COMMITTEE CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of: )
Application for Certification for ) Docket No.
the Canyon Power Plant ) 07-AFC-9
Presiding Member's Proposed Decision)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

MONDAY, MARCH 8, 2010
10:33 A.M.

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Contract No. 170-08-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
COMMITTEE MEMBERS PRESENT
Jeffrey D. Byron, Presiding Member

HEARING OFFICER AND ADVISERS
Paul Kramer, Hearing Officer
Kristy Chew, Adviser

STAFF AND CONSULTANTS PRESENT
Deborah R. Dyer, Staff Counsel
Eric Solario, Project Manager

APPLICANT
Scott Galati, Attorney
Galati and Blek, LLP

Stephen J. Sciortino
Public Utilities Department
City of Anaheim

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PROCEEDINGS

10:33 a.m.

PRESIDING MEMBER BYRON: Welcome to the
Presiding Member's Proposed Decision Conference on
the application for certification for the Canyon
Power Plant.

My name is Jeff Byron, the Presiding
Member of the Committee on this application. I
believe the Associate Member for the Committee has
retired from the Commission earlier, I should say
a couple of months ago. So, this we anticipate to
be our last conference.

With me is my Adviser Kristy Chew, and
the Hearing Officer, who I will turn it over to,
Mr. Paul Kramer.

HEARING OFFICER KRAMER: Thank you. The
purpose today is simply to receive and discuss
comments on the PMPD.

We've had the benefit of receiving them
slightly in advance of now, so we've been able to
look them over. So we don't need to discuss all
of them unless somebody wants to.

Mr. Galati, did you wish to make any
opening remarks about any particular conditions?

MR. GALATI: No, just here to answer any
questions regarding our comments. And Scott
Galati representing SCPPA on the Canyon Power
Project. And with me is Steve Sciortino. I'll
let you introduce yourself and your title.

MR. SCIORTINO: Mr. Kramer, Steve
Sciortino. I'm the Executive Sponsor for the
project and I'm employed by the City of Anaheim,
for which the project will actually be operating.
We're not actually the owner, but we
will be the operator and beneficiary of the
facility.

Just want to thank you for the
opportunity. We're in the final stretches and
we're looking forward to it.

HEARING OFFICER KRAMER: Okay, Ms. Dyer,
why don't you go ahead and introduce yourself and
the staff.

MS. DYER: Okay. Deborah Dyer, counsel
for staff. And with me here we have the Project
Manager.

MR. SOLARIO: Eric Solario, CEC Project
Manager.

HEARING OFFICER KRAMER: Okay. Did the
staff have any opening comments?

MS. DYER: No.
HEARING OFFICER KRAMER: Okay. This hearing was noticed for this time. As far as I know, informal comments I received from the staff about basically typographic errors, and then this filing from the applicant this morning are the only comments that I'm aware of that we've received in this case.

Either party aware of any others?

MR. GALATI: We are not.

HEARING OFFICER KRAMER: Okay, I'll point out that I believe the parties have until 3:00 p.m. on this Wednesday, the 10th, to provide additional comments.

But again, we're glad that we received yours in advance so we could discuss a couple of them to clarify them today.

So, let me ask, Ms. Dyer, were there any particular comments that you -- that the applicant made that staff disagrees with?

MS. DYER: We don't disagree with any of the applicant's comments.

HEARING OFFICER KRAMER: Okay, thank you. Mr. Galati, one comment we need to discuss in a little more detail is with regard to power plant reliability.
And that's the notation that's made in -- it's actually in the narrative of the section, but also in one of the findings.

To the effect that the project will not exceed 4320 machine hours annually. I think we understand that because of the operation of the air quality restrictions and the number of startups and shutdowns, and that the facility is really limited by its emissions permits.

And you don't want it to be limited by any particular hourly restriction that's applied by the Commission in addition to those permits.

So your suggestion is to just eliminate the reference. But is there something we could do to that to clarify it, to make it clear that it's an approximation?

MR. GALATI: Yeah, I think you could. I think you could maybe modify it to say it will be operated as a peaker and you could either put a comma or parentheses and say estimated at this amount if operated at full load. That was a full-load number of hours estimate for emission purposes.

Just so that's quantified. Because it is possible that the project, if it were to
operate 4321 hours, we wouldn't want that to be inconsistent with the Commission. But it's possible to operate more hours, but at less emissions, if we're operating, let's say, some of the turbines at part-load.

And just to clarify, and the emissions are based on the amount of natural gas burned. So, that's how that's estimated. Not really the number of hours.

We've translated them to number of hours for staff and others to be able to evaluate the project. But really there's no hourly limitation.

So if we want to say either a footnote that said it's based on natural gas burned, or if we wanted to say estimated at 4320 hours at full load, I think that solves our concern, as well.

HEARING OFFICER KRAMER: Okay. But it's the case, isn't it, that if they were operated at some reduced load level then the emissions per megawatt go up because the turbine is no longer at its peak efficiency?

MR. GALATI: Not necessarily. Depends on where. So, for example, there is a range in the startup mode where -- and we have a limited number of minutes for startup where we can operate
at higher emissions.

But after that it is the emissions are controlled, for example, NOx, they're controlled with full operation of the SCR. Whether we're at that peak load or not.

But really, the emissions that go down are let's say PM10 and SOx, because those are a function directly of the amount of fuel burned.

HEARING OFFICER KRAMER: Okay. I think we can make that change.

Let me ask you, transmission safety and nuisance. The decision refers to construction in accordance with SCE practices. But you're saying that in fact it'll be City of Anaheim practices.

Was that the way it was stated in the AFC, do you know?

MR. GALATI: I'll have to take a look, but I'm pretty sure it was stated City of Anaheim. Because we were always going to be -- the City of Anaheim was going to own and operate that interconnection from the plant to the City of Anaheim system, not SCE's system.

HEARING OFFICER KRAMER: Okay.

MR. GALATI: It is behind the meter.

HEARING OFFICER KRAMER: Okay. And then
condition waste-1. I want to make sure I understand how much of that you're asking us to --

MR. GALATI: Just to clarify, and I apologize. I can see what I wrote here wasn't as clear.

Just to delete the requirements, the part that was added, which was reference to the Department of Toxic Substances Control requirements. We still will -- any remediation would be done in accordance with Orange County Healthcare Agency requirements.

HEARING OFFICER KRAMER: So should we say requirements of and approved by the Healthcare Agency? Is that --

MR. GALATI: That's correct.

MR. SOLARIO: If I may ask, Scott, do you guys already have the letter of determination from OCHC?

MR. GALATI: Yes. That's been submitted.

HEARING OFFICER KRAMER: Okay, I think that's all the questions that your comments generated from us.

MR. GALATI: I think one housekeeping item I think you had asked me for and I did not
attach to this was an electronic version of exhibit 75, which was the revised plot plan for use as your land use figure 2.

HEARING OFFICER KRAMER: Okay.

MR. GALATI: So I will submit that to you electronically in a pdf form, is that going to be okay?

HEARING OFFICER KRAMER: What page is that on? Let me see what it looks like.

MR. GALATI: It's on page 278 of the PMPD. And it's land use figure 2 which was taken out of the staff assessment, exhibit 200.

And we had actually submitted a new revised plot plan as exhibit 75. Some minor things have changed that we had previously submitted to staff, like for example, the elimination of the third gate, and a few minor changes in and around the plot plan.

HEARING OFFICER KRAMER: Yeah, I guess a high-resolution pdf would work.

MR. GALATI: Okay, I will get that to you before the close of tomorrow, only because I know I have a version of it. I don't know if it's high resolution. Might have to get somebody with the city to give me a better version.
HEARING OFFICER KRAMER: Okay. Yeah, I'm just thinking because I think my copy that I'm using is especially bad. But certainly worthless in an 8.5-by-11 format to read it.

Okay, I mean this is getting really boring, which I guess is good, but --

MR. GALATI: We aim to please.

(Laughter.)

MR. GALATI: We like boring evidentiary hearings and boring PMPDs conferences.

MR. SOLARIO: Well, we can -- the chair thing again.

(Laughter.)

MR. GALATI: We hope on the 17th it will be equally as boring.

HEARING OFFICER KRAMER: No, just once with the chair. Okay, just for form, because I don't see anybody who's not part of the family in the audience, is there anybody in the audience that wishes to make a public comment?

Staff, did you have anything that you wanted to raise to our attention?

MS. DYER: No, nothing. Extremely boring.

HEARING OFFICER KRAMER: Okay, boring is
good, I guess. I mean it's not compelling

television, but that's okay.

Mr. Galati?

MR. GALATI: Yeah. Mr. Kramer, I wanted
to point out that in the notice the 30-day comment
period, when you actually count up the number of
days I think the 10th, because of February, I
think it actually ends up being 28 days.

So I wanted to make sure that you said
on the record that you would accept comments from
the public all the way up to the 12th, so that
there wasn't a noticing problem.

HEARING OFFICER KRAMER: Thank you for
catching that.

MR. GALATI: Well, thank Bob Gladden
from my office, because he's much better at that
stuff than I am.

HEARING OFFICER KRAMER: Yes, we will
then accept comments until the close of business
on -- and that would be 5:00 p.m. on Friday, the
12th by receipt by the Commission at that point in
time.

And then the hearing at the business
meeting has already been noticed for a week from
Wednesday on March 17th.
So what we will do is hopefully on Monday of next week when we've confirmed that, or checked to see if any comments do come in during that last period, we will put out an errata which will include these changes and a couple typographic changes.

I'll also note, though, that in the final decision if we discover some other very minor typographic changes, we will not put all of those in the errata, those that have no substance. We won't waste your time reading them, or the paper. But we retain that editorial discretion to correct tenses and punctuation and spelling if there are any more of those errors.

And I think in a couple places where, for instance, Mr. Galati you commented about one instance of an error. It may appear in several other places, as well. And we'll try to identify those.

So, with that, we've asked for public comment. The parties have provided all their comments. You're free, of course, to add some more if you need to. But again we appreciate that you front-loaded those so that we can discuss those that we needed to discuss today.
So with that I'll turn it back to Commissioner Byron for closing remarks.

PRESIDING MEMBER BYRON: Thank you, Mr. Kramer. I'll be very brief. In keeping with the tone of our hearing today, as boring.

I looked back at my notes and saw that we did our initial site visit on this on April 15th of '08. So it's taken a little while. But I was reminded by Ms. Chew that there are other issues that were at stake here. Obviously the difficulty with the South Coast Air Quality credits, which somehow the City of Anaheim was able to overcome. Congratulations.

But also having talked with members of the city recently, I know that there's been some significant financial constraints and issues there, as well. Those don't enter into our decision, obviously. But they do impact the schedule.

I'd like to thank the staff for an excellent job on this project.

And the applicant, Mr. Galati, you always do a very good job of dotting the i's and crossing the t's, as well as all the behind the scene stuff.
Mr. Kramer, thank you. It's nice to have one done. We have a few more to do this year. But thank you all very much.

HEARING OFFICER KRAMER: So we're adjourned. Thank you.

(Whereupon, at 10:48 a.m., the conference was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Committee Conference; 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 conference, nor in any way interested in outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of March, 2010.

PETER PETTY
AAERT CER**D-493

CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

/s/ Margo D. Hewitt March 14, 2010
Margo D. Hewitt,
AAERT CET**00480

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