

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

In the Matter of:)
)
Application for Certification) Docket No.
Carlsbad Energy Center Project) 07-AFC-6
_____)

FARADAY CENTER
CONFERENCE ROOM 173B
1635 FARADAY AVENUE
CARLSBAD, CALIFORNIA 92008

MONDAY, DECEMBER 17, 2007

5:03 P.M.

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

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

HEARING OFFICER AND ADVISORS

Paul Kramer, Hearing Officer

STAFF AND CONSULTANTS PRESENT

Mike Monasmith, Project Manager

APPLICANT

John A. McKinsey, Attorney
Stoel Rives, LLP

Tim E. Hemig, Vice President
NRG
Carlsbad Energy Center, LLC

Robert C. Mason, Senior Project Director
CH2M Hill

ALSO PRESENT

Bud Lewis, Mayor
Ann Kulchin, Mayor Pro Tem
Matt Hall, Councilmember
Mark Packard
City of Carlsbad

Steven More
San Diego Air Pollution Control District

Donald Root, Assistant Manager
Sheriff's Wireless Services Division
Regional Communications System

Ted Owen
Michael Babble
Carlsbad Chamber of Commerce

Gary Knight, President and CEO
San Diego North Economic Development Council

ALSO PRESENT

Ted Viola

Patty Krebs
Industrial Environmental Association

Don Christiansen

Arnold Roe

Kerry Siekmann

Joe Geever
Surfrider Foundation

Charles Watry

Kevin Sharrar

Ed Scarpelli

Dan Downing

Irene Stillings, Executive Director
California Center for Sustainable Energy

Joe Donagan

Clark Carlo

Lin Ball

Robert Morgan

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Presiding Member Boyd	1
Hearing Officer Kramer	3
Introductions	4
Background and Overview	7
Public Adviser's Presentation	12
Presentations	15
Applicant	15
CEC Staff	31
Issues Identification Report	42
Proposed Schedule	44
Agency Comment	50
Mayor Bud Lewis	50
Public Comment	55,85
Schedule	108
Closing Remarks	83,108
Presiding Member Boyd	83
Hearing Officer Kramer	108
Adjournment	108
Reporter's Certificate	109

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

2 5:03 p.m.

3 PRESIDING MEMBER BOYD: Good evening,
4 everybody. My name is Jim Boyd; I'm Vice Chair of
5 the California Energy Commission. And in this
6 particular case, I'm the Chair of the Siting
7 Committee for the project we're about to begin
8 discussing.

9 I want to welcome you all to the site
10 visit and public informational hearing for the
11 Carlsbad Energy Center project. This begins an
12 almost year-long process. The Energy Commission
13 creates siting committees of two Commissioners.
14 Commissioner John Geesman is the Associate
15 Commissioner of this hearing, but he wasn't able
16 to be here tonight. And I have a terrible feeling
17 that this is going to be my case, since his five-
18 year term comes to an end on the 6th of January
19 and he doesn't want to be reappointed.

20 (Laughter.)

21 PRESIDING MEMBER BOYD: I found it
22 absolutely necessary to be here tonight, because I
23 may be with you solely for quite some time.

24 In any event, although I chair the
25 Siting Committee, I may have a lot of questions to

1 ask, but I don't have to do a lot of the hearing
2 because the Siting Committees are aided by a
3 hearing officer. To my left is Mr. Paul Kramer,
4 Hearing Officer from the Energy Commission; and
5 this will be his case. And he will chair most of
6 the hearings with myself and maybe Commissioner
7 Geesman, most likely not participating in the
8 public hearings.

9 We have quite a process to explain to
10 you. The Energy Commission siting process is a
11 extremely good, interesting public policy, very
12 open process. Which makes it very lengthy and
13 very complicated, and that will be explained to
14 you as the evening wears on.

15 This is just the beginning of the
16 process, as indicated. This is nothing more than
17 a site visit and an introduction for many of you,
18 many of us, to the project.

19 And with that, again I'm just going to
20 welcome you, thank you. This is a pretty good
21 turnout. I mean some of these get kind of lonely.
22 I'm very pleased so many people in the community
23 are interested in the subject of energy, which I'm
24 on my second term as a Commissioner, so I've been
25 steeped in the stuff for a long, long time. And

1 it's rather exciting stuff to some of us, and not
2 to others.

3 But as many of you understand, the
4 economic engine of a state like California usually
5 sits on a stool of three legs, which are all
6 energy related. They're either electricity,
7 natural gas or the transportation fuel that got
8 you here tonight, and will get you home. So, an
9 interesting topic.

10 And with that, --

11 (Microphone Feedback.)

12 PRESIDING MEMBER BOYD: I guess that was
13 a sign from somebody to turn the microphone over
14 to Mr. Kramer. In fact, I don't have to hand you
15 one; you have your own.

16 HEARING OFFICER KRAMER: And I'm afraid
17 to speak for putting somebody's ears out.

18 (Parties speaking simultaneously.)

19 HEARING OFFICER KRAMER: Okay, well
20 welcome to tonight's informational hearing. And
21 this is very much a hearing for giving
22 information, not making decisions. As
23 Commissioner Boyd said, it's just the start of a
24 12-month process.

25 Today our purpose is to give you

1 information about the project, and also about how
2 to participate in the process.

3 The first order of business will be for
4 the parties and other people to introduce
5 themselves. We'll begin with the applicant.

6 MR. MCKINSEY: Thank you, Mr. Kramer.
7 My name is John McKinsey; I'm the Counsel for the
8 applicant in this proceeding which is Carlsbad
9 Energy Center, LLC; also known by its parent, NRG.

10 With me is Tim Hemig, the Vice President
11 of Carlsbad Energy, LLC, who will be speaking
12 tonight. And also Robert Mason from CH2M HILL,
13 which has provided the environmental and analysis
14 services for this project.

15 HEARING OFFICER KRAMER: And the staff.

16 MR. MONASMITH: My name is Mike
17 Monasmith; I'm the Project Manager for the Energy
18 Commission on this proceeding. Staff Counsel,
19 Dick Ratliff, is not here tonight, nor is the
20 Public Adviser, Nick Bartsch. We have a number of
21 staff in the audience, but for tonight's
22 proceedings, the presentation will be from myself.
23 So, thanks for coming.

24 HEARING OFFICER KRAMER: Okay. We have
25 with us, first of all, Mayor Lewis from the City

1 of Carlsbad. Could you raise your hand? He's in
2 the back there.

3 And Mayor Pro Tem Ann Kulchin. And
4 Councilmember Matt Hall. All sitting together.

5 Do we have any members in the interest
6 of the County or the Air Quality District who
7 would like to identify themselves? Okay, could
8 you please come up to the microphone so we can
9 get --

10 I'm sorry, but the court reporter over
11 in the corner is recording this, and this will be
12 transcribed. So if you want to have your name
13 correctly spelled in the transcript, please spell
14 it for him as you state it. And then any spelling
15 errors will be his.

16 MR. MORE: I'm Steven More with the San
17 Diego Air Pollution Control District. It's
18 M-o-r-e.

19 HEARING OFFICER KRAMER: Thank you.
20 Anyone from the County? Any other agency
21 representatives who wish to identify themselves?

22 Okay. Oh, I'm sorry.

23 MR. ROOT: I'm Donald Root, R-o-o-t.
24 I'm the Assistant Manager of the Sheriff's
25 Wireless Services Division and the Regional

1 Communications System. And we are a tenant on the
2 existing stack.

3 HEARING OFFICER KRAMER: Along with
4 several cell companies I think I saw there.

5 I didn't get a chance to look at the
6 back table, but you may find some -- I know there
7 is some information back there about the project.
8 Mike, did you have copies of the staff issues
9 identification report?

10 MR. MONASMITH: Yes. Everyone should
11 have received a copy of my presentation, which
12 I'll be going through later, as well as the issues
13 identification report, which is blue. Actually
14 the first 100 copies are blue, and after that
15 they're white like everything else.

16 In addition to that there was a map.
17 The applicant also provided some information. So
18 you should have that. That's the only information
19 available.

20 HEARING OFFICER KRAMER: One more
21 gentleman came to the podium; you want to identify
22 yourself --

23 MR. PACKARD: Yes, Mark Packard from the
24 City of Carlsbad. You wanted all the City
25 representatives to be identified, I guess.

1 HEARING OFFICER KRAMER: Okay, thank
2 you.

3 Those of you in the public, if you'd
4 like to speak later on this evening we encourage
5 you to fill out one of the blue cards that was
6 available at the table in the atrium. It's not
7 required but it does help us organize things. And
8 if you want to speak about a particular subject,
9 if you could write that down, as well, then we can
10 group people who are speaking about the same topic
11 together.

12 By way of background, the applicant in
13 this case is Carlsbad Energy Center, LLC. It's a
14 subsidiary of NRG. And on September 14 of this
15 year it submitted an application for
16 certification, what we at the Commission call an
17 AFC.

18 And that'll be one of many acronyms
19 you'll be hearing during the course of this
20 proceeding, because frankly, we just love them,
21 and we have lots of them.

22 (Laughter.)

23 HEARING OFFICER KRAMER: The application
24 was to construct and operate the Carlsbad Energy
25 Center project, which would be a 540 megawatt

1 combined cycle power plant on the existing Encina
2 Power Station property in Carlsbad.

3 I won't give you more details because
4 I'd just be repeating what the applicant and the
5 staff are going to cover in their presentations in
6 a few minutes.

7 The Energy Commission has exclusive
8 jurisdiction to license this project. And we are,
9 as we said earlier, considering this under what is
10 basically a 12-month review process.

11 We mailed notice of today's events on
12 November 16 to all the parties, landowners
13 adjoining the project and the linear lines,
14 interested government agencies and other
15 individuals.

16 And I'm informed that the City also made
17 a very extensive effort to send out notice to all
18 the residents for which we are very thankful.

19 AUDIENCE SPEAKER: It's getting almost
20 impossible to hear you back here. Can you speak
21 up for us senior citizens, please?

22 HEARING OFFICER KRAMER: Okay. I'm
23 hearing myself great, which is probably
24 frustrating you.

25 Just before today's meeting --

1 (Continued electronic feedback.)

2 HEARING OFFICER KRAMER: That's what I
3 was worried about.

4 (Pause.)

5 HEARING OFFICER KRAMER: Okay, is that
6 better? Okay.

7 Just before today's meeting we had a
8 site visit to see the proposed location of the
9 project. And I imagine most of you were on that.

10 Today's hearing is the first in a series
11 of Commission events that will extend over the
12 next year. This Committee will eventually conduct
13 hearings and issue a proposed decision containing
14 recommendations on the project. And then the
15 five-member Energy Commission, in which
16 Commissioner Boyd is one of the members, will make
17 a final decision on the application.

18 There will be additional opportunities
19 for the parties and governmental agencies to
20 discuss the issues about the project with the
21 public. And those will occur in public workshops
22 held by the staff either in this area, or
23 depending on the issue and the degree of local
24 interest, in Sacramento.

25 The Committee actually won't be back

1 here until near towards the end of the 12-month
2 process because the main work of preparing the
3 recommendation is done by the staff in the period
4 between now and then.

5 Now, the Commission's proposed decision
6 must be, by law be based solely on the evidence
7 that's given at the evidentiary hearing. To
8 insure that that happens, and to preserve the
9 integrity and impartiality of our process, the
10 Commission's regulations and state law prohibit
11 private contacts between the parties or the public
12 and the Committee Members and Advisors.

13 This prohibition is known as the ex
14 parte, or one-sided rule. It means that all
15 discussions with the Committee regarding a
16 substantive matter must occur in the context of a
17 public meeting, such as today's event, or in the
18 form of a written communication.

19 The purpose of the rule is to provide
20 full disclosure to all participants of any
21 information that may be used as a basis for a
22 future decision on this project.

23 It is okay, though, to have ex parte
24 discussions about procedural matters, such as if
25 you were wondering when a hearing was going to be

1 held you could certainly call me up or email me
2 and ask me about that. That's just procedural;
3 that has nothing to do with the substance.

4 Information about the communication
5 between the parties and governmental agencies will
6 be contained in written reports or letters that
7 summarize them. And those reports and letters are
8 distributed to the parties, and are available to
9 the public, although you won't automatically get
10 them.

11 If you have access to the internet one of
12 the easiest ways to keep up with the events in
13 this case is to get your email address on the
14 email list that's specific to this project that
15 the Commission maintains. And that'll get you
16 notice of the major events in the case by email.

17 And you can also look at the key
18 documents for this and other cases on the
19 Commission's website. The address of that
20 particular page is on the notice of this hearing.
21 And if you don't have that you can see me or Mr.
22 Monasmith later for it. And he will also have it
23 on a slide up on the screen during his
24 presentation.

25 As Mr. Monasmith indicated, or I guess

1 it was Commissioner Boyd, the Public Adviser is
2 not able to be with us here tonight, so I
3 volunteered -- I think that's the word -- to say a
4 few words in their place.

5 This is a public proceeding, again,
6 which members of the public and interested
7 organizations are encouraged to actively
8 participate and express their views about the
9 project.

10 The Public Adviser's Office exists to
11 help you learn how to do that, how to get
12 information. They can't represent you. They
13 won't be your advocate in the hearings, but they
14 can tell you what you need to know to advocate for
15 your own interests.

16 There are two basic ways to participate
17 in our proceedings. The first one is to make
18 public comments, as you may do tonight. And the
19 second way would be to become what we call a
20 intervenor. And you would be a formal party in
21 the case, just as the applicant and Commission
22 Staff are.

23 That comes with the ability to request
24 data and information from the other parties, to
25 present your own witnesses at the evidentiary

1 hearing, and to cross-examine witnesses and
2 evidence presented by other parties.

3 It also comes with some obligations.
4 You may have to file periodic status reports. And
5 prior to the hearings you're going to have to
6 identify your witnesses and get together your
7 evidence, your documentary evidence, and present
8 it to the other parties.

9 You don't have to be a lawyer to do
10 that, however, so don't think that you need to be
11 an attorney.

12 Now, if you're going to be a public
13 commenter you can speak at staff workshops and
14 Committee meetings and hearings. But you don't
15 have that ability to introduce evidence or cross-
16 examine witnesses.

17 Again, for more information about this
18 process you can contact the Public Adviser's
19 Office. I think Mike will have that number,
20 again, on his slide. And it's also in the notice.
21 And if you can't find it there, see me or Mike and
22 we'll make sure you get it.

23 Now we're going to go to our
24 presentations which will ultimately involve the
25 taking of your public comments after the parties

1 have made their presentations.

2 The order will be this: first, the
3 applicant will describe the proposed project and
4 explain its plans for developing the site. Then
5 Commission Staff will describe the Commission's
6 licensing process and staff's role in that
7 process. Then we will have questions and
8 presentations from interested agencies.

9 Following that we will discuss
10 scheduling of the case and other matters that are
11 addressed in the staff's issues identification
12 report, and the applicant's response to that
13 report. And then finally we will take public
14 comments.

15 Just so I can try to get the timing down
16 here, by show of hands, how many people are
17 intending to make a public comment tonight. Thank
18 you.

19 It looks like we'll be able to finish in
20 about an hour and a half or so. Some of the staff
21 and Commissioner Boyd need to leave by about 6:45
22 to get the last plane out of San Diego. But don't
23 feel constrained by that because I'm willing to
24 stick around longer, with the court reporter, to
25 make sure we take down all the comments that you

1 have. And those who had to leave early will be
2 able to read them in the transcript.

3 Are there any questions about the order
4 of presentations? Okay.

5 Let's begin with the applicant's
6 presentation, then. Mr. -- I'm sorry, I can't
7 read that tag.

8 MR. HEMIG: Yeah, I'll introduce myself.
9 My name is Tim Hemig. I work for NRG Energy, the
10 applicant. And I'm the Project Manager for
11 Carlsbad Energy Center project. I want to thank
12 the Commission, the City of Carlsbad and the
13 public for coming out and listening to the project
14 presentations. We know that this is the busy
15 holiday season, so a special thanks for taking
16 your personal time to attend.

17 It's also my pleasure to meet many of
18 the people that went on the tour and thank you for
19 coming out and touring the plant. And I hope that
20 answered some of your questions. My goal today is
21 to present project information that you may have
22 already heard on the tours. But in case you
23 weren't out there, we'll cover everything
24 comprehensively.

25 And so in kind of an order of what I

1 intend to do is talk a little bit about who NRG
2 is; talk a little bit about the project details;
3 environmental attributes of the project; why the
4 project's needed. And how the project delivers on
5 some key policies at the state and at the local
6 level.

7 We also want to hear from you, so I
8 encourage your comments and concerns at the end of
9 the presentations. We want to hear about how to
10 make this the best project possible.

11 So, who are we. We are NRG Energy. And
12 locally we're the owner of the Encina Power
13 Station. But globally we're one of the larger
14 power producers with about 25,000 megawatts of
15 power worldwide. And just to bring that to an
16 understanding of what that means, that's
17 approximately equivalent to 20 million homes worth
18 of electricity.

19 But down here in Carlsbad and locally we
20 have our regional headquarters. And it's actually
21 just a quarter mile away where we have a regional
22 office. And we operate 2200 megawatts of power
23 plants in California and Nevada. And bringing
24 that to a number that makes sense to many people,
25 it's 1.7 million homes approximately worth of

1 electricity.

2 And our primary facility is Carlsbad,
3 San Diego, El Segundo and Long Beach, and, of
4 course, here in Carlsbad is the Encina Power
5 Station, which I hope you were able to see today.

6 Besides being a power company we're also
7 a steward of the environment. I hope that you
8 were able to see some of the activities that we
9 promote in the Agua Hedionda Lagoon. And I'm
10 going to cover some of those right now and what we
11 do down there.

12 Primarily we maintain the health of the
13 lagoon. And we do that through maintenance of
14 sandbars that may form at the mouth of the lagoon.
15 And in order to keep that lagoon, the water
16 flowing in and out and a healthy environment we
17 remove the sandbar. We actually put it on the
18 beach. So, at the same time we're able to
19 accomplish some good sand replenishment on the
20 beaches in Carlsbad.

21 We also provide some financial
22 assistance to like the Discovery Center that you
23 may have seen on the tour, which is right at the
24 beginning of the lagoon. That's a neat place to
25 go. I hope you take your families there to view

1 some of their exhibits.

2 Other things on the lagoon that we
3 support. The white sea bass fish hatchery that's
4 the Sea World fish hatchery. And they repopulate
5 the white sea bass along the California coast.
6 They've released over a million fish. And they
7 are there at that location, a prime coastal spot.
8 And we donate the property that they reside on.

9 There's also some aquaculture. If you
10 eat oysters and mussels in restaurants around the
11 area, they may have been grown right in this
12 lagoon.

13 And for some of these activities we've
14 won several awards in environmental stewardship,
15 as well as we're especially proud of the second
16 item up here, which is every two years the
17 National Oceanic and Atmospheric Administration
18 awards a business leadership award. And only one
19 business wins every two years.

20 And we won that for the eradication of
21 the killer algae. If you read the newspapers
22 several years ago -- you haven't read about it
23 lately because it's fully eradicated -- but for
24 working with state agencies and local leaders we
25 were able to remove that invasive marine algae.

1 Let's talk about the project. The
2 project is simply a installation of two low-
3 profile, very efficient new power-generating
4 units. They're manufactured by the Siemens
5 Corporation.

6 These are what we call rapid-response
7 generators. They can start very quickly. They're
8 there to deliver power in the peak demand periods,
9 the hot summers or the situations where energy use
10 goes up, we're able to bring these units online
11 quickly.

12 And I'll use some numbers, again.
13 They're 540 megawatts of capacity that they can
14 provide to the electrical system. And that's
15 approximately 430,000 homes of electricity.

16 But at the same time, you saw the
17 existing Encina plant, and hopefully you heard
18 that we're also going to be shutting down the
19 oldest three units at the Encina plant, which is
20 inside that large power block structure. And
21 that's reducing 320 megawatts of capacity. So
22 this project actually only has 220 megawatts of
23 new electricity, which is approximately 170,000
24 homes, to the system.

25 This is a key part of our project

1 because it's a seamless transition from old to new
2 technology in a way that doesn't compromise
3 electric reliability for our homes and businesses.

4 We expect to be online as soon as the
5 summer of 2010. That would require construction
6 beginning no later than the end of next year or
7 early 2009. It's about a year and a half
8 construction, and being available for 2010's
9 hopefully not-too-hot summer.

10 This project delivers on the goals of
11 the South Carlsbad Coastal redevelopment plan, and
12 I'll talk more about that in a second. But the
13 key benefit of that is that this redevelopment
14 plan allows for incremental tax revenues from the
15 project to be kept here in Carlsbad. I'll go
16 through that more in a second.

17 So, I wanted to make sure we talked a
18 little bit about what is power generation.
19 Because I think not all of us are engineers, not
20 all of us know exactly what happens in power
21 generation.

22 So, briefly, what do we do with this new
23 project. It'll be a gas turbine engine. It's
24 very similar to a jet engine on an airplane,
25 actually. And so this engine here uses compressed

1 air and the burning of clean natural gas to make
2 energy that drives that electrical generator.

3 The electrical generator is like your
4 alternator on your car that makes power. This
5 particular unit right here, by itself, makes 75
6 percent of the power from this power plant.

7 We can make the rest of the power by
8 capturing the heat that comes from the engine and
9 running it through a system that converts water to
10 steam. The steam goes into a secondary turbine
11 and generator to make a second level of power,
12 which is about 25 percent of the power from this
13 station. And this is called combined cycle.

14 When I was talking to people a lot of
15 people knew what that was. I was surprised. So
16 that's a very efficient way of making electricity
17 from one fuel and making power in two generators.

18 Then the steam that comes off the steam
19 turbine will go into an air cooling system, a lot
20 like a radiator on a car. And that will convert
21 the steam back to water for re-use back in the
22 plant.

23 And I'm sure people are wondering,
24 there's something missing here. And that's that
25 the red exhaust, the warm exhaust that comes off

1 of the steam system will go out through an air
2 emissions control device. We use the best
3 available air pollution control devices in order
4 to clean the exhaust before it goes out the stack.
5 That's power plant 101.

6 We package up this system and we convert
7 the fuel energy into electrical energy in an
8 environmentally superior design. And what I mean
9 by that is some key attributes of this project are
10 the use of reclaimed water -- not potable water --
11 to make that water into steam.

12 And we also have the combined cycle
13 attribute is so efficient, this actually compares
14 to our existing plant, it's a 30 percent
15 improvement in fuel efficiency. That fuel
16 efficiency improvement and the best available air
17 control devices, and meeting all the standards of
18 the San Diego County Air Pollution Control
19 District yields a very very clean power-producing
20 system.

21 That system supports our global warming
22 initiatives. In fact, this technology beats
23 California's greenhouse gas or global warming
24 gases performance standard by 20 percent. It's 20
25 percent better. And that's attributed to its

1 efficiencies and its fast-starting nature.

2 Some other environmental benefits are
3 the, as I said, the steam is condensed with an air
4 cooled system. It does not use seawater for
5 cooling. This has been a very important policy
6 initiative at the Energy Commission and at the
7 other environmental and energy agencies throughout
8 the state. And we are replacing our once-through
9 cooling system with air cooled units for shutting
10 down 225 million gallons per day of seawater
11 capacity. This has gained us a lot of support
12 from agencies and environmental groups, as well.

13 Back on the quick-starting feature, what
14 that means is we're able to back up renewable
15 energy providers and also be available in these
16 peak periods of hot summer. Just as kind of an
17 example of how we can do that, back in the summer
18 of 2006 there was a very very hot spell, I guess
19 we call a heat storm. And of the 2700 megawatts
20 of wind that was available, on that day only less
21 than 10 percent actually was producing energy.

22 On a hot day you can get stable air,
23 which means no wind is blowing. While that's not
24 necessarily the case any day of the year, there's
25 periods where you just can't get energy out of

1 wind. And so we're there to back them up.

2 So what is the project going to look
3 like. We've done a three-dimensional model. And
4 we packaged up the different features that I
5 explained into a low profile design, a low noise
6 design, as well. If you had the ability to go out
7 and see the site, you saw that it's sited in a low
8 containment area from where the oil storage tanks
9 are presently located.

10 This is a very good screening location
11 for noise. It keeps noise down. The noise
12 modeling shows there will not be -- you won't be
13 able to discern the noise at any location,
14 including the residential locations around the
15 site, as compared to background noise that you
16 hear today.

17 Some of the key features in here, the
18 engine that I showed you, the gas turbine engine
19 is here. This is the steam generating area where
20 we make steam. And the air pollution control
21 devices are here. And then out the 100-foot tall
22 stack. This is that air cooled condenser I was
23 talking about. This is the steam turbine
24 generator. This is air inlet where air comes in.

25 Those are just some of the primary features

1 of the project.

2 I want to show you what it will look
3 like from the side if you were actually standing
4 next to it. And all these visuals are around the
5 room, as well, so I encourage you to look at
6 those. And we can answer questions if you have
7 any.

8 But by being in the low-lying area of
9 the tanks, this whole lower area here is below
10 ground. So only the stack, the steam generating
11 area, and the air inlet are actually above the
12 grade. And what that does is allow us to -- oh,
13 actually there's one more thing I need to show
14 you; it's the tree line. You saw some of the
15 trees around the site. And this dotted line is
16 the tree line. So, again, very few structures
17 actually are above the existing tree line.

18 And we are going to maintain those
19 trees. Lots of good questions about trees. We
20 had an arborist come out and determine the health
21 of the trees to make sure we know that they're
22 going to be there.

23 Also lots of questions we've had about
24 how does the footprint -- actually, one more. One
25 view that this is in the room, that if you were on

1 the bus tour you were able to -- you saw this as
2 you drove south on I-5. The power plant is right
3 here, the new power plant. And, of course, we
4 could see the existing site. So the tree line and
5 kind of the berm system here, and then the low-
6 lying nature of the project yields a really un-
7 noticeable project in your viewsheds.

8 Lots of questions about how does the
9 footprint of the new project compare to the
10 existing site. And the existing site is a 95-acre
11 site. We're using 23 acres of that in this tank
12 7, 6 and part of tank 5 area. It's a much smaller
13 footprint. And it's also a much smaller, lower
14 profile version. You see the backdrop of the
15 Encina Power Station, its 400-foot stack. Because
16 of the low below-ground installation, very little
17 of it sticks above that. Plus it's 18 percent of
18 the height of the existing stack. This is just a
19 side view of that same diagram.

20 So why do we need this power plant.
21 Lots of good questions in this area. And I think
22 if you've been reading the headlines you know why,
23 you already know why. We need new power supplies
24 to meet the peak demand usage that we're
25 experiencing summer-on-summer.

1 In fact, the last two summers we've seen
2 multiple records made over and over again in
3 energy consumption. And why is that happening.
4 There's inland development of communities where
5 the energy needs are greater inland for air
6 conditioning.

7 There's also a need to get good backup
8 power for renewables. And we also saw we need
9 local power supplies during emergency situations.
10 In-basin generation is important when transmission
11 isn't available from things like fires.

12 Some other questions about well, how
13 substantial is our power needs. And there's some
14 very pointed policies and recommendations being
15 made right now. Number one is we need a lot of
16 power. We also need to do that in a way that
17 phases out the aging power plants, it retires
18 those and replaces those in a seamless way that
19 doesn't affect electrical reliability.

20 And also phases out the use of once-
21 through cooling. The California Energy
22 Commission's own Integrated Energy Policy Report
23 this year, just adopted this month, has
24 recommendations for accomplishing this. And the
25 California Public Utilities Commission, that's one

1 of our favorite acronyms there, also advocates for
2 actual preferential treatment for these project,
3 to get these projects to realize their
4 environmental benefits.

5 How much power do we need. The same
6 agency, the CPUC, has just made a statement that
7 we need over 1000 megawatts of new fossil fuel
8 capacity in the local area by 2015. We don't need
9 it all in 2015; we need to phase up to it. But
10 that's the number. It's a substantial number.
11 You saw this project only delivers 20 percent of
12 that, which is our net increase of 220 megawatts.

13 Other attributes of the need for power
14 is that we need to build power in brownfield
15 locations. We need to build them -- what that
16 means is in locations that already have
17 infrastructure and industry. Tie into existing
18 transmission lines. You saw the wires that came
19 in and out of the Encina Power Station. Let's re-
20 use those.

21 Let's not build a power plant in a
22 greenfield location, which is an undeveloped
23 location, that might need a long natural gasline
24 bringing the fuel to the station, or a new
25 transmission line running through an undeveloped

1 area. So brownfield projects should be where you
2 look first. Encina Power Station is one of those.

3 And also let's get good, fast-starting
4 peaking plants to back up our renewable energy's
5 needs.

6 We believe our project delivers on these
7 goals and policies of the state. We do retire
8 aging power units with once-through cooling. We
9 do tie into those existing infrastructures. And
10 this is a site that is zoned for public utility.
11 It is zoned for power generation, including the
12 area where we're building this.

13 Interestingly the Coastal Commission has
14 written a letter that says they don't intend to
15 participate in this proceeding. They do not
16 object to the siting of these air cooled units at
17 this location. They advocate for the replacement
18 of once-through cooling with air cooled units.

19 And then the project achieves the
20 objectives of the South Carlsbad Coastal
21 redevelopment plan, which our City leaders had the
22 foresight to establish this plan about five years
23 ago. And this project delivers on that plan,
24 which is to begin to phase out the existing plant
25 and put in a low-profile, more efficient

1 generating station in the exact piece of the
2 property that we're proposing to do.

3 And ultimately the intention is to phase
4 out the entire older power plant and have it
5 replaced with on- or offsite generation. We have
6 to replace these in a phase approach to make sure
7 we don't compromise electrical reliability. And
8 this is kind of the first phase.

9 We've been working with the community
10 for several years on this, including a community
11 advisory group looking at what we might do in the
12 future at the site. And that's part of a broader,
13 comprehensive, kind of planning process. This
14 project works on kind of the first phase. And I
15 think we need to spend the next several years
16 contemplating the next phases.

17 So I hope that this presentation helped
18 you with understanding of the project. That's our
19 goal. We'd like to hear some of your comments.
20 And also one more thing. How to get more
21 information. And the Energy Commission has a lot
22 of that capability of providing information.

23 But we want to make sure we do our job,
24 too. And we have a phone number; we have our own
25 website, carlsbadenergycenter.com. You've also,

1 as registering here or in the news mailers that
2 we've mailed out to the community, if you get on a
3 mailing list with us we'll make sure you get
4 information.

5 And with that, I am complete.

6 (Applause.)

7 HEARING OFFICER KRAMER: Okay, now we'll
8 hear the staff's presentation. Mr. Monasmith.

9 MR. MONASMITH: Thank you, Hearing
10 Officer Kramer, Commissioner Boyd. It's great to
11 see such a great turnout here. I've been with the
12 Energy Commission four years, previously in the
13 Public Adviser's Office. So oftentimes my job was
14 to bring members of the public to these
15 proceedings. And this is the largest turnout that
16 I've seen in my four years.

17 Especially at the very beginning. We
18 oftentimes get quite a few people as we get into
19 the process, as they hear more and more about it.
20 But for the very first step in our year-long
21 process to have this kind of turnout is very
22 encouraging.

23 My name is Mike Monasmith. I'm the
24 Project Manager for the Energy Commission. Along
25 with Dick Ratliff, who will be Staff Counsel.

1 Information for those folks will be presented to
2 you tonight, as well as Nick Bartsch, who is the
3 Public Adviser's representative. He is in Hayward
4 tonight for a proceeding that's going on there
5 right now.

6 The Energy Commission is in the process
7 of evaluating nearly two dozen power plant
8 applications up and down the state from
9 approximately 100 megawatts up to almost 1000
10 megawatts. This one right about in the middle,
11 540 megawatts.

12 So we have a number of projects we're
13 working on, and we're excited to be here tonight
14 and tell you about our process.

15 Why the Energy Commission. Well, it is
16 our job to insure that a reliable supply of
17 electrical energy is maintained at a level
18 consistent with the need of such energy for
19 protection of public health and safety and for the
20 promotion of general welfare and environmental
21 quality protection.

22 We are charged with the evaluation of
23 these applications. It's our job to make sure
24 that your health and your safety are evaluated and
25 protected, and that of the environment. And we

1 are very thorough in that job.

2 We will look at I think it's 17
3 different technical areas, from the biological and
4 water, air, cultural, land use, traffic and
5 transportation, noise, visual; every kind of
6 impact you could imagine that this project could
7 potentially have on this community we will
8 evaluate. And we have technical experts who do
9 that, many of whom are in the audience today.

10 The Energy Commission has the permitting
11 authority for all thermal power plants larger than
12 50 megawatts. Again, this one at 540 clearly is
13 something that we have authority to review.

14 Not only do we look at the power plant,
15 itself, but all related facilities. All gas
16 lines, transmission lines, anything that's needed
17 in order for the power plant to operate we will
18 evaluate and look at.

19 We are the lead CEQA agency, that is the
20 California Environmental Quality Act. We provide
21 the CEQA-equivalent document, an environmental
22 impact report in some people's language, for the
23 state. So it's our charge to make sure that
24 everything is covered, is looked at and your
25 health and welfare are protected.

1 We begin our process really with
2 discovery, and reviewing the application, which is
3 this right here. It's about this big; it's very
4 big. It contains a lot of information.

5 We begin looking at that, and the
6 process goes like this: There is the Public
7 Adviser assists both the intervenors and the
8 public. Intervenors, again, as a legal status.
9 You apply, become an intervenor. You apply to the
10 Committee, which is Commissioner Boyd and
11 Commissioner Geesman. They then grant you
12 intervenor status and then you have a seat at the
13 table essentially. You get to sit up here.

14 But it's not necessary. The members of
15 the public also have the right to be involved.
16 And we listen to your input. And the Public
17 Adviser helps you with that, helps explain the
18 process, answers your questions, and that
19 information is later in the presentation. You'll
20 have copies of it.

21 Obviously the local, state and federal
22 agencies also have a stake in this. The City of
23 Carlsbad, for instance, is very involved. I can
24 tell you, as well, that your City government is
25 very committed to this process. They've been very

1 active and you are well represented here on the
2 local scene. So you should feel good about that.

3 But also the state has a number of
4 departments which we work with, as well as the
5 federal government. And then, of course, the
6 applicant, the folks from NRG who seek to receive
7 the license to build and operate this facility.

8 Together they work in the beginning
9 states together with the staff to come up with our
10 documents. Kind of went over this already. The
11 folks that are involved at the local level again.
12 The public works, planning and redevelopment
13 agencies of the City of Carlsbad, who we've
14 already met with, are very active and involved.

15 San Diego County, their various
16 departments within the County government have been
17 solicited for their involvement. And we're
18 working with them. As well as the state,
19 different state agencies, and the federal
20 government, as well.

21 The three-step process that we will be
22 undertaking begins first with what we call data
23 adequacy. This application was filed with the
24 Energy Commission on September 17th. We reviewed
25 it, this big document up here.

1 And our technical experts then asked for
2 more information, what we call data. We have data
3 requests in order to make the determination if it
4 was data adequate. That is do we have enough
5 information to begin the process.

6 It was deemed data adequate on October
7 31st. We received enough information from the
8 application to begin the process, to schedule this
9 hearing, to begin looking at the different aspects
10 for our staff to begin their jobs of evaluation.
11 And to form the questions that they will work with
12 the applicant to receive, and to move forward.

13 We then move forward after today to the
14 discovery and analysis. We will have the issues
15 identification. All of you should have received
16 the blue issues identification report, which is
17 just the first cut at some of these issues that
18 kind of popped out at us that we need to work
19 with. There may be more. It's not a complete
20 list, but as you see, air quality and land use are
21 some of the first things which we have identified
22 as issues that are going to need to be resolved if
23 this plant is to move forward.

24 We then do more data requests. Our data
25 requests out there currently on water and other

1 issues. As those came back we evaluate them. And
2 we will have workshops here in the community. In
3 fact, as we get forward you'll see one's already
4 tentatively scheduled in January. We will work in
5 kind of a more informal setting; it won't be on
6 the record, it won't be with the presence of the
7 Commissioner and the Hearing Office. It'll be
8 more of an opportunity to roll up our sleeves, and
9 the parties, the applicant, staff, intervenors,
10 local agencies, the City and the public trying to
11 work through these issues.

12 We will move forward and make then what
13 we call a preliminary staff assessment, or a PSA.
14 That will be like the first document which we will
15 present, which I think is planned to probably come
16 out sometime in April. I'm not quite sure at the
17 moment. It's on the schedule and we'll get there
18 in a second.

19 But that assessment will be the result
20 of our workshops; it'll be the result of working
21 back and forth between the applicant and staff,
22 local agencies, intervenors and you in the public,
23 to try to decide where we are with this
24 application. It's our assessment of how this
25 application meets the demands that we have, our

1 standard of excellence, and whether or not it
2 fulfills standards we have for health, safety,
3 welfare and environmental protection, which are
4 needed reliability, efficiency and a number of
5 other issues on the technical aspects, if it meets
6 that.

7 And we issue what we call that
8 assessment. Everyone will receive it or can look
9 at it. And I'll show you where you look on the
10 website. And hopefully everyone signed in, too,
11 when they came in tonight, gave an email address.
12 And I'll touch that a little bit later, too.
13 We'll make sure to get you signed up so you
14 receive automatic, information will be sent to
15 you. So you don't have to go looking for it;
16 it'll be sent to you.

17 So we go through all that. And then at
18 the end we will end up after a final staff
19 assessment, which the preliminary is the PSA. We
20 then have more workshops after the PSA. And then
21 we come to a final staff assessment or a FSA.

22 Following that we have more workshops,
23 more discussions, more communication between all
24 the parties. And then we will get to actual
25 recommendations to the Committee, that is to

1 Commissioner Boyd and Commissioner Geesman, or
2 Commissioner Geesman's replacement, the
3 recommendations on this project.

4 Then we go into what's called the
5 evidentiary hearings. This is the third step.
6 The evidentiary hearings are lengthy; they're
7 important. They exist essentially for everyone to
8 understand -- by then, by the time we get to an
9 evidentiary hearing we will have discussed many of
10 the issues; we will have tried to work many of
11 them out.

12 But we will have witnesses, our staff
13 will provide testimony. The applicant can then
14 question them. It's kind of like a mini-judicial
15 process, quite honestly, with Hearing Officer
16 Kramer as the judge; and Commissioner Geesman
17 really is the jury of one or two. Because their
18 decision is the one that will then be taken to the
19 full five-member Commission on whether or not this
20 application is to be received. And if so, under
21 what conditions.

22 So we will do these evidentiary
23 hearings. Those will come probably in the fall,
24 maybe summer. Again, it all depends on the
25 scheduling and if people provide information on a

1 timely basis.

2 After that, comes what's called the
3 PMPD, or the Presiding Member, which is
4 Commissioner Boyd, the Presiding Member's Proposed
5 Decision. And that is the Committee's decision on
6 this application.

7 And based on that, on their decision, we
8 have another series of workshops and hearings here
9 in the community. And from there they'll take
10 that to the full five-member Commission for a
11 final decision and hearings. And from there,
12 onward.

13 So, just to look at this, how things
14 move here. The evidentiary hearings. Again, it's
15 the same participants as before; the public,
16 applicant, agencies, the CEC Staff, the
17 intervenors, as well as the applicant, all of us
18 making decisions to -- all of us making arguments
19 and cross-examining each other's witnesses, and
20 making our cases essentially to the Committee, who
21 then have a final decision that goes to the full
22 member body.

23 Ways you can participate. Hearing
24 Officer Kramer talked about this a little bit.
25 There are a number of ways you can participate.

1 Again, it's as easy as signing in, coming to these
2 meetings, providing written or oral comments that
3 go on the record, sending in letters; becoming an
4 intervenor, which is the highest level of public
5 participation. All of these are ways that you can
6 become involved in our process, and we encourage
7 you to do so.

8 Information on this process, on this
9 whole proceeding, can be found at this website.
10 We have a very good webpage at the Energy
11 Commission. It has a lot of information on it.
12 It's very user-friendly; it's kept up to date. It
13 provides a docket log of all information that
14 comes in, letters, all formal pleadings,
15 information that comes from the applicant, from
16 intervenors, from other agencies like the City of
17 Carlsbad. It provides you a full sense of what's
18 going on so you can keep up to speed on what's
19 going.

20 Also information is always available at
21 the public libraries, here in Carlsbad, Oceanside
22 and San Diego. And the rest of the state, Eureka,
23 Fresno, L.A. San Francisco, San Diego.

24 This is, again, what the website
25 contains. Proceedings, the comments, the

1 different applications. Everything that would be
2 of interest to you is contained on that webpage.
3 It's a very transparent process. All of this is
4 done in the light of day. We encourage your
5 participation in that because if we really don't
6 have the public's participation we don't have a
7 good product in the end.

8 Again, here's the information on the
9 Public Adviser's Office. And again, I'll give you
10 those contact information. You could always ask
11 me, as well.

12 Little bit about the issues
13 identification report. That is the blue, three-
14 page -- six-page sheets that you received. Really
15 just an opportunity for us to inform the parties
16 of the issues which staff has identified as things
17 we need to work on, where we have some questions.
18 We're going to need to work to find some
19 resolution. And, you know, the criteria in order
20 to do that, you have to -- maybe there's not some
21 conformity with LOS, which is laws, ordinances,
22 regulations and standards; it's one of those
23 acronyms that we like to use in the state. But
24 essentially that this application is not in
25 compliance or there's some kind of conflict

1 between a local regulation or ordinance and what
2 the applicant would wish to do, and we need to
3 find resolution.

4 One of those issues, the first one is
5 air quality. And our staff has indicated that the
6 project's mitigation proposal includes taking
7 credit for the shutting down of units 1, 2 and 3
8 at Encina. And using those credits from the
9 shutdown of those three boilers, using those
10 emission credits as part of their criteria for
11 this project. And we have some questions about
12 that and how that is going to work. Again, it's
13 something we need to talk about with the applicant
14 and with the public's participation.

15 Also the nonattainment of certain
16 compounds including ozone, NOx, volatile organic
17 compounds, PM10 and PM2.5, which is essentially
18 dust and very small particles which are emitted
19 that we need to consider those emissions and find
20 offsets for them elsewhere because of the health
21 aspects to the local community which we are
22 obviously very concerned about. And want to work
23 to make sure that this project, if licensed, has
24 proper offsets that were not in any way affecting
25 the health, welfare, safety of the community which

1 we are here to protect.

2 The second is land use. We have some
3 land use concerns and questions. We have staff
4 here who have already met with some of our local
5 folks here in Carlsbad. And they indicate that
6 there is some problems with compliance with the
7 City of Carlsbad land use regulations.

8 Some conformity issues with the Coastal
9 Act and local coastal plan, and the potential
10 conflict with Caltrans in the widening of
11 Interstate-5, which many of you know about, a 26-
12 mile planned widening. And how that widening at
13 Canon and Tamarack, that stretch of I-5, how that
14 would conflict potentially with this project. So
15 we need to make sure to look into that.

16 Here's the potential schedule that we've
17 got looking forward. The purple ones essentially
18 are where we will be here in the community having
19 hearings, where we will, you know, you will be
20 talking with. The one today is the informational
21 hearing and site visit on today's date, in
22 December.

23 Again, like I said, we'll have a data
24 request information workshop which is scheduled
25 tentatively for January. We'll keep you up to

1 speed and let you know about the exact date. But
2 right now that's the scheduled date. Again, it
3 won't be the Commissioners and Hearing Officer; it
4 will be staff, the applicant, intervenors, the
5 public, local and interested agencies working
6 together.

7 Then we'll have a PSA workshop. Again,
8 that's the first document, the PSA, the
9 preliminary staff assessment. We will have a
10 workshop here after that PSA is issued to discuss
11 it and see what the problems are, see what people
12 think about it.

13 We'll do the same with the evidentiary
14 hearings again. Haven't been determined yet, the
15 date. But like I said, they'll probably be in the
16 summer, late summer, fall. And that will be again
17 an official hearing proceeding with a court
18 reporter, everything on the record. The Hearing
19 Officer, the Commissioners and we'll talk about
20 that.

21 The same with a hearing on the proposed
22 decision, that is the Presiding Member's Proposed
23 Decision, the PMPD. And then the Commission
24 decision, of course, will be a public decision
25 that will actually take place in Sacramento at an

1 official business meeting at the Commission
2 offices on Ninth Street.

3 Just to keep a couple things in mind.
4 When you look at the schedule, like I said before,
5 we have quite a few power plant applications out
6 there. We're dealing with a large volume of
7 applications with relatively limited staff
8 resources. So we need to keep that in mind, that
9 our schedule sometimes -- we try to keep things
10 within a year, sometimes they start to go over
11 into 13, 14 months. Sometimes they're not quite
12 a year. We need to keep that in mind.

13 That's the reason sometimes we go over,
14 as well as information requests. We've had some
15 pretty comprehensive data requests that are out
16 there. We've got quite a bit of information that
17 has come to us. But we also expect to get more
18 from the applicant and others.

19 Getting that information on a timely
20 basis will determine whether or not we're able to
21 keep on our schedule or not. And that has to do
22 with not just the applicant, but also outside
23 agencies, the City, the Air District, other people
24 who are an integral part of this proceeding.

25 So there are a number of things that

1 will go into whether or not we keep on schedule.
2 It's always our intention to do this within one
3 year, but lately, given the constraints, we've
4 been going a little bit over.

5 These are our contacts. Myself, Paul
6 Kramer, again -- Hearing Officer Kramer and the
7 Commissioner, the ex parte rule applies to them.
8 You can't really talk to them about this case
9 unless everyone gets to hear it. That's why they
10 have it there, because it's not really fair for
11 someone to talk to them and not the others to hear
12 it.

13 So, you know, you can call the Hearing
14 Officer if you have a question on a technical
15 aspect or something to do with the proceeding, but
16 try to direct your questions to myself or to Nick
17 Bartsch, the Public Adviser's Office. You can
18 talk to us. It's not a problem.

19 And, again, information for the
20 applicant, their contact information which you got
21 before.

22 That's it, thanks, guys.

23 (Applause.)

24 MR. MONASMITH: Are there any questions
25 that anyone had particular to that process? I

1 don't know if they wanted to just general --

2 HEARING OFFICER KRAMER: Well, let's
3 hold the questions for a little bit.

4 MR. MONASMITH: All right.

5 PRESIDING MEMBER BOYD: I just wanted to
6 make a couple quick comments because we have such
7 a large turnout here. I'm still very impressed
8 with that.

9 I just wanted to underscore some of the
10 comments that have already been made about how
11 open this process is. The law that created the
12 Energy Commission some 30 years ago made this an
13 extremely open process. And as you heard, it's a
14 very judicial process. The judges basically are
15 Commissioner Geesman and myself. And we're
16 advised by the Hearing Officer.

17 I want to underscore the importance of
18 the evidentiary hearing process that was just
19 spelled out, because the decision of the Siting
20 Committee is really based on the record that is
21 developed by the staffs, by the applicant, by the
22 intervenors and documented in public hearings like
23 this.

24 Because of the ex parte communication
25 rule I, this Committee, cannot discuss with you,

1 unless it's in an open hearing like this, any
2 aspects of the case. I can't talk to the
3 applicant without an open setting like this; can't
4 talk to intervenors; and I can't talk to the staff
5 of the Energy Commission. They are considered
6 intervenors in the case.

7 So we sit here having to base
8 everything, all decisions we make on the record
9 that is developed. And that's why I just want to
10 underscore how important it is, how important this
11 process is, and how important it is to have full
12 and complete communication in forums like this.

13 Now, we've been doing this for a lot of
14 years, and it's a very good process, so it works.
15 But for the possible confusions you heard just
16 laid out by Mike, we are pretty good at getting it
17 done inside of a year.

18 However, this is a very unusual period
19 of time. I have 12 of these going on at the same
20 time. So it's a very busy state all of a sudden.
21 So we'll do the best we possibly can to move this
22 along rapidly. And I've got a lot of other things
23 to do besides siting cases.

24 HEARING OFFICER KRAMER: Did the
25 applicant have any comments on the issues

1 identification report or the schedule?

2 MR. McKINSEY: Not at all.

3 HEARING OFFICER KRAMER: Okay, thank
4 you. One point I want to make for those of you
5 who aren't familiar with the City or County permit
6 process is that in our process you won't find any
7 document called an EIR. The staff assessments
8 that Mr. Monasmith mentioned take the place of an
9 EIR. So if you wait for an EIR this thing will be
10 done and gone and the plant will be built or not,
11 and you'll still be waiting. Look for those staff
12 assessments as the documents you want to review.

13 And where other agencies need to make
14 environmental reviews, the staff assessment and
15 then the Commission decision, when it's made, will
16 be used by them as the equivalent of an EIR. So
17 that's how that part of our process works.

18 The next order of business here was
19 agency presentations and questions. And I
20 understand that Mayor Lewis wanted to make a
21 presentation. So, sir, if you could come forward
22 to the podium.

23 MAYOR LEWIS: Thank you. On behalf of
24 the Carlsbad City Council we want to welcome the
25 Energy Commission to the City of Carlsbad. My

1 name is Bud Lewis; I'm the Mayor of the City of
2 Carlsbad. I've served the City for the past 37
3 years, I've been serving as Mayor the last 20.

4 We appreciate your service and the fact
5 that you're here visiting us on a one-to-one
6 basis, as we see it. As regional stewards we
7 recognize the need to have adequate and reliable
8 power, and the need to build the infrastructure to
9 provide this power.

10 You should know that Carlsbad has
11 embraced the regional responsibilities in the
12 past. We have a regional airport, a regional
13 trash transfer station. We have the regional
14 wastewater treatment plant; and we have the
15 current Encina plant. And a future desalinization
16 plant that will provide nearly 10 percent of the
17 County's water needs.

18 As home of the existing Encina Power
19 Plant for the last 50 years, the City clearly
20 understands that power plants have a long life
21 span and their impact is felt totally on the
22 community.

23 With regards to the proposed power plant
24 the City Council has not taken any type of
25 position. But we want you to be aware that this

1 last plant, when we had three small stacks about
2 100 foot high, they threw out their ingredients on
3 one of our neighborhoods, Terramar.

4 And the paint would peel off the homes,
5 along with peel off the cars. And the agency that
6 controlled it at that time never acknowledged the
7 fact that they were putting all this garbage out.
8 But they simply paid the bills.

9 So it's very important that when we look
10 at this plant that it's not going to create a real
11 problem. And the only reason that the majority of
12 the Council supported the 400-foot stack is
13 because it threw it out in other neighborhoods
14 beyond the City of Carlsbad.

15 (Laughter.)

16 MAYOR LEWIS: So, we made no bones about
17 that because we were taking a reasonable concern,
18 but we don't like our neighborhoods being gutted
19 in such ways that creates disasters for them.

20 So we're very concerned about the fact
21 as to how this stack is going to throw stuff out
22 that may be a detriment to our community.

23 And we understand the process. We
24 realize this is just a formal process, the
25 beginning. As the Commissioners heard from your

1 staff there are some outstanding issues. I just
2 explained one of them, which is very dear to the
3 hearts of each one of the Councilpersons.

4 And by the way, I'd like my
5 Councilpeople to stand. Will you please stand.
6 All right, now, do you have any complaints? There
7 are five of you here.

8 (Laughter.)

9 MAYOR LEWIS: These four right here,
10 plus myself. They're the ones that you've got to
11 go to and let us know, because the Council will be
12 making a decision in the future about this
13 situation. And we do believe that will carry
14 quite a bit of weight.

15 So, these four, plus myself, are the
16 ones that you've got to talk to. Raise your hands
17 so they see where you are. Julie. All right,
18 those are the four, okay.

19 (Laughter.)

20 MAYOR LEWIS: Thank you. And we do
21 encourage the Commission to continue this process
22 where you have transparency. We all have a shot
23 at, not literally a shot, but the fact that we can
24 look at you and you understand our needs and
25 concerns.

1 And we'd like to have as many meetings
2 here in Carlsbad as possible. You notice this is
3 a great turnout. Our folks are very interested in
4 this. We have about 100,000 people living in this
5 region. And the five of us are very concerned
6 about what goes in here.

7 And so we appreciate your being here,
8 and we hope to see you again. Thank you.

9 (Applause.)

10 PRESIDING MEMBER BOYD: I can't resist
11 an opportunity to say something after the Mayor's
12 comment. I think this agency understands that the
13 answer to pollution is not dilution, which was the
14 answer to air quality long ago and far away. That
15 led to tall stacks.

16 And let me assure you I've always been
17 impressed in my almost six years now at the Energy
18 Commission with the work of the staff of the
19 Energy Commission on air quality. But to just
20 assure you that I will see that they do good work,
21 I happen to have been the State's Air Director for
22 15 years, so I make sure that we get a pretty good
23 product out of these folks before we pass on
24 anything.

25 So, I appreciate your concerns.

1 HEARING OFFICER KRAMER: Okay, now is
2 the time -- well, first of all, Mayor the Council,
3 thank you again for your efforts to get the word
4 out about this proceeding, because this is quite a
5 good turnout. We had another proceeding recently
6 where a lot of people claimed they didn't know
7 about the project until it was just about
8 approved. And I don't think we'll be hearing that
9 this time around.

10 So now is the time for questions and
11 comments from the public. We had a few people who
12 indicated that they needed to leave fairly
13 quickly, so we'll put them to the front of the
14 queue.

15 Ted Owen from the Chamber of Commerce.
16 And while you're coming up, for those of you who
17 are speaking, what really we want to hear today,
18 we want all your comments, but if you have a
19 particular concern about the project, this is
20 early on in the process and this is the time to
21 make sure that we hear it, so that staff, when
22 they perform their analysis, will make sure that
23 they address your question.

24 Mr. Owen.

25 MR. BABBLE: Actually my name is Michael

1 Babble; I'm the Director of Government Affairs at
2 the Carlsbad Chamber. Mr. Owen actually already
3 had to leave, but he asked me to make his comments
4 on his behalf.

5 We are from the Carlsbad Chamber of
6 Commerce, a privately funded business organization
7 which represents approximately 1800 businesses and
8 about 75,000 employees in and around the City of
9 Carlsbad.

10 I'm here to voice our support for NRG
11 West Carlsbad Energy Conceptual Plan. The City of
12 Carlsbad was incorporated in 1952 in large part to
13 receive the tax revenues from the power plant
14 located along Coast Highway.

15 In its current conceptual form the
16 energy center would continue to give Carlsbad a
17 stream of revenue to the tune of \$4- to \$5 million
18 annually. The project would add to the local
19 economy by creating at least 350 jobs during its
20 construction phase.

21 Additionally, NRG has pledged to
22 continue to provide its environmental maintenance,
23 dredging and sand replenishment from the Agua
24 Hedionda Lagoon.

25 Although we are not experts in the

1 energy technologies, the Chamber's a strong
2 advocate of green building, green technologies and
3 sustainability. We strongly believe that NRG's
4 Carlsbad Energy Center concept works towards
5 compliance with AB-32 by using a low carbon
6 footprint. And focuses on sustainability, the
7 promotion of green technologies, while addressing
8 future environmental issues.

9 The Chamber supports cost effective
10 robust energy infrastructure and delivers systems
11 that use clean cogeneration and clean energy
12 sources. We believe that NRG West's proposed
13 concept of the Carlsbad Energy Center meets these
14 standards.

15 Again, on behalf of the Chamber of
16 Commerce, its approximately 1800 members and the
17 over 75,000 employees that we represent, we'd like
18 to express our support of NRG's Carlsbad Energy
19 Center, the concept center.

20 Thank you.

21 HEARING OFFICER KRAMER: Thank you.

22 Gary Knight followed by Ted Viola.

23 MR. KNIGHT: Thank you, Chairman. My
24 name is Gary Knight; I am the President and CEO of
25 the San Diego North Economic Development Council.

1 And, Commissioner Boyd, I appreciate your
2 statement about the three stools of economics, one
3 of them being electricity.

4 Had a chance to speak recently at the
5 Department of Energy when they were looking at the
6 transmission line corridors recently. And the
7 fact that the usage of energy is not going down in
8 this area, it's going up. The fact that this site
9 has been used as a power plant previously for the
10 last 50 years. And we're not looking about adding
11 on new, we're looking about replacing old
12 technology with new technology, to be more
13 efficient; and also meet the needs of our
14 environmental concerns that the state has come
15 through with our regulations on air quality and
16 emissions of gases.

17 So we're encouraging and supporting the
18 changeover from current use to new use with the
19 new technology.

20 I can go on, but I think a lot of the
21 other things have been addressed already. Our
22 encouragement is that we have roughly 1.5 million
23 people in our service area. We service 49,000
24 kinds of businesses. And we need the energy, we
25 need it desperately.

1 We're right now reaching peaks, and if
2 you've ever been in any situation where you've
3 been through the rolling blackouts and the
4 businesses have to shut down, it's not encouraging
5 to our economic base.

6 So we would encourage you to consider
7 making this approval at the appropriate time.
8 Thank you.

9 HEARING OFFICER KRAMER: Ted Viola,
10 followed by Patty Krebs.

11 MR. VIOLA: Hi, my name's Ted Viola.
12 And -- all right, I can follow directions, no
13 problem.

14 I just represent some of the local
15 yokels in the water and in the area. I do live
16 down by the power plant. In fact, I've lived to
17 the north of it, I've lived to the south of it and
18 I live to the west of it now. And I'm real close.
19 I can see it, hear it, I'm glad I can't smell it.
20 There's nothing to say negative about that.

21 The only thing I will say is you put
22 out, your staff of the California Energy
23 Commission, back in 2004 put out a report; it's 55
24 pages long; about, you know, the reasons to get
25 rid of these aging power plants. And the targets,

1 I think there's like 22 of them; I have a list of
2 them here.

3 And one of the reasons that they remain
4 online that you pointed out is there are
5 incentives to remain online. One is possible
6 higher prices in the near term, energy, supply and
7 demand. So, if the cost of electricity goes up,
8 they'll want to keep that plant in reserve.

9 The irreversibility of retirement, or in
10 other words, once you tear it down it's gone. So
11 you can't produce that energy anymore no matter
12 what you can make off of it.

13 Possible higher prices for selected unit
14 near that center. So it's basically a cost-driven
15 scenario why you would keep -- what I'm talking
16 about is the elephant in the living room.

17 The power plant's an eyesore. We're all
18 going to talk about that eventually. It's
19 horrible looking. If you can find something
20 appealing about it, I'd love to know. All right.

21 As far as the new power plant, it looks
22 great in profile up against the old one. But the
23 problem is there's no teeth in any documentation
24 in anything I've read that NRG or anybody else put
25 out that says they have to tear down the old power

1 plant.

2 And your own Commission has said they'll
3 leave it there as long as it's profitable. And
4 this is a profit center. If you can power 20
5 million homes you got some power and you got some
6 money. And that's what we're going to be fighting
7 against.

8 So I don't think this needs to be
9 adversarial. I think there's an easy way to say,
10 okay, we're going to build this, and we're not
11 going to ruin the skyline any more than it already
12 has. And we're going to put some teeth in this
13 document that says you're tearing down the old
14 plant, just like you're phasing in the new plant,
15 you can give us dates and times because that's on
16 the fast-track.

17 I'd like see the tear-down of the old
18 plant on a fast-track, and I really don't care
19 what you put there. I don't care if you put a
20 golf course or a beach, anything would be better.

21 That's it.

22 HEARING OFFICER KRAMER: Thank you.

23 (Applause.)

24 HEARING OFFICER KRAMER: Okay, Ms. Krebs
25 will be followed by Bill Dauscher.

1 MS. KREBS: Good evening, Commissioner
2 Boyd and Energy Commission Staff. I'm Patty Krebs
3 with the Industrial Environmental Association.
4 We're an organization representing manufacturing,
5 technology, R&D and biotech companies with several
6 facilities here in the Carlsbad area.

7 I'm here this evening to speak in
8 support of the application of NRG. If you ask
9 these manufacturers what is the critical factor in
10 their continuing operations and business expansion
11 the answer will always be a reliable and cost
12 effective source of energy. That is why this
13 proposal to build a modern, efficient, reliable
14 source of energy is so important to the business
15 community.

16 First I wanted to address the
17 environmental record of NRG. During the past few
18 years our organization has actually presented NRG
19 with two environmental responsibility awards at
20 our annual statewide environmental conference.

21 One award was for their hands-on multi-
22 year work in support of building the Agua Hedionda
23 Discovery Center. This Center is not only a
24 wonderful local resource, but also attracts
25 visitors to appreciate the natural beauty of the

1 lagoon.

2 The second award was for their work on
3 completely eradicating the *Caulerpa taxifolia*.
4 That was the killer algae from Carlsbad's largest
5 lagoon. And they worked on it as well in
6 Huntington Harbor. If left unchecked, the algae
7 would have caused irreparable damage to the marine
8 environment along the entire seacoast.

9 This was a priority effort by NRG. I
10 watched them working at it. They identified the
11 problem; they worked with the Regional Water
12 Quality Control Board; brought in all the
13 stakeholders, concerned citizens. And then
14 provided the financial support to finally
15 eliminate the *Caulerpa*.

16 NRG's role was so significant they
17 received the special recognition, a national award
18 from NOAA.

19 Secondly, I wanted to address that NRG's
20 redevelopment proposal for the Encina property
21 represents a sustainable project. We're working a
22 lot these days on sustainability, all that's been
23 mentioned, the lower profile state-of-the-art air
24 cooled plant. It's a local source of generation
25 and local grid reliability. Reduces the carbon

1 footprint. It will meet California's targets for
2 greenhouse gas emissions. Replace the oceanwater
3 cooling with air cooling to protect marine life.
4 Use reclaimed water. Support renewables. And,
5 importantly, it will also rely on infrastructure
6 that's already in place.

7 In summary, we think NRG's proposal is
8 an excellent example of a 21st century
9 sustainability model for environmentally friendly,
10 socially responsible business practices. And I
11 thank you.

12 HEARING OFFICER KRAMER: Thank you.

13 (Applause.)

14 HEARING OFFICER KRAMER: Bill Dauscher,
15 followed by John Paul Hutton.

16 Is Mr. Dauscher here? I guess he's
17 left. In that case I wanted to ask the applicant
18 if you wanted to -- Mr. Dauscher wrote basically
19 the same question as Mr. Viola. Asked about --
20 his question was what could be done to speed up
21 the dismantling of the existing power plant. And
22 I wonder if the applicant could comment on the
23 relationship of the two plans in that regard.

24 MR. HEMIG: Sure. This is Tim Hemig.
25 This project replaces one-third of the existing

1 power station. And that's the first three units.
2 So there's going to be two additional units
3 remaining, the existing power station units 4 and
4 5.

5 They were built in the '70s, I think the
6 late '70s, so they're younger and still have --
7 they're very viable units. They're used all the
8 time for local energy and reliability.

9 And when those can be properly phased
10 out, you know, has a number of things that have to
11 happen for that to be accomplished. Our interest
12 is in seeing that happen.

13 And some of the parameters that have to
14 occur are that those are no longer needed to
15 maintain electrical reliability in the region.
16 They represent 630 megawatts of power. That's
17 actually more than what we're adding with this new
18 station. And you know how hard it is to add
19 capacity in California.

20 So they really need to be no longer
21 needed, and that's most likely accomplished
22 through being replaced.

23 And so our view is it's a phased
24 approach to replace this entire station. This is
25 the first phase. We look forward to working later

1 on a second phase where we can properly and
2 seamlessly replace those so that we don't lose
3 electrical reliability.

4 And when that can happen, you know, we
5 want some teeth around that. We have to see that
6 replacement power, you know, either come in with
7 transmission lines, with new generating units
8 added either by us or by others.

9 And try and foresee exactly when that's
10 going to happen is very difficult. We're not
11 proposing to do that right now. And what we are
12 interested in doing is working with the City and
13 the community and kind of doing a comprehensive
14 planning. And I mentioned that earlier as part of
15 the South Carlsbad redevelopment plan. And we've
16 actually presented a timeline to the City to see
17 that come to fruition.

18 And so -- it's kind of a separate
19 process. We look forward to working with the
20 community to begin to look at both future uses of
21 the site, but first we have to see those properly
22 replaced so we can maintain grid reliability.

23 HEARING OFFICER KRAMER: Because all of
24 those units are in that one building, if you will,
25 until they're all retired it would have to remain

1 in place, is that correct?

2 MR. HEMIG: Yes. They're all kind of
3 intertwined into the existing 400-foot stack.
4 While we're shutting units 1, 2 and 3 down, we're
5 actually not proposing to remove those. And we
6 will seal off the fuel lines and we will retire
7 them permanently.

8 We will not -- and we will release the
9 air permits so those units 1, 2 and 3 can never
10 operate again. That is a guaranteed part of this
11 project. But being removed, that's, you know,
12 part of the overall site and power block
13 decommissioning process that will happen when
14 units 4 and 5 also are no longer needed.

15 HEARING OFFICER KRAMER: Thank you. Mr.
16 Hutton. Don Christiansen.

17 MR. CHRISTIANSEN: My name is Don
18 Christiansen. I live in Carlsbad. Looking for
19 clarification on two points.

20 The first is will the fuel source be
21 exclusively natural gas, or is there going to be
22 some kind of backup fuel in case there's a supply
23 disruption?

24 PRESIDING MEMBER BOYD: Applicant.

25 HEARING OFFICER KRAMER: I'll let the

1 applicant answer that.

2 MR. HEMIG: I'll answer that question.

3 Yes, the new units will fire exclusively on
4 natural gas. And will not have any backup fuel,
5 any liquid fuel as a backup. It will be only
6 clean-burning natural gas.

7 Maybe the other question that kind of
8 links to that is that the shutdown of units 1, 2
9 and 3 will permanently remove those units' ability
10 to burn the backup fuel oil that we had some
11 discussion around earlier.

12 And so it accomplishes complete phaseout
13 of the fuel oil backup burning capacity of those
14 units.

15 Then units 4 and 5 will remain capable
16 of burning the liquid fuel in some of those
17 storage tanks on an emergency basis only. So we
18 will not ever run on that liquid fuel, except for
19 reliability testing or emergency situations.

20 So this project accomplishes a permanent
21 phaseout of some of that backup fuel capability.

22 And the new units will not have backup fuel
23 capability.

24 MR. CHRISTIANSEN: Thank you. The
25 second question, and this could just be a typo,

1 but I noticed on the slide the statement that the
2 California Public Utilities Commission states 1500
3 megawatts of new fossil fuel plants by 2015 in San
4 Diego County.

5 And it's difficult for me to understand
6 why the CPUC would mandate the need for fossil
7 fuel. I understand that it might make the most
8 sense.

9 And then in some other writings I saw it
10 similarly stated, but it wasn't stating fossil
11 fuels. So just looking to get that clarified.

12 MR. HEMIG: Yes, thank you. Good point.
13 Actually that's in the draft decision by the
14 California Public Utilities Commission in exactly
15 those words.

16 And obviously, we're not only about
17 developing fossil fuel resources; in fact, it's
18 the opposite. Fossil fueled power generating is
19 the lowest preference for getting new power
20 supplies. First is, you know, energy efficiency,
21 demand response or getting less demand, and
22 renewable resources and other kinds of energy
23 supply. And fossil fuel is the last resort.

24 But what the California Public Utilities
25 Commission is saying, that even with all of those

1 being first priorities, we still need another 1005
2 megawatts of locally sited, fossil fuel powered
3 units, which are very reliable, very fast
4 starting. Can be -- they call it dispatchable is
5 the word. That means they can be started even
6 when there's no wind and no sun shining.

7 But at the same time, then these units
8 will be operating less frequently. They're only
9 there to operate when these preferable resources
10 are not available.

11 So that's why this is what we're calling
12 a peaking type application. It's only going to
13 run when it needs to.

14 HEARING OFFICER KRAMER: Arnold Roe.

15 MR. ROE: Thank you. I have two
16 questions, one to the Commission and one to the
17 applicant.

18 I'll start with the one for the
19 applicant. I think the majority of the citizens
20 of the community are here because they're
21 concerned not only with air pollution and other
22 deleterious effects like that, but also visual
23 pollution, if you will, which somehow or other
24 gets a very small paragraph in the application
25 that was submitted to the Commission.

1 And I'm sure you're aware that that's a
2 major concern of this community. And I was a
3 little bit disturbed this afternoon after looking
4 at the visuals presented on those boards, and
5 taking the tour of the site, because I believe
6 those visuals that you're looking at are
7 misleading.

8 They show the true height of each of the
9 units, but not in perspective, as one sees them
10 from the I-5, the freeway where most of us see the
11 power plant.

12 In fact, the tall smoke stack and the
13 large building of the existing plant, if you're
14 driving south on I-5 are far in the distance. And
15 the new power plants will stand at least 30 or 40
16 feet above the trees. And they will actually be
17 higher, from a passerby's point of view, than that
18 400-foot smoke stack.

19 We don't have a good perspective view of
20 the new installation that NRG is proposing. And I
21 was sorry to see -- I went through their proposal
22 page-by-page, and I didn't see any such visual
23 representations outlining the new power plant from
24 the perspective of where normal passerbys would
25 see it. And I think that should be done.

1 And I think there's possibly a solution
2 that NRG should consider. The outline of those
3 two existing units are very, if I say, industrial
4 looking. And we in Carlsbad, though we have many
5 industries here, they're not heavy industries.
6 And we really really value the beauty of our
7 community. Our Mayor and our City Council has
8 said that repeatedly.

9 And anything that NRG can do to
10 ameliorate this concern of our citizens, such as
11 putting a simple screen, a perforated metal
12 screen, around your new construction so we don't
13 see those odd-looking outlines of the air intake
14 and the cogeneration steam plant, the smoke stack
15 is a minor item.

16 So that's at least one suggestion I'd
17 like to make.

18 I had another question, and this might
19 go to the Commission, or perhaps to NRG, also. In
20 NRG's petition, in paragraph 5.1.6.1.2, they
21 mention that the fuel use for the new unit will be
22 over 4 billion Btu per hour.

23 Now that energy goes somewhere. In the
24 old units 1, 2, 3, part of that energy was
25 dissipated up in the smoke stack, and part of it

1 was dissipated in circulating water to the ocean,
2 warming the ocean. That wasn't good.

3 We're not going to have that with the
4 new units. We're going to have air cooling
5 instead. That means that same fuel quantity which
6 they'll be using, 4 billion Btu per hour, is going
7 to go into the air.

8 And yet I see no concern, nor do I see
9 any state or federal regulations that cover the
10 question of heat pollution in the immediate
11 vicinity of the plant. And that's an open
12 question to the Commission on how you deal with
13 that issue of the increase of heat that will be
14 liberated into the environment that most of it
15 formerly went into the ocean.

16 Thank you.

17 (Applause.)

18 PRESIDING MEMBER BOYD: I'm going to let
19 the applicant address that because --

20 MR. MCKINSEY: Thank you. The question
21 about heat emission, one of the things to
22 understand is when we rate the amount of heat that
23 is produced in the fuel, the Btus, British thermal
24 units, what that actually refers to is the amount
25 of energy that's released from the combustion.

1 A significant amount of that heat energy
2 is what is converted to mechanical energy in the
3 gas turbine and in the steam turbine. And so that
4 the actual amount of heat being released
5 represents the waste heat, it's the uncaptured
6 amount of the energy.

7 And so one of the key characteristics of
8 this project is that it's significantly more
9 efficient than the existing units in the way in
10 which it uses the heat that is released from the
11 combustion.

12 And so the fact that it is going, for
13 instance, to an air cooled system instead of a
14 water cooled system doesn't necessarily reflect
15 that there's any increase in heat. And, in fact,
16 this project is doing just the opposite. It has a
17 significantly better heat rate, which is the term
18 that's used, and a significantly better heat
19 efficiency.

20 And that's one of the reasons why there
21 isn't really a heat issue associated with power
22 plants, is the goal is to increase that
23 efficiency.

24 MR. ROE: Yes, the units have greater
25 efficiency. But you're taking advantage of that

1 greater efficiency to use essentially the same
2 amount of heat input to increase your total
3 output. Therefore, the total heat output will not
4 be reduced.

5 MR. MCKINSEY: And they key there is to
6 see that within that same, or at least a similar,
7 amount we're producing a tremendous amount more of
8 electrical energy. And that's another example of
9 what that captures, which is that more of that
10 heat energy that is released from combustion is
11 being converted to electrical energy, either in
12 the gas turbine or in the steam turbine.

13 It's that characteristic of a combined
14 cycle power plant which is one of the reasons
15 we're proud of this project, is that heat
16 efficiency.

17 HEARING OFFICER KRAMER: Thank you. Our
18 next speaker is Kerry Siekmann.

19 MS. SIEKMANN: Hi. My name is Kerry
20 Siekmann and I live in Terramar, that neighborhood
21 where they built the stack for because we got so
22 much of the pollution. And therefore that is my
23 concern, the environmental impacts.

24 Now, I was very involved back when the
25 energy crisis happened and I learned a lot about

1 the plant. So I do have a number of questions.

2 On number 4 and number 5 I want to make
3 sure that as long as number 4 and number 5 are
4 running that the stack stays and protects Carlsbad
5 and our neighborhood. And so I feel that that
6 should be part of the deal, that 4 and 5, as long
7 as they're up the stack stays.

8 Now, also when 1 through 5 are gone,
9 that the oil pipeline out to the ocean that they
10 used to bring the oil in, that that goes,
11 environmentally safe, but that that line goes and
12 is gone forever.

13 The peaker unit. I want to make sure
14 that when the plant goes down the peaker unit, the
15 old peaker unit is gone. And that the credits
16 that you have from the peaker unit and 1 through 5
17 don't just pass on to the new plant. Because
18 you're not going to need all those credits because
19 this is an environmentally better plant. So
20 you're not going to need all those credits that
21 you have. And therefore they can't be passed on
22 to other plants that you own to protect the
23 environment.

24 Also, that NRG continues to be
25 responsible for dredging the lagoon and replacing

1 the sand on the beach. That that does not pass to
2 Poseidon. That if this is approved and the plant
3 goes down that NRG continues with that
4 responsibility and does not pass it on to
5 Poseidon. Because we don't know if Poseidon is
6 going to be there.

7 That also I would like for the Energy
8 Commission to consider requiring NRG to have
9 renewable sources on the plant site, as well as
10 being able to use fossil fuels. So, you know,
11 maybe a certain percentage of what they build
12 there has to be either from the sun or from
13 something else, but that, you know, that needs to
14 be incorporated. Because we, as a nation, need to
15 go in that direction, towards renewables.

16 And then also I would love to see, as
17 part of the proposal, that they have to spend some
18 of their money on PR and advertising for
19 conservation of energy; that that has to be part
20 of the permit process.

21 And then I'd like to see a full study on
22 how emissions will spread in the City, especially
23 in our neighborhood when they start having a stack
24 that's only 100 feet high. And I would like to
25 see this under all possible weather conditions,

1 day and night.

2 And I'd also like to see how it works
3 with the pollution that we suffer from the I-5 and
4 from the train, not just from the power plant.

5 Also I would be very interested in
6 knowing, there are a huge number of lines that
7 come out from the power plant, the transmission
8 lines. Will all those transmission lines still be
9 necessary now that they're going towards this new
10 plant.

11 And lastly but not least, I just want to
12 make sure that I'm on the right page knowing that
13 there are new environmental impacts coming. And
14 my understanding is that when these new impacts
15 come that Encina Power Station basically isn't
16 going to be able to run at all because they aren't
17 going to be able to use their water cooling system
18 anymore.

19 So, therefore, basically they'd be
20 without a power plant in the City of Carlsbad.
21 So, applying for this new site, it's very
22 important that those of us in Carlsbad totally
23 agree with everything that's being done as far as
24 conservation, environmental impacts and all of
25 that so that everybody is on the same page and

1 understands that there may not be a power plant
2 there once these new -- if my understanding is
3 correct -- once these new impacts come about from
4 water cooling.

5 So I think that's all I have to say.

6 (Applause.)

7 HEARING OFFICER KRAMER: Thank you. Joe
8 Geever, is it, from the Surfrider Foundation.

9 MR. GEEVER: My name is Joe Geever; I'm
10 with the Surfrider Foundation. Surfrider is an
11 environmental volunteer group of more than 50,000
12 activists all dedicated to restoring and
13 protecting our coast and oceans.

14 I guess first I want to thank you for
15 holding these hearings here. We certainly heard a
16 lot of creative and thoughtful ideas from the
17 community that you might not otherwise hear if you
18 hadn't come to Carlsbad to hold these hearings.

19 Surfrider believes that global warming
20 and sea level rise and seawater acidification
21 present real and significant threats to our coast
22 and ocean and coastal communities. That's one
23 reason we believe this project is to important and
24 look forward to the future removal of units 4 and
25 5 in the near future.

1 These generators, in and of themselves,
2 are more efficient and can reduce greenhouse gas
3 emissions per megawatt hour. Maybe more
4 importantly the quick startup capacity of the
5 plant can provide an important component in a
6 reliable portfolio of renewable energy.

7 Finally, but certainly not least
8 importantly, the efficiencies allow closed loop
9 cooling and the abandonment of the once-through
10 cooling process, you may know, I'm sure you know
11 that the environmental community has been pursuing
12 the protection of marine resources from open ocean
13 intakes for over a decade, and see this as an
14 important first step towards that end.

15 We look forward to this process moving
16 forward. And look forward to the Energy
17 Commission's documentation and consideration of
18 the issues you've identified. And any other
19 environmental issues that arise in the staff
20 assessment.

21 Thank you very much.

22 (Applause.)

23 HEARING OFFICER KRAMER: Charles Watry.

24 MR. WATRY: I am Charles Watry, a
25 resident of Carlsbad. I'm here to address the

1 status of the Agua Hedionda Lagoon in relationship
2 to the Energy Center project.

3 I'm a member of a group of Carlsbad
4 citizens who have formed to promote establishing
5 Agua Hedionda Lagoon as a Carlsbad city park. We
6 see the lagoon as a special place that should be
7 entirely open to the public for water recreational
8 purposes.

9 The City of San Diego, for example, has
10 Mission Bay for a wonderful city park. It is a
11 successful blend of both commercial and
12 recreational water activities. Lake Merritt in
13 the City of Oakland is another good example of a
14 fine city park with water activities. Our lagoon
15 could be a smaller version of either of these.

16 In the months of deliberation ahead of
17 the Carlsbad Energy Center we ask that the
18 possibility of a Carlsbad city park be included as
19 any part of any plan or decision.

20 Thank you.

21 (Applause.)

22 HEARING OFFICER KRAMER: Kevin Sharrar.

23 MR. SHARRAR: Good evening, Commissioner
24 Boyd and Commission Staff and NRG Staff. My
25 name's Kevin Sharrar and I am a proud citizen of

1 Carlsbad. I'm here tonight because I care about
2 the future of my City.

3 I appreciate the opportunity the
4 Commission has given me and over 100,000 of my
5 neighbors to participate in this important process
6 by discussing this issue here in our community.
7 And I would respectfully request that we continue
8 all the subsequent Site Committee meetings here in
9 Carlsbad. My understanding from the report
10 earlier is that is the case.

11 I hold a cautious optimism that the
12 process will yield a result that's good for
13 Carlsbad. What I mean by that is that this must
14 be the goal, that being ultimately good for
15 Carlsbad, all those involved, including NRG, the
16 Commission, the Mayor and the City Council, but
17 most importantly the citizens of Carlsbad.

18 I believe we have a duty to do this. I
19 think we have a duty -- I believe we have a duty
20 to do this for our children, as well as our future
21 generations, and I appreciate your attention.

22 (Applause.)

23 PRESIDING MEMBER BOYD: Thank you. I'm
24 going to have to apologize to you folks, there's
25 only a couple three cards left, but I'm going to

1 have to leave. Mr. Kramer will carry on.

2 I want to make a couple comments
3 predicated on the huge turnout that's here tonight
4 in the interests of this community and this
5 subject.

6 There's a lot of things I could have
7 said tonight that wouldn't be appropriate to say
8 in the context of a siting committee case because
9 it would sound like I'm making arguments for the
10 applicant, or people could construe it in a
11 different kind of way.

12 And a lot of what some folks have
13 suggested are really outside the scope of this
14 process, but they're really good questions that
15 need to be addressed. And some of them ought to
16 be directed at SDG&E; some of them ought to be
17 directed at the County of San Diego. So on and so
18 forth.

19 And Irene Stillings is here -- I know
20 she's going to speak pretty soon -- in the back of
21 the room. I'm going to suggest and I'm going to
22 volunteer to come down here again some day. You
23 have some kind of town hall meeting, or something,
24 on the general subjects of energy and
25 conservation.

1 We could explain to you what the
2 Integrated Energy Policy Report for the State of
3 California is, and says what the Energy Action
4 Plan between us and the CPUC is, and what it
5 means.

6 Irene and her people who have worked for
7 years down here on energy can explain some of what
8 they're doing. And you can get your local utility
9 to respond about their responsibility to do
10 renewables. It's the responsibility of the load-
11 serving entity to do a lot of things you've asked
12 for, not for the generators.

13 And therefore I think you need to
14 understand that and you need to know where to
15 direct your questions and your concerns. So you
16 might want to think about that because you are a
17 community who cares a lot. And I'm very impressed
18 with that.

19 I'm a fourth generation Californian. I
20 care about my state. You care about your city.
21 And I think maybe you have license and reason to
22 want to do something like that.

23 So, I apologize for leaving on you
24 early, but I've got a lot of work to do.

25 (Applause.)

1 HEARING OFFICER KRAMER: Okay, our next
2 speaker is Ed Scarpelli.

3 MR. SCARPELLI: Yes, I, too, want to
4 thank everyone for being here and giving us the
5 opportunity to express our concerns and our
6 wishes. And I want to again congratulate NRG for
7 being open-minded to the concerns of our citizenry
8 and hopefully take into account some of the
9 concerns that we have. And hopefully in a
10 cooperative way we can make it better for all of
11 us.

12 One of the concerns, firstly, I do need
13 a clarification on one issue, and that was the
14 issue of backup fuel in the event of a short
15 supply of gas or a nonsupply of natural gas to the
16 area.

17 I had queried two of your
18 representatives during the site visitation and the
19 little reception we had at the site. And in both
20 cases I understood that there would be a single
21 fuel used as long as that fuel was available. But
22 that there would be a backup system, not built in
23 the original plant, but being in reserve, which
24 would be using a jet fuel or a lighter weight
25 fuel. Could you clarify that? Let's get that

1 straightened out?

2 MR. HEMIG: Sure, thank you for that
3 very good question. And the answer is no, there
4 will not be a backup fuel on the new units. It
5 will be exclusively natural gas. We have a
6 representative from the San Diego County Air
7 Pollution Control District, who would answer that
8 question, as well. He would say that when you
9 seek permits from both the Energy Commission and
10 the Air District you have to be fuel-specific.

11 We're only seeking permits to burn
12 natural gas in the new units. We'll only be
13 permitted to utilize that fuel. If the fuel's not
14 available, we cannot operate. That is the answer
15 to that question.

16 MR. SCARPELLI: Okay. Part of that was
17 explained, at least to me, that it would be out of
18 the control of NRG and basically a federal or
19 state requirement to have a backup system.

20 MR. HEMIG: Not going through an
21 environmental assessment and not going through a
22 permitting, I can't guarantee that, you know, the
23 President of the United States might come in and,
24 you know, have an executive order that says, you
25 know, you have to do something.

1 But, again, it would be a violation of
2 local, state and federal law to burn any other
3 fuel but natural gas once we've permitted and
4 constructed that facility.

5 MR. SCARPELLI: Okay, thanks for that
6 clarification.

7 There was one other issue that was a
8 concern of mine. Many of us travel I-5, go south
9 to Laurel and then turn on Laurel to get to
10 Lindbergh Field. And to our south when we make
11 that turn we have solar turbine. And obviously
12 when you hear those turbines going off you
13 recognize the amount of noise pollution that they
14 are creating.

15 I raised the issue of noise pollution at
16 the site visitation once again, and was told that
17 that was negated by the buffer zone since the new
18 baseline would be about 30 feet below the roadway
19 that we were traveling on.

20 I'm a little bit concerned about that,
21 whether or not there is sufficient study done on
22 that to determine that buffer, in and of itself,
23 is going to be sufficient to deaden the amount of
24 air volume running through those turbines, and the
25 creation of the noise pollution that will be a

1 part of that.

2 I'm also concerned whether or not your
3 firm is familiar with the fact that we have a
4 pretty heavy marine layer for many of the months,
5 at least seven to nine months, of our season here
6 in Carlsbad. And with the marine layer coming in
7 you are going to exacerbate the noise volume
8 because you will not be able to get it -- well,
9 it'll be bouncing off of it.

10 So, again, all I'm recommending or
11 suggesting is that a study really be done on that.
12 I guess this goes to the staff. I notice you
13 dealt with air quality, but you didn't deal with
14 noise quality in the blue sheets. So, since
15 you're the environmentalist in this, and you've
16 been given the responsibility of environmental
17 protection, it's really something I think we need
18 to address.

19 Not only for the local businesses, but
20 for the future businesses that might be on that
21 site. Where at least the City is looking at or
22 the citizens of the City, to the best of my
23 knowledge, are looking at something of high
24 quality there, basically a hotel or a resort area
25 and so on. A noise factor in that immediate area,

1 as well as the existing neighborhoods, is going to
2 be of major concern for future development.

3 The other area of concern dealt with,
4 and it was addressed to some degree, is the
5 realignment of I-5. If the realignment of I-5
6 occurs it appears as though it's going to occur on
7 the western edge of I-5, in that area.

8 And therefore, most of the berm and the
9 trees that are currently there will no longer
10 exist. And so if those are being used or being
11 considered as part of the mitigation of the noise
12 pollution that would be created from the turbines
13 in operation, then that's something else, I think,
14 that needs to be given some serious -- a serious
15 look and study, empirical study done on those
16 issues.

17 So we'd appreciate it if you'd look at
18 those again. Hopefully you understand that our
19 comments are made with the sole idea of working in
20 a very cooperative way with you so that we all
21 come out winners when this is said and done.

22 Thank you.

23 (Applause.)

24 HEARING OFFICER KRAMER: Thank you.

25 Next is Dan Downing.

1 MR. DOWNING: Thank you. This is Dan
2 Downing. I live here in Carlsbad. And I'd like
3 to say, I'm glad I don't have your job. You have
4 a tough seat to sit in.

5 But I'd like to start and say I do
6 support building a new plant on this site; I think
7 it's the right thing to do.

8 Also recognize that we are planning for
9 something a long future. This plant will be
10 operating long after most of us have done to the
11 grave.

12 So I think it's incumbent upon all the
13 parties involved to be forward thinking and think
14 outside the box. So there's a few things that I
15 would like to add to the issues list on this blue
16 sheet, if I could.

17 First of all, this sheet says this is to
18 be a peaker plant. And I would suggest maybe it
19 should be a continuously operating plant. And the
20 reason is there's another thing going on in the
21 City, the South Carlsbad redevelopment project,
22 whatever it's called, which will bring a lot of
23 the new development to areas not currently
24 developed.

25 And I think there's an opportunity with

1 a continuously operating plant to create district
2 heating, where effluent heat from the power plant
3 is pumped to nearby homes and businesses, thereby
4 reducing the total amount of energy and carbon
5 dioxide effluents in the City.

6 This is not new. It's new to Carlsbad,
7 but there's been district heating in operations in
8 Manhattan since the 1880s. In Denmark
9 approximately 60 percent of the home heating is
10 district heating. So it's something that works.
11 And I think it could work here.

12 Another issue I'd like to add to the
13 list is about using recycled water for the steam
14 generation. Initially that sounds like a good
15 idea, however I wonder if anybody's run the
16 numbers; in that recycled water is higher in total
17 dissolved solids, higher in salts, thereby it will
18 take more electricity to process it and use more
19 total water to run the plant.

20 Now, currently in this country we don't
21 use recycled water home use. Most industrialized
22 countries do. Japan, Denmark, England, et cetera,
23 et cetera.

24 So within the life cycle of this plant
25 we will certainly be using recycled water in home

1 use, so I suggest we may want to look at and see
2 if it's more efficient to us river water rather
3 than recycled water for the steam generation.

4 Last point is about the effluent. I
5 asked the question earlier about the effluent from
6 the processing, the reverse osmosis process
7 generates wastewater which is apparently slated to
8 go to the sewage system, Encina wastewater.

9 And the concentrated brine coming out of
10 RO is legal to discharge to the ocean; and it's
11 currently issues with the wastewater plant and the
12 total dissolved solids. And wonder if it might be
13 more wise and more environmentally sound to
14 discharge the RO brine directly to the ocean.

15 That's all I have.

16 (Applause.)

17 HEARING OFFICER KRAMER: Next is Irene
18 Stillings.

19 MS. STILLINGS: Good evening. Always
20 happy to bring up the rear. My name's Irene
21 Stillings. I'm the Executive Director of the
22 California Center for Sustainable Energy.

23 We are a mission-driven, nonprofit
24 organization that's dedicated to creating a
25 sustainable energy future. Our mission is to

1 promote the adoption of clean, efficient,
2 renewable and sustainable energy policy practices
3 and technologies.

4 We pride ourselves and we are and always
5 will operate as an unbiased, nonpartisan purveyor
6 of information that's critical to the state's
7 energy stakeholders.

8 Therefore, I am here to offer statements
9 based on and pointing at how the proposed plant is
10 consistent with the region's regional energy
11 strategy.

12 Now, this planning strategy was approved
13 by the SANDAG's board of directors in 2003.
14 People here may not be aware, but San Diego
15 County's been really interested in energy for a
16 very long time. And in 1978, in 1984, in 1994 and
17 again in 2003 this region and the citizens of this
18 region, not government, but the people like the
19 people sitting here in this room who are
20 interested in energy, in these four instances
21 people got together to put together a regional
22 energy strategy.

23 Now, the California Center for
24 Sustainable Energy, then known as the San Diego
25 Regional Energy Office -- we changed our name this

1 year -- but the San Diego Regional Energy Office
2 was privileged to develop this process in 2001
3 through 2003, to author the document, and to
4 present it to SANDAG.

5 This document felt and expressed that a
6 shared vision is essential for the region to deal
7 with the energy challenges facing us. And part of
8 that shared vision is the use of more efficient
9 technologies, the development of a more balanced
10 energy supply and a reduction of emissions that
11 will help keep the air cleaner.

12 What was most interesting for this
13 proceeding was the feeling that power production
14 would be a mix of centralized and distributed
15 generation resources with renewable resources such
16 as solar, wind, biomass, nonrenewable resources
17 such as fuel cells, and distributed generation
18 technologies, and efficient natural-gas fired
19 plants will all combine to meet the region's
20 increasingly large baseload.

21 And so one of the major goals of the
22 regional energy strategy was to achieve and
23 maintain capacity to generate 65 percent of summer
24 peak demand with in-County generation by 2010; and
25 75 percent by 2030.

1 We're far away from that particular
2 goal. But one of the implementation strategies
3 was to repower, retire or replace existing older,
4 inefficient regional power plants. Replacement or
5 repowering was the preferred activity. And this
6 would employ state-of-the-art technologies such as
7 dry cooling to minimize impacts on the
8 environment, or to resources and public health.

9 It is very clear from what has been said
10 and written and submitted on this power plant
11 project that it is consistent with the regional
12 energy strategy which was adopted by SANDAG in
13 July of 2003.

14 It is important that for the future of
15 the County that we maintain a balanced and a
16 very -- excuse me -- that we have a balanced
17 supply of a variety of resources. And clean
18 natural gas power plants fits in that.

19 So, on behalf of the Center for
20 Sustainable Energy, and I must, I forgot to say
21 this in the beginning, I must, in the points of
22 clear disclosure, let you know that while we do
23 not take positions on power plant sitings, I must
24 disclose the fact that the president of the
25 western region of NRG Energy is a member of the

1 board of directors of our organization.

2 But I, as the head of the organization,
3 say very clearly that we are unbiased, we are
4 nonpartisan, and that the project that's being
5 presented today is totally consistent with the
6 regional energy strategy that was adopted by
7 SANDAG in 2003.

8 And taking up Commissioner Boyd's
9 challenge, because one of the things that we, as
10 an organization, do is try to offer as much of a
11 public venue for discussion of energy issues,
12 always presenting both sides of the issue, we will
13 be happy to set up some forums, up here in
14 Carlsbad and down in our office in Kearny Mesa, to
15 continue this discussion of energy efficiency and
16 the future of our power supply in San Diego. So
17 you'll be hearing more from me.

18 Thank you.

19 (Applause.)

20 HEARING OFFICER KRAMER: Thank you. The
21 last speaker card I have is from Joe Donagan. But
22 if anyone else wants to speak just stick around
23 and I'll ask for a show of hands in a minute.

24 MR. DONAGAN: Good evening, gentlemen.

25 I had a half-hour speech prepared but I thought it

1 would be a little overtime.

2 I don't come here bearing an olive
3 branch. This is a limb off my circus tree in the
4 back yard. I reside approximately oh, maybe 250
5 yards from the existing plant.

6 I have two concerns in this project.
7 Number one, you're eliminating a 400-foot stack.
8 And I guess the people in Terramar are lucky; the
9 wind must be blowing north. But I live with this
10 constantly, as well as my building, my wood decks,
11 my sidewalks. And what guarantee do we have with
12 100-foot stacks that this problem is going to be
13 resolved.

14 Now, at the City Council meeting you
15 even said the stacks could go as low as 75 feet,
16 which wasn't brought up tonight. And I'll end
17 that at that.

18 My other concern is the noise factor.
19 You kick in those turbines, is it going to be like
20 having two or three or four Harrier jets hovering
21 over the neighborhood? I mean, they're quite
22 noisy.

23 And thank you for your time.

24 HEARING OFFICER KRAMER: Ask you a
25 question. What is it you think the power plant --

1 I guess your tree's losing limbs, is that your --

2 MR. DONAGAN: No, it -- look at the
3 soot, look at the soot. Constantly puts out soot.

4 HEARING OFFICER KRAMER: Oh, okay.
5 You're not close enough for me to see that.

6 MR. DONAGAN: Well, I'd be glad to walk
7 it up to you if you'd just --

8 (Laughter.)

9 MR. DONAGAN: But you have to rub one of
10 the leaves and get a little bit of that smudge on
11 your hand. Think you could do that? Huh? Isn't
12 that beautiful to live with? That's why I have
13 bad asthma, I guess.

14 HEARING OFFICER KRAMER: And you know
15 that it's from the power plant, or --

16 MR. DONAGAN: Is this on? I don't know
17 how many people are awake at night when they blow
18 those boilers. But perhaps you should stay up
19 some night and see the plume of smoke that goes up
20 in the air. And it's quite interesting. I've
21 been here 30 years, a bunch of this.

22 HEARING OFFICER KRAMER: Yeah, and I
23 think those plants were approved before the Energy
24 Commission existed, so one thing I can tell you is
25 it's pretty clear that standards are much tighter

1 now than they would have been back then.

2 MR. DONAGAN: Well, seeing is believing,
3 trust me.

4 HEARING OFFICER KRAMER: Well, and what
5 you need to do is watch for the preliminary and
6 final staff assessments and see if it looks like
7 they're tight enough for your satisfaction.

8 MR. DONAGAN: Is there a plant like this
9 in operation now that one could go visually look
10 at?

11 MR. DONAGAN: I'll ask the applicant if
12 they think they're --

13 MR. HEMIG: They're all a little bit
14 different. Yeah, the design is very similar,
15 actually, to the Palomar Station right in
16 Escondido; it actually sits on top of the hill.
17 It's the same gas turbine technology using a
18 combined cycle application.

19 Ours is similar to that, only that it
20 has a ten-minute starting feature, which reduces
21 the amount of fuel needed to start it up. It
22 comes online so much faster than that type of a
23 plant, but it'll look a lot like it.

24 The other thing is ours is air cooled
25 while theirs has a cooling tower. So you might

1 see like a steam plume coming off of their station
2 in Escondido. Ours won't have that because it's
3 air cooled.

4 So it has a number of environmentally
5 superior features in our project as compared to
6 that. But the kind of the look of it, look and
7 feel will be very similar to that station.

8 MR. DONAGAN: Another point. Are these
9 stacks going to be decorated with satellite dishes
10 like the current one, and wireless systems? There
11 must be 50 to 75 antennas on the existing stack.
12 I mean if they'd light them up it'd look like
13 Christmas.

14 MR. HEMIG: One point on -- lots of
15 discussion around the stack height. And actually
16 it's part of a process of only going --
17 determining the appropriate stack height based on
18 modeling of the worst case air emissions
19 consideration. So we do, in fact the San Diego
20 County Air Pollution Control District and the
21 Energy Commission work closely with us to do a
22 modeling approach for all weather scenarios, worst
23 case weather conditions, plume downwash and lots
24 of very technical terms, to figure out what is the
25 right height.

1 And there's a balance of this be low
2 profile and not noticeable, but also getting good
3 dispersion. And also not causing health effects.

4 So this is -- and we'll work with the
5 community and the Energy Commission to get the
6 information out in a very transparent way. But
7 that is very much the details of this process.
8 This process comes to the understanding that this
9 project will not cause adverse health effects.
10 That's how it gets approved.

11 If there are significant adverse health
12 effects, they have to be mitigated or the project
13 can't move forward. So it's part of an initiation
14 of this process. And the document we submitted
15 and the Energy Commission's documents evaluating
16 our information and the Air District's evaluation
17 of that determines whether or not this project can
18 be built.

19 I'd encourage you to go to the Energy
20 Commission's website and I'm happy to provide you
21 with this document, as well, which has summaries
22 of the air modeling, the determination that
23 there's no health effects, for your own review and
24 consideration.

25 HEARING OFFICER KRAMER: Okay, that was

1 all my speaker cards. Does anyone else wish to
2 make a public comment or ask questions? Sir in
3 the back.

4 MR. CARLO: I really appreciate the
5 process, the people get a chance to participate.

6 HEARING OFFICER KRAMER: Please give us
7 your name.

8 MR. CARLO: Clark Carlo. I'm a resident
9 and I have to look at that white elephant as a
10 part of my view. So, I want you to know where I'm
11 coming from.

12 I really appreciate NRG's openness,
13 candor and intellect and I think thought into this
14 process. And I want to be very upfront. I do
15 think there are cases where people say it can't be
16 done. And I've been involved in solving a lot of
17 tough problems that I won't go into, but I have
18 solved, as a part of a team, some tough problems.

19 And almost every one of those was
20 premised, well, that can't be done. And all I'm
21 challenging is NRG to look at the issues that come
22 up. And like I say, I have a special interest in
23 getting rid of the white elephant.

24 But the response, I would appreciate
25 seeing in the process, I would like to see imposed

1 is that there be a dialogue on how it could
2 happen.

3 Now maybe those how-it-could-happen
4 caveats may get unrealistic and onto the table in
5 the time, in a way that we can all proceed in that
6 direction. But the saying, can't be done up
7 front, is very limiting to the thought process and
8 very limiting, I think, to this speeding up this
9 process. Because it's going to take all those
10 questions on why don't we do this that, you know,
11 people are going to dig out of you as the time
12 goes on.

13 And so although this process of having
14 people involved is good, I think the extended
15 period of this just troubles me from a taxpayer.
16 But my reason for getting up here is only to
17 expedite a good solution and hopefully a solution
18 that we all can live with.

19 (Applause.)

20 HEARING OFFICER KRAMER: Thank you. The
21 lady in -- I get it wrong, is that salmon-color
22 you're wearing?

23 MS. BALL: Salmon, coral, whatever you
24 want to call it.

25 (Laughter.)

1 MS. BALL: My name is Lin Ball, and I'm
2 a resident of Carlsbad. First of all, I'd like to
3 echo the gentleman just before me. I do
4 appreciate the opportunity for you guys to be here
5 and for being so open tonight.

6 I have a couple things that I just
7 wanted to say. First of all, I have to tell you
8 when I first came to this meeting I came -- I live
9 in the -- you can almost see them in some of your
10 pictures -- I live in the condominium complex
11 OceanPoint, which is directly across where you're
12 planning on building the new plant.

13 Now, I have to tell you I came here with
14 the idea that not-in-my-backyard, you know, very
15 selfish from that standpoint. I have to tell you
16 now I'm not only worried about the visual impact
17 on my property because I'm on the third floor of
18 the condominium complex, and your pictures are all
19 from street level.

20 So those of you in Highland, there's a
21 few of you here, also we're looking down on the
22 plant, not from here up. So the trees are not
23 going to block the new power plant from my deck.
24 So I figure you just lowered my value about
25 100,000, which doesn't make me happy at all if

1 this goes through.

2 But let's look at the big picture. Now
3 I'm not only worried about visual, which is all I
4 was worried about when I first came here, not
5 knowing the history in the south of Carlsbad and
6 that other community, now I'm worried about the
7 pollution and the noise, which I didn't even think
8 about until we got here tonight.

9 So I'm pleading from the people who are
10 really directly impacted right across the lagoon.
11 If I was a really good thrower I could probably
12 hit your new plant.

13 I just would really hope you guys think
14 about the people really right there on the lagoon,
15 not just, you know, -- I mean, so, big picture,
16 great. But there's a lot of us that live there
17 who have only been there a couple years.

18 So, thank you.

19 HEARING OFFICER KRAMER: Before you go,
20 so for the visual staff who might just be reading
21 your comment in the transcript, you're in which
22 direction from the plant? To the north?

23 MS. BALL: I am directly north.

24 HEARING OFFICER KRAMER: Okay, --

25 MS. BALL: West of 5.

1 HEARING OFFICER KRAMER: So on the other
2 side of the lagoon?

3 MS. BALL: On the other side of the
4 lagoon.

5 HEARING OFFICER KRAMER: Okay.

6 MS. BALL: So, I will look from my deck
7 directly at whatever is going to be above those
8 trees. And I love the trees now because they hide
9 those ugly tanks, so I don't see those. But I
10 don't think they're going to hide your stacks.

11 But now I'm more concerned about the
12 other big pictures, the noise, as well as the air,
13 as well.

14 HEARING OFFICER KRAMER: Okay, thank
15 you.

16 MS. BALL: Thank you.

17 HEARING OFFICER KRAMER: Anyone else
18 wishing to make a comment?

19 (Applause.)

20 HEARING OFFICER KRAMER: Going, going --
21 sir.

22 MR. MORGAN: Sorry. I know you people
23 were almost out of here, I'll make this brief.

24 My name's Robert Morgan; I've lived here
25 in town for about 30 years.

1 Perhaps we're not looking at this
2 process big enough. Most of us here are concerned
3 about the white elephant going away, the plant,
4 the stack going away. At the same time a lot of
5 us are concerned about the protection from the
6 pollution that the stack affords us from the local
7 immediate area.

8 If units 4 and 5 have to stay because we
9 require the output of those two units to meet
10 whatever it is we're trying to hit here in terms
11 of energy production standards, and the stack
12 can't go away until 4 and 5 go away, seems to me
13 we've got a lot of real estate here.

14 Maybe what we need is more new plants at
15 the same time, instead of only two. Such that
16 this whole thing happens in a change-out situation
17 where we get all new technology, and the old
18 technology goes away all at one time.

19 So, I don't know if anybody's looked at
20 it in that light, but it might be something you
21 might want to do.

22 Thank you.

23 (Applause.)

24 HEARING OFFICER KRAMER: Thank you. I
25 can tell you that the Commission can only consider

1 the projects that people apply for. So we can no
2 more force somebody to ask for a bigger plant.

3 And even if we approve a plant, we don't
4 have a checkbook big enough to make sure they get
5 built. So, you know, other people have to put up
6 the money to make these things happen. Our role
7 is to approve the requests that come before us.

8 With that, one more time, are there any
9 other comments?

10 Okay, seeing none, where we go from here
11 is the next document the Committee will produce
12 will be a scheduling order. It'll probably look
13 quite a bit like what staff presented.

14 And that'll be mailed out to the parties
15 on the proof of service list. And you'll be able
16 to find it on our website in a week or two.
17 Because it's Christmas it might take a little bit
18 longer.

19 So, does either party wish to make any
20 closing comments?

21 With that we'll be adjourned. Thank you
22 all for coming.

23 (Applause.)

24 (Whereupon, at 7:20 p.m., the
25 informational hearing was adjourned.)

CERTIFICATE OF REPORTER

I, TROY RAY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of January, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345