I know -- I understand that
16 it has not been up to 55 megawatts of power.

17 I would like to express concern about the health
18 and the safety now, not when it closes, because we don't
19 know when it's going to close. And I appreciate you
20 mentioning the public health and safety.

21 I would like to mention Lake County as lead
22 agency. The Lake County Supervisors and the Planning
23 Commission have consistently voted for development and
24 consistently forced the Friends of Cobb to file litigation
25 to get their wants and needs and complaints known. I think

1 it's a conflict of interest for the Planning Department to
2 be also the lead agency because the Planning Department is
3 supposed to represent the people.

4 I would like to know if this is another gamble; if
5 the expansion is guaranteed to have steam. Does anybody
6 know that? I doubt it.

7 I would also like to know if Mr. Harms and the
8 people at the power plant plan to pipe more treated effluent
9 up? There has been a committee and the supervisors voted to
10 look into it and to discuss it. We have a -- we have a
11 pipeline that brings it up to Middletown but there is also
12 an open avenue that I didn't agree on to look into piping
13 Kelseyville and Finley's treated effluent up. So I'd like
14 to know if Mr. Harms is planning that or if that's in the
15 making because the expansion project then might actually
16 find steam and we'd have more treated effluent going --
17 coming up through Bottle Rock Road.

18 I would also like to know if the steam fields are
19 actually a renewable energy resource. I spent a whole day
20 calling the Energy Commission and I finally got a hold of
21 someone who said, well, a renewable resource is a resource
22 that naturally replenishes itself. And this does not happen
23 up here at The Geysers. The steam does not automatically
24 come back, the water doesn't come back. The Energy
25 Commission had to -- had to get the full circle project and

1 take treated effluent and water out of Clear Lake to even
2 try to have a consistent amount of steam in order to promote
3 -- make electricity. To my opinion it is no longer
4 considered a renewable resource because it doesn't renew
5 naturally. You'll have to talk to one of the people to find
6 that out.

7 I would like to know -- let's see. It's not fun
8 to get bloody noses from the dust. I don't believe it's
9 normal dust that you get bloody noses from it. Ron Fidge
10 has confirmed that he does get bloody noses from the dust.

11 Has it been successful? Does it run at 55
12 megawatts of electricity? It is my understanding that the
13 megawatts very seldom reach 55 megawatts of steam.

14 I like the sun. I like -- as a source of -- I
15 understand Germany goes totally with the sun. Okay. I
16 don't think -- I just don't like the idea of depleting the
17 earth of its, of its resources to make energy when it's not
18 renewable.

19 So I think that's about it. Except I'm hoping
20 that the Energy Commission and the Council can look up the
21 history of the complaints and the litigation and I would
22 like the public health and safety protected now, thank you.

23 HEARING OFFICER KRAMER: One question for you. I
24 couldn't determine from what you said whether you are in
25 favor or not in favor of the recharge of the steam fields

1 with the effluent.

2 MS. MOSS: I am not.

3 HEARING OFFICER KRAMER: Okay, thank you.

4 MS. MOSS: I think it takes away Clear Lake's
5 water and it goes, you know, I just don't approve of it.

6 HEARING OFFICER KRAMER: So you'd prefer that that
7 be used to recharge Clear Lake.

8 MS. MOSS: I'd rather --

9 HEARING OFFICER KRAMER: Is that what you're
10 saying?

11 MS. MOSS: I'd rather leave -- I just really
12 question the whole idea of geothermal energy.

13 HEARING OFFICER KRAMER: Okay.

14 MS. MOSS: And the fact that it's not really a
15 renewable resource because we have to bring water up to
16 recharge the steam. Thank you.

17 HEARING OFFICER KRAMER: Thank you.

18 That was it. Does anyone else wish to make a
19 public comment? Sir?

20 MR. FUNG: Yeah.

21 HEARING OFFICER KRAMER: Please spell your name
22 for us. Thank you.

23 MR. FUNG: My name is Randy Fung, F-U-N-G. And we
24 have lived here since 1991 so we were actually here when the
25 purchase took place between Ron Suess and DWR. And I want

1 to remind you that the reason why that clause for the
2 bonding, Section 2.5 and 2.4 were placed in there was
3 because Bottle Rock at that time was a very risky operation.

4 We lived through the closure of DWR in '91 to 2001
5 when Ron Suess came up and decided to purchase the property.
6 And I remember sitting at a meeting with Mr. Seuss asking
7 him, how are you going to make a go of it if DWR couldn't,
8 and he said, new technology. I said, what's the new
9 technology? He said, oh, new piping, new this and new that.

10 I think we have to remind ourselves that when
11 Bottle Rock finally opened in 2006 they were producing 14
12 megawatts. They had to ask for a purchase agreement
13 amendment from PG&E just to open. Now they are producing 10
14 after investing hundreds of millions of dollars.

15 The reason why that purchase clause was in there
16 for the bond was because it was a risky business. So we
17 have to really evaluate how risky Bottle Rock is now. And
18 that's why people are talking about the fact that we don't
19 think the steam is there in the expansion field. And if
20 they started -- opened with 14 megawatts and now they are
21 producing 10 after investing hundreds of millions of dollars
22 you have to kind of question the validity of this business
23 as a stable business.

24 Is what they are proposing in their letter to you
25 that because the county approved them for another 30 years,

1 oh, they're going to go on for 30 years? The county gets
2 the largest property tax base because of Bottle Rock so
3 that's why the county has approved them for 30 years. It's
4 not because they think that they are some company that's
5 going to last for 30 years.

6 So I think you really have to look at the
7 financial stability of Bottle Rock. They have no assets.
8 The two mother companies that they state, USRG and Carlyle
9 Riverstone, where are they in investment of the expansion?
10 If you can't even get your mother companies to invest in
11 expansion and they haven't expanded in two years since they
12 got their permit, or three, don't you consider it a risky
13 business? So that's why we need the bond in place.

14 As neighbors we were happy to find out about the
15 bond. We didn't know there was a bond until basically we
16 went to a meeting with Donna Stone and she sent us the
17 paperwork. When we went through the paperwork we read that
18 there was a purchase -- there was like stipulation for that
19 bond. And we really want that bond in place. We don't want
20 them paying for a little bit at a time. We think that bond
21 is necessary because if they walk they're an LLC. The
22 county is not going to pay for it, we need somebody to clean
23 it up. We live downhill from here. Just filling in the
24 rubble in, not testing it for toxicity, it's going to get
25 into our aquifer. So we really want that bond in place.

1 Thank you.

2 HEARING OFFICER KRAMER: Thank you. Ma'am.

3 MS. MATZINGER: My name is Sharon Matzinger, M-A-
4 T-Z-I-N-G-E-R. And I am not a public speaker and it
5 absolutely terrifies me to stand up here but I feel like I
6 would be remiss if I didn't. I'd like to say a few comments
7 on behalf of my husband's family who purchased the property
8 in 1914. It stretches from currently High Valley Road,
9 across Alder Creek to Bottle Rock Road. It was originally
10 part of 600 acres.

11 I come from a long line of small business owners
12 and I have nothing against small businesses. I want to seem
13 them flourish and expand, it's not that. And as much as we
14 didn't welcome geothermal into the area we were willing to
15 do our part and have worked really hard trying to
16 communicate with the power plant owners and the powers that
17 be for them to understand that we are greatly impacted by
18 what happens in geothermal.

19 It has been a really rocky road. Like someone
20 said earlier, they haven't been the greatest neighbors. At
21 times they are able do some things that are really positive
22 and other times in the areas that we feel it really counts,
23 where it hits us right here, is in the environment.

24 When I was in San Francisco two weeks ago there
25 was a building being demolished and it took up part of a

1 block, a city block. And I had some time to kill and I was
2 waiting for someone so I said to the people working there,
3 how much do you think that it costs to clean up a site like
4 this. And the guy said, oh, it's \$11 million, that's how
5 much they're spending on that. I looked at it and I
6 thought, oh my goodness, this is nothing compared to what's
7 going on up here. And we had toxic waste that was dumped
8 here, we have -- you have all the information about the
9 history.

10 But I'd just like to say, please think about those
11 who are going to be continuing to own land and those who are
12 going to be inheriting the land. We are part of your
13 concern too, you know, not just the county and not just the
14 power plant owners. We want to hand it over to our children
15 in a condition that it was in when we came, as close as
16 possible. Thank you.

17 HEARING OFFICER KRAMER: Thank you. Anyone else?
18 Do either staff or the applicant want to respond
19 to any of the questions or comments that were --

20 MR. FIDGE: I have one more comment.

21 HEARING OFFICER KRAMER: Okay, please.

22 MR. FIDGE: I can talk loud so I can stand up
23 right here. Ron Fidge again.

24 Just as Joan was saying, the effect of taxes
25 affect the supervisor's decisions and a lot of the decisions

1 being made in the county.

2 On the Francisco pad there is an injection well
3 and they brought in a nitrogen-powered tool to open up the
4 casing of that well and it contaminated my spring. Black
5 flakes and murky, rusty water showed up. I took samples of
6 it. And simply said, nobody would do anything about it.

7 HEARING OFFICER KRAMER: Thank you. I have one
8 question for Bottle Rock and then we'll ask if either you or
9 staff want to respond to - or Mr. Gearhart, for instance, on
10 the air quality issues - any of the comments that were made.

11 And I just note that in the complaint there were
12 two issues, one was the bond and the other was the insurance
13 and in that case you said you had not yet canceled the
14 insurance. And in your Petition to Amend you don't mention
15 the insurance so are we to assume then that you continue,
16 you will be continuing to maintain the insurance that was
17 required in 2001?

18 MR. HARMS: Brian Harms, General Manager of Bottle
19 Rock. We were silent on the subject. First of all, I think
20 there might be some misunderstanding on people's part about
21 what that environmental liability insurance does. It's not
22 a significant issue nor is it a significant help regarding
23 decommissioning; we thought that was the issue to be
24 addressed. The policy we have in place was purchased --
25 it's a five year block. We paid the premium for five years

1 and I think the date that that expires is approximately
2 2014. That might not be the correct date but it's still in
3 place. It doesn't address anything to do with
4 decommissioning and so since that is the issue we remained
5 silent on the subject. If that becomes a point that we have
6 to resolve we can resolve that one, it's not a huge issue.
7 But we separated that because environmental liability
8 insurance has nothing to do with the decommissioning, it
9 really doesn't.

10 MS. CASTAÑOS: Although I would add that the
11 standard conditions, and so Compliance Condition 2 and 3
12 that we proposed in our petition that address contingency
13 plan, those standard conditions provide for the status of
14 insurance coverage and major equipment warranties and so
15 there -- those conditions contemplate that there will be a
16 consideration, a discussion of appropriate insurance as part
17 o the contingency planning process.

18 HEARING OFFICER KRAMER: For closure.

19 MS. CASTAÑOS: For unplanned either short-term or
20 permanent closure.

21 HEARING OFFICER KRAMER: Okay.

22 MR. HARMS: There isn't an insurance mechanism on
23 the market to cover a decommissioning. The reason that that
24 wouldn't exist is because any person who owns such a policy
25 would, in fact, make that claim. So that's why, that's why

1 it doesn't really apply for decommissioning, you have to
2 find another mechanism because there is not a product out
3 there you could purchase that would insure decommissioning.

4 HEARING OFFICER KRAMER: No, but the reason I'm
5 asking, it's not necessarily related to decommissioning.
6 But I think it would be better to resolve any uncertainty
7 about what the conditions are in this proceeding. And just
8 as the Committee said -- the complaint committee ruled that
9 it's the Commission's position that the bond requirement
10 continues to exist, it said basically the same thing about
11 the insurance. I'd hate to see us have to go through all
12 this again in the next year if you decide to cancel the
13 insurance on what we believe would be the false assumption
14 that you are no longer required to have it.

15 MR. HARMS: If that can be resolved today I will
16 offer to keep that \$10 million liability insurance in place.
17 I'm willing to offer to do that tonight.

18 HEARING OFFICER KRAMER: Okay. So in other
19 words --

20 MR. HARMS: I am willing to offer to --

21 MS. CASTAÑOS: We are not seeking a modification
22 tonight.

23 MR. HARMS: We are not seeking a modification to
24 do that. We didn't specifically address it although Kristen
25 Castaños did bring it up that we considered that it was part

1 of something else. If you'd like it to be considered, we
2 will.

3 HEARING OFFICER KRAMER: I just want to clarify --

4 MR. HARMS: We can clarify that.

5 HEARING OFFICER KRAMER: If you wanted to ask that
6 the requirement be removed you're, you know, of course, free
7 to do that. I just want to be clear that absent a
8 discussion of that it's our assumption that the requirement
9 continues.

10 MR. HARMS: Then we will keep that in place. But
11 I do want to reiterate that that really has nothing to do
12 with decommissioning.

13 HEARING OFFICER KRAMER: I understand.

14 MR. HARMS: It has to do with ongoing operations.

15 HEARING OFFICER KRAMER: Right. But a spill
16 tomorrow, if it's a big one, could be a problem and that's
17 another thing that the Commission would like to see, that
18 there are financial assurances to make sure it can be dealt
19 with properly.

20 MR. HARMS: Again, as long as it's the recognition
21 that it's not a product we purchased for protections related
22 to decommissioning.

23 HEARING OFFICER KRAMER: Correct.

24 PRESIDING MEMBER DOUGLAS: Right.

25 HEARING OFFICER KRAMER: Okay. Did you want to

1 respond to any of the other things that were said during the
2 public comment?

3 MR. HARMS: Not unless the Commissioners --

4 PRESIDING MEMBER DOUGLAS: No questions.

5 MR. HARMS: -- or staff have a specific question
6 that they want answered in response but I did not intend to
7 respond directly.

8 PRESIDING MEMBER DOUGLAS: I don't have any
9 questions.

10 HEARING OFFICER KRAMER: No? Okay then, thank
11 you.

12 Staff?

13 MR. BELL: On the issue of the insurance policy.
14 Staff didn't address that either because of the order, the
15 Committee's order following the complaint proceeding.

16 Staff had noted that the elimination of Section
17 2.5 from the Purchase and Sale Agreement which required the
18 maintenance of a \$10 environmental impairment insurance
19 policy for the life of the facility, staff recommended that
20 that count, that specific allegation be sustained. The
21 Committee disagreed, noting that the insurance policy was,
22 in fact, still in place through 2014, at least based on the
23 representations from Bottle Rock. Therefore, there was no
24 current violation. But then the intimation is that there
25 could e a future violation if that is canceled. And I read

1 the order of the Committee to mean that the Committee
2 anticipated that the \$10 million environmental impairment
3 insurance policy would remain for the life of the project as
4 originally ordered so we didn't address that either for that
5 reason.

6 HEARING OFFICER KRAMER: Okay. Well I'm not sure
7 you have to based on the representation.

8 MR. BELL: No, no.

9 HEARING OFFICER KRAMER: I just wanted to be clear
10 about that so we don't get any new complaints documents on
11 that one.

12 MR. BELL: And the only other thing that I'd want
13 to respond to, which I did not cover, which is one of the
14 deficiencies that staff sees in the -- I'll stand up. One
15 of the deficiencies that staff sees in the decommissioning
16 estimate. The decommissioning estimate specifically
17 excludes hazardous materials and hazardous waste cleanup,
18 remediation and removal from the estimate. Now staff
19 doesn't have a number to demonstrate how much that would
20 cost but that is a glaring deficiency from that -- from that
21 decommissioning estimate and some of staff's data requests
22 will be designed to elicit the information on how much those
23 costs would actually be.

24 HEARING OFFICER KRAMER: Okay.

25 MR. BELL: Did you have any other questions for

1 staff?

2 PRESIDING MEMBER DOUGLAS: No.

3 HEARING OFFICER KRAMER: No, thanks.

4 MR. BELL: Okay.

5 HEARING OFFICER KRAMER: Mr. Gearhart, your choice
6 but did you have anything to add?

7 MR. GEARHART: Doug Gearhart, Lake County Air
8 Quality. Just in terms of the air quality issue. We do
9 have all the data so I'd be happy to forward it to your
10 staff for whoever would like to have copies of the official
11 data record for any monitoring we have performed in recent
12 months or related to recent events.

13 A couple of weeks ago. the issue a couple of weeks
14 ago was a normal, scheduled outage for the power plant, so
15 that was a scheduled outage. We did require Bottle Rock to
16 send out a public notice to the community that they have on
17 their e-mail notification list so a lot of the community --
18 most of the did get it. If there's people that didn't get
19 it make sure you give us an updated e-mail with your contact
20 information, we'll make sure it gets forwarded to those
21 appropriate people. Now the issue -- so there was a
22 scheduled outage.

23 There is no direct venting. The wells that were
24 on larger vents are actually abated. So yes, you do see a
25 significant steam plume but they are chemically abated

1 before they are released into the atmosphere. So we are
2 reviewing actually all the event logs. We do receive an
3 event plan, we do receive, you know, the follow-up
4 information, so we are going through that and confirming
5 that everything was complied with in terms of the rules and
6 regulations that we have. I'm happy to share all that
7 information with you if you feel so -- that you would like
8 to go through all that paperwork.

9 And then in terms of the station that's on the
10 fence line down here. Yesterday's number was at 6 parts per
11 billion. That's the official one hour ambient air quality
12 level that was received. Now, the baseline on that
13 instrument is 2 parts per billion, so 2 parts per billion is
14 actually zero. Because we have to raise that to 2 in order
15 for it to chart so we don't -- we're not charting noise
16 going into the negative and disappearing off of -- you know,
17 having negative numbers, because instruments are imperfect.
18 The ambient air quality standard is 30 and at this station
19 down here we have not exceeded that number at the fence line
20 so the operation is still compliant.

21 We have a monitoring station on the other side of
22 the field, the West Coleman pad, that is currently operating
23 up there. It's been up there for several years. We
24 actually borrowed the instrument or the monitoring station
25 from the Air Resources Board so they are helping us out with

1 the monitoring, the additional monitoring up here. And that
2 did receive significant spikes but it's 60 feet away from
3 the venting well that was on the larger vent with abatement.
4 But when you're only 60 feet away, a direct line can wipe
5 out our instrument pretty fast. But that's the middle of
6 the steam field and we use that -- that instrument is used
7 primarily to determine which way things are coming from. So
8 are we getting impacts from Bottle Rock or are we getting
9 impacts from Calpine blowing through Bottle Rock into the
10 community? So that gives us a picture of where the hydrogen
11 sulfide is coming from that is coming through and affecting
12 the community.

13 Now we do understand that hydrogen sulfide stinks
14 and it stinks down to very low levels. But the state of
15 California has determined that 30 parts per billion is a
16 public nuisance, so the standard for hydrogen sulfide is a
17 public nuisance standard, it's not a health-based standard.

18 Which makes it very difficult for us because, you know,
19 anything below that that has health effects without having
20 some sort of doctor's verification and stuff makes it very
21 difficult for us to deal with. We need medical verification
22 of some sort that impacts are related to hydrogen sulfide
23 exposure. That being said, there are not a lot of doctors
24 out there that really know this and there are very few
25 studies of hydrogen sulfide because the nuisance is really

1 the bigger issue. If you can smell it, it's annoying, and
2 at certain levels it's defined as a nuisance. So that's the
3 quick summary of --

4 But we do have two additional monitors here plus
5 we have our ambient air quality monitors. The ambient
6 monitors, there used to be quite a few more of them when
7 they were originally set up back in the late '70s, early
8 '80s. I wasn't here at the time so I don't know the exact
9 date. There were a number more of those. The three
10 hydrogen sulfide stations that are left were determined to
11 be representative of all the stations that were spread out
12 through the community so they are representative of the
13 monitoring that was done in the early days. And that's why
14 those stations remain is they captured the representative
15 numbers that were impacting the community from geothermal.

16 The Air Resources Board and CEC actually has a
17 seat on the steering committee for the Geysers Air
18 Monitoring Program. We haven't seen the CEC at one of these
19 meetings in a long time, one of our quarterly meetings in a
20 long time, but they actually do -- you are a part of the,
21 again, the steering committee for air monitoring from the
22 Geysers resource area.

23 If you have any questions or if staff has any data
24 requests we're happy to fill those out and get them back to
25 you as soon as possible.

1 MS. FUNG: I have a question.

2 HEARING OFFICER KRAMER: Could you come up so you
3 can be heard or transcribed.

4 MS. FUNG: Linda Fung. And I just want to say
5 that what we experienced we experienced, I don't care how
6 many words you describe it with. We've been here for 23
7 years. We watched it day after day, we heard it day after
8 day, we smelled it day after day. We were told what it was.
9 And I'm just telling you, I didn't lie when I came up here.
10 I told the panel exactly the truth as I knew it. Thank you.

11 MR. GEARHART: Just as a quick follow-up. We
12 understand that hydrogen sulfide smells at much lower
13 levels, it's just -- what we have to deal with is the
14 standards that are set and the standard that is set is the
15 public nuisance standard by the state of California.

16 PRESIDING MEMBER DOUGLAS: So we're getting into a
17 debate and we don't need that.

18 MS. FUNG: I just want to -- one comment about
19 hydrogen sulfide. The way it affects the body is it
20 replaces the oxygen in your blood and that's the beginning
21 of the kind of effect it has on the human body. So thank
22 you.

23 PRESIDING MEMBER DOUGLAS: Thank you.

24 HEARING OFFICER KRAMER: Thank you.

25 PRESIDING MEMBER DOUGLAS: We like to offer the

1 opportunity to ask questions.

2 MS. FUNG: I know, but you just can't --

3 PRESIDING MEMBER DOUGLAS: We don't really need to
4 hear argument and sometimes there's a fine line. But
5 anyway, thanks for coming up. And thank you for coming up
6 as well.

7 MR. GEARHART: And if you have any more questions
8 I'd be happy to answer them.

9 PRESIDING MEMBER DOUGLAS: Great, thank you.

10 HEARING OFFICER KRAMER: Thank you.

11 That ends our public comment period. We are going
12 to go off the record for a second.

13 (Off the record at 6:24 p.m.)

14 (On the record at 6:24 p.m.)

15 HEARING OFFICER KRAMER: Okay. The next item on
16 the agenda was a closed session. And what we're going to do
17 is we are going to postpone that until next week. And we do
18 that by way of continuing this hearing until next Wednesday,
19 June 5th. It'll begin at 3:00 p.m. and it will be at the
20 Energy Commission offices in Hearing Room B.

21 And all we will be doing during that meeting,
22 there will be an additional public comment period because
23 that's required on any meeting agenda but we don't plan on
24 asking additional questions of the parties or the staff or
25 anyone else. So basically the meeting will open up, we'll

1 take public comment, if there is any, and then the Committee
2 will go off into a closed session and come back at some
3 point to report if they made any decisions. It is very
4 likely that we'll report just that we have made some
5 decisions and we are going to issue them in the form of a
6 written order that will come later. So I would encourage
7 you not to bother to come to this meeting.

8 (Laughter.)

9 HEARING OFFICER KRAMER: Especially if you are
10 travelling any distance because you are going to be really
11 disappointed. But you're welcome -- we have set up a WebEx
12 telephone connection. So if you want to keep an eye on us,
13 the public portion of that, you can call into the WebEx
14 portion of the meeting. The public portions will also be
15 transcribed so you will see a transcript on our website
16 eventually.

17 PRESIDING MEMBER DOUGLAS: I am going to say that
18 even more strongly. If you would like to make public
19 comment at the beginning of that session you are welcome to
20 do so. We are not going to make any interesting
21 announcements at the end of that session, we are not going
22 to. So please don't sit on the phone for a couple of hours
23 while we deliberate because we are just going to come back
24 and say, we're done and we'll issue something, and that is
25 all we're going to say. So I hope that if anyone was

1 tempted to waste a couple of hours of your life while we did
2 this I hope that we have dissuaded you.

3 HEARING OFFICER KRAMER: There are thousands of
4 cable channels for that.

5 (Laughter.)

6 MS. MOSS: Where will we learn of your decision,
7 where can we find it?

8 HEARING OFFICER KRAMER: Well, we'll put out a
9 written decision, it will be posted on our website. If you
10 are on -- that's a good point, I should mention that for
11 you. Many of you are probably already on our LISTSERV for
12 the Bottle Rock project. I don't know precisely the name of
13 that one. But if you go on our website you can sign up for
14 electronic mailing lists for various things, some of the
15 planning and other things the Commission does.

16 But also we have an individual e-mail list for
17 most of the projects, whether they are new applications or
18 they are in compliance. So you go there, sign up, give it
19 your e-mail address. And then when a document comes out and
20 it's posted on the web page for Bottle Rock you will get an
21 e-mail giving you the link of a main page where it's posted
22 and you can go on there and download it. That's a really
23 good way to just keep track of what's going on because it
24 comes to you when it -- there is a little bit of a delay
25 between the release of it and its posting on the website,

1 maybe as much as a day in some cases, but you'll know pretty
2 soon. And then the parties, of course, we send it out to
3 them directly by e-mail, the people that are on the proof of
4 service list.

5 MR. MOONEY: Could you clarify for the public that
6 you are not going to do a decision on the Petition to Amend.

7 PRESIDING MEMBER DOUGLAS: Right.

8 HEARING OFFICER KRAMER: Yes.

9 MR. MOONEY: Your decision is going to be with
10 respect to scheduling and --

11 HEARING OFFICER KRAMER: Process.

12 MR. MOONEY: -- procedural matters.

13 HEARING OFFICER KRAMER: Right. And it may be
14 that we suggest some areas that we think need emphasis in
15 the research and the analysis, we'll see. There's going to
16 be a staff report, an analysis at some point, and then after
17 that there may or may not be a workshop, that's one of the
18 questions. But there will be at some point a meeting before
19 this Committee where everybody can comment on what the staff
20 has said and offer their own comments and analysis if they
21 want before the Committee makes a decision. Thanks for
22 that.

23 PRESIDING MEMBER DOUGLAS: Yes, thank you for
24 that, that's important.

25 HEARING OFFICER KRAMER: So with that, does any

1 party have any other business they want to raise today?

2 MS. FUNG: Thank you for the meeting.

3 HEARING OFFICER KRAMER: You're welcome.

4 PRESIDING MEMBER DOUGLAS: Thank you.

5 HEARING OFFICER KRAMER: Let me just say that it
6 is very likely that the committee meeting --

7 PRESIDING MEMBER DOUGLAS: It'll be here.

8 HEARING OFFICER KRAMER: It'll be here? Okay.
9 We'll try to come back here.

10 Let me ask, do you folks anticipate that we would
11 get a much larger turnout for that meeting? I ask only
12 because this room is pretty much full.

13 MR. HESS: I think that, as you can see, that
14 there's a lot of public turnout because we're not in
15 Sacramento.

16 HEARING OFFICER KRAMER: Okay. But do you think
17 more people would --

18 MR. HESS: Oh yes, definitely. When the original
19 Petition to Amend happened the room was filled with like
20 probably 50 or 60 people.

21 HEARING OFFICER KRAMER: Okay, so we should get a
22 bigger room. The bottom line is we should get a bigger room
23 for that.

24 MR. COLEMAN: Yes.

25 MR. HESS: Yes. The Little Red School House on

1 Bottle Rock and that's where we held it before.

2 MR. COLEMAN: And it's more convenient for the
3 public within that part.

4 HEARING OFFICER KRAMER: Okay. If you don't mind
5 could somebody send me, e-mail me, my e-mail is on the
6 notices and stuff. E-mail me the contact information for
7 that.

8 MR. HESS: Yes.

9 HEARING OFFICER KRAMER: Okay, thank you.

10 MR. FIDGE: This June 5th. Hamilton has something
11 to say.

12 PRESIDING MEMBER DOUGLAS: Go ahead.

13 MR. HESS: I was just saying the Cobb public
14 school would also be available, I checked on it.

15 HEARING OFFICER KRAMER: Okay. But for June 5th
16 we are just going to be back at the Commission offices. But
17 down the road, yes. Tell me who I should be talking to
18 about getting that.

19 MR. COLEMAN: We'll send you an e-mail.

20 HEARING OFFICER KRAMER: Okay, thank you.

21 MR. FIDGE: Are we understanding, when you come
22 back from the June 5th meeting then that you will have a
23 definite decision or proximity-type of decision?

24 HEARING OFFICER KRAMER: No, not that day,
25 sometime after that.

1 MR. FIDGE: Oh.

2 HEARING OFFICER KRAMER: We'll put it out in
3 writing. So we'll be doing, we're having our meeting in
4 Sacramento on June 5th so watch your e-mail.

5 MR. FIDGE: But then there is going to be another
6 meeting after that back --

7 PRESIDING MEMBER DOUGLAS: Yes.

8 HEARING OFFICER KRAMER: Yes.

9 MR. FIDGE: In Lake County.

10 PRESIDING MEMBER DOUGLAS: Yes.

11 HEARING OFFICER KRAMER: Yes, probably some months
12 down the road.

13 MR. FIDGE: And what do you hope to accomplish in
14 that meeting? That's what I'm --

15 HEARING OFFICER KRAMER: Well, to hear -- it will
16 be after the staff issues their analysis. And we'll hear
17 from them, Bottle Rock, all the rest of you and then the
18 Committee will write a recommended decision to go before all
19 five Energy Commissioners.

20 MR. FIDGE: So this is the final meeting for the
21 public to be involved in.

22 HEARING OFFICER KRAMER: Unless you want to come
23 to Sacramento because I can pretty much assure you all five
24 Commissioners won't be coming here.

25 PRESIDING MEMBER DOUGLAS: That's correct. The

1 Committee will come back here and that will be after there
2 is a more detailed staff analysis and so we'll have the
3 benefit of that for public discussion. The Committee after
4 that workshop here some months down the line will issue
5 essentially a proposed decision. The Committee is two of
6 five Commissioners, five Commissioners ultimately vote on
7 the proposed decision. The business meeting where the
8 Energy Commission adopts a final decision occurs in
9 Sacramento but there is phone access, so even if you can't
10 come to Sacramento you can still access the meeting, you can
11 speak at the meeting as well. So there is an opportunity at
12 the Commission business meeting as well.

13 Now, we have a Public Adviser. And it sounds to
14 me from -- of course our Public Adviser isn't here today.
15 But it sounds to me like given the questions that you're
16 asking, it would be really helpful for the Public Adviser to
17 spend some time either with people individually or with a
18 group and really walk you through the process so that it's
19 clearer for you. Would that be helpful?

20 (Yeses.)

21 MR. COLEMAN: I can give these people the contact
22 number for Blake.

23 PRESIDING MEMBER DOUGLAS: Okay, great.

24 MR. FIDGE: The main question I have is the
25 decommissioning status by engineer proposal or whatever. Is

1 that going to be made available before the next meeting here
2 in Lake County?

3 PRESIDING MEMBER DOUGLAS: The staff analysis will
4 be available.

5 MR. BELL: I think the decommissioning study is
6 already online.

7 HEARING OFFICER KRAMER: Yes. In fact, I printed
8 it today from the web page.

9 MR. FIDGE: So we'll have a good idea of what it
10 takes to decommission this.

11 HEARING OFFICER KRAMER: Right. The title of the
12 document on the web may refer to a letter of April 15, I
13 think.

14 MR. COLEMAN: I'll get it for him.

15 HEARING OFFICER KRAMER: Okay.

16 MR. FIDGE: Dave Coleman --

17 MR. MOONEY: We'll get it to him.

18 HEARING OFFICER KRAMER: Okay.

19 MR. FIDGE: Thank you.

20 HEARING OFFICER KRAMER: Okay. Closing remarks?

21 PRESIDING MEMBER DOUGLAS: Okay. So thank you all
22 for being here tonight, for your participation and your
23 interest in this. We as a Committee also benefit from
24 hearing from you quite a bit, that's we do come here for
25 informational hearings and for certainly at least one, one

1 subsequent hearing. So with that we're adjourned for today,
2 thank you.

3 (Briefly off the record.)

4 PRESIDING MEMBER DOUGLAS: We are continuing, we
5 are continuing.

6 HEARING OFFICER KRAMER: To be clear, we are
7 continuing the meeting until Wednesday, June 5 at 3:00 p.m.

8 PRESIDING MEMBER DOUGLAS: Thank you.

9 HEARING OFFICER KRAMER: In Sacramento. I will
10 informally send a notice out by e-mail this weekend and we
11 will formally send it out with all the finalities when I get
12 back Monday and my staff sends it out.

13 So now we are adjourned.

14 (The Committee Conference adjourned
15 at 6:35 p.m., to be continued on
16 June 5, 2013 at 3:00 p.m.)

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