

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

In the Matter of:)
)
Application for Certification for) Docket No.
The Carrizo Energy Solar Farm by) 07-AFC-8
Carrizo Energy, LLC)
_____)

CARISSA PLAINS HERITAGE ASSOCIATION
COMMUNITY CENTER

10750 CARISSA HIGHWAY

SANTA MARGARITA, CALIFORNIA 93453

TUESDAY, JANUARY 29, 2008

5:17 p.m.

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

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Jackalyne Pfannenstiel, Presiding Member

Jeffrey Byron, Associate Member

HEARING OFFICER AND ADVISORS

Gary Fay, Hearing Officer

Gabriel Taylor, Advisor

Tim Tutt, Advisor

STAFF AND CONSULTANTS PRESENT

Mary Dyas, Project Manager

Caryn Holmes, Senior Staff Counsel

Michael Doughton, Senior Staff Counsel

Terry O'Brien

Brian McCullough

PUBLIC ADVISER

Nick Bartsch

APPLICANT

Jane Luckhardt, Attorney
Downey Brand Attorneys, LLP

Robert Morgan

Perry Fontana
Carrizo Energy

INTERVENORS

Tanya A. Gulesserian Attorney
Adams, Broadwell, Joseph and Cardozo
representing California Unions for Reliable Energy

ALSO PRESENT

Alex Bugrov
Air Pollution Control District

Patty Nolan
California Valley

Orchel D. Krier, First Vice President
Board of Directors
Taft Chamber of Commerce

Bob Lawson
Cal Poly Physics Department

Donna Del Santo

Clay Bowman

Carol Bowman

Nate Nix

Nicole Nix

Pamela Burgett

Fred Young

Pete Giambalvo

Mary Giambalvo

John Childers

Roberta A. Petersen

Joni Clark

Stephen D. McVicar

Darrell Twisselman

Nolan Twisselman

Stacey Twisselman

Don Rose

ALSO PRESENT

Ellen Carroll
County Environmental Coordinator
San Luis Obispo County

Amy Gilman
5th District LH
San Luis Obispo County

Susan Harvey
North County Watch

Al Normandin
Sierra Club

John McKenzie
Planning and Building
San Luis Obispo County

Bob Nolen

Patt Nolen

Leon E. Elwell
Blackwell Land, LLC

Emily Solomon
URS Denver

Louise French
Sierra Club, Santa Lucia Chapter and
California/Nevada Regional Conservation Committee

Janet Klock

Stu Stoddard
Atascadero U.S.D.

Robert Harrington
Tetra Tech, Inc.

Marie Lindley
Philip Williams & Associates

Don Maruska

Ray Hatch
CPNM Advisory Committee

ALSO PRESENT

Alfred Look

William Moraski
Portable Power Systems

Debbie Arnold

Gordon Hayes

Gabe Davis
REC Solar

Van Parseghian

Robin Bell

Mike Strobridge

Tim A. Strobridge

Gwyneth Holder

Jim Bell

Catherine A. Read

John Ruskovich

Mark Nie

Ryan Cooper

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Hearing Officer Fay	1
Background and Overview	1
Presentations	4
Public Adviser	4
Applicant	12
CEC Staff	32
Issue Identification Report	40
Scheduling	41
Applicant Response	49
Public Comment/Questions	50
Scheduling	68
Closing Remarks	68
Adjournment	69
Reporter's Certificate	70

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

2 5:17 p.m.

3 HEARING OFFICER FAY: We want to welcome
4 you to this informational hearing being conducted
5 by the California Energy Commission. It is to
6 begin the process of reviewing the application for
7 certification of the Carrizo Energy Solar Farm
8 power project.

9 And I'll just briefly go over the format
10 for today. A couple housekeeping items. There is
11 an agenda out on the front table, and there are a
12 couple corrections to make to the agenda. At the
13 end it just shows adjourning without any public
14 comment. And I want to stress that there'll be
15 numerous opportunities throughout this evening's
16 hearing to ask questions and to make public
17 comments.

18 In addition, we got a little over-
19 zealous in our desire to recycle old stationary,
20 and so my apologies to Governor Schwarzenegger, we
21 acknowledge that he is the current Governor --

22 (Laughter.)

23 HEARING OFFICER FAY: -- in spite of
24 what it says at the top of the agenda.

25 The proceedings are -- the idea is that

1 the entire year-long or longer review process is
2 as open and as transparent as possible. And we
3 want members of the public to have the fullest
4 opportunity to understand the review process and
5 to understand the project, and potential impacts
6 of the project. And to actually have input into
7 that review process.

8 On January 8th we sent out a notice of
9 today's events. And it was mailed out to
10 everybody involved in the project, including the
11 adjoining landowners and interested governmental
12 agencies. A little later I'll introduce Nick
13 Bartsch and he'll probably comment on some of the
14 extensive efforts that the Public Adviser's Office
15 made to try to get the word out. It was obviously
16 successful because we see a lot of you here.

17 The documents that may be helpful for
18 you today are the staff's issues identification
19 report, which I believe they provided a lot of
20 copies out in front on the coffee table. And even
21 if you don't have one, Mary Dyas, the Project
22 Manager, will be talking about what that is and
23 what is contained in it. It's kind of a staff's
24 first introductory comment on the project.

25 In addition, you'll want to pick up some

1 of the flyers that the applicant has placed
2 around, because I think it will help inform you
3 about the project. They, of course, will be going
4 into some detail in their presentation about the
5 project.

6 And we had our site visit. I hope
7 everybody was able to make it. We got to see the
8 property and where the connections will be for the
9 transmission line and what the road access is, et
10 cetera.

11 I'll be going over a few legal and
12 process matters about how we do this. We'll have
13 the presentation by the applicant about the
14 project, itself. The staff will give a
15 presentation about how they conduct their review
16 of the project, their environmental review.

17 And the Public Adviser will explain the
18 opportunities for the public to participate at any
19 level they wish. And by level I mean level of
20 effort. You can do everything from just show up
21 and make a comment or ask a question to become a
22 full party like the staff and the applicant, and
23 be one of the major parties in the case.

24 And as I say, we'll have public comments
25 and questions. And we will, at the end, discuss

1 the proposed schedule for the case.

2 Now, at this point I'd like to ask Nick
3 if he's prepared to say -- oh, we just lost Nick.
4 There he is. Nick, do you want to say a few words
5 about the Public Adviser's role and how people can
6 participate.

7 MR. BARTSCH: I apologize. Thank you,
8 Mr. Fay.

9 (Parties speaking simultaneously.)

10 HEARING OFFICER FAY: The tall one,
11 Nick.

12 ASSOCIATE MEMBER BYRON: The other mike.

13 HEARING OFFICER FAY: By the way, before
14 Nick starts I'll just mention that we very much
15 want to have your comments and your questions, but
16 you're going to have to come up to this podium and
17 speak into the microphone so your neighbors can
18 hear you, and so the court reporter can record
19 your name and your comments or questions.

20 If you just call something out the
21 transcript won't reflect who said it, and may not
22 even pick up what you say. So we'd appreciate it
23 if you'd come up and make your comments up here.

24 Go ahead, Nick.

25 MR. BARTSCH: Thank you, Mr. Fay. My

1 name is Nick Bartsch. I am the representative
2 from the Public Adviser's Office which is part of
3 the Energy Commission that's headed by the
4 Governor's appointed Public Adviser.

5 Our main responsibility is to provide
6 the information for the general public and all
7 those interested in projects such as this one.
8 And also to help you so that you can have
9 meaningful participation in the licensing process
10 and throughout the entire process.

11 This whole process will take about a
12 year or so. This is only the first of many
13 opportunities where the public will have a chance
14 to have meaningful participation; and also getting
15 information about the entire process.

16 On the table is this yellow sheet
17 summarizes what the project is about. And it's
18 important because on that yellow sheet about
19 three-quarters of the way down there is an email
20 address. If you have access to the internet you
21 can type that email address in and it will get you
22 directly into a dedicated site for this particular
23 project.

24 And you can also have an opportunity to
25 sign up on the list server there so you'll be

1 electronically notified. You also, if you signed
2 our sign-in sheet you had an opportunity there to
3 indicate there whether you wanted hard copies or
4 electronic copies of information. We can provide
5 either one to you. Our main goal is to make sure
6 that you have an opportunity to participate.

7 There are a couple of ways for you to
8 participate. As a general interest, if you just
9 wanted to make comments along the way, you can do
10 so. And I can certainly help you. You can either
11 start tonight, or also continue providing
12 comments, written or oral, in subsequent events
13 all along the way. I'll be happy to explain to
14 you further how you can do that.

15 Now, if you want more formal
16 participation in the process, to provide testimony
17 which then will be used in the decisionmaking, or
18 more full use in the decisionmaking process you
19 can petition the Committee to intervene, to be an
20 intervenor or a formal participant in the process.
21 And I can certainly explain to you how to do that,
22 and give you all the information. We can help you
23 to become an intervenor; you do not have to be an
24 attorney to do so. We can help you but we cannot
25 represent you in the process.

1 The other thing, I just wanted to give
2 you a very brief summary of our outreach efforts
3 to bring you folks here and basically to publicize
4 this very important first event in this long
5 public process.

6 And we have put out flyers, notices. We
7 have put out public service announcements over
8 television, the tv station out of San Luis Obispo.
9 We have publicized it through the school system,
10 the Atascadero School District has a school here
11 and we try to get the notices to them so they, in
12 turn, can publicize it.

13 Notices have been sent to local
14 libraries. And also, by the way, the application
15 is available in the regional libraries. And I can
16 give you -- interested to get into the
17 application, I can give you the nearest place
18 where you can find it.

19 We have also notified elected and
20 appointed officials of San Luis Obispo County, the
21 jurisdiction here. We have also notified property
22 owners and other interested parties within a six-
23 mile radius around here, approximately 60 or so
24 notices we have sent out with letters.

25 So obviously we've been successful

1 because a lot of you folks showed up, and we are
2 very glad.

3 Tonight, during the public comment
4 period we're going to -- you have an opportunity
5 to provide public comments, and later on you can
6 have written comments sent to the Commission,
7 either by mail or email.

8 And just make sure that when you do that
9 you put the name of the project and also a docket
10 number on it. And there's information on this
11 yellow sheet where to send it to.

12 I'll be happy to give you additional
13 instructions on how to provide comments about this
14 whole process. If you want to comment tonight I'd
15 like to ask you to fill out -- I'll pass these
16 blue cards out. I want you to put your name on it
17 so that I can give it to the Hearing Officer, so
18 then you can be called in turn.

19 This is the process we like to follow
20 because it does give everybody an opportunity to
21 speak and will give us a record of all the folks
22 who have addressed us.

23 That's all right now. If you have
24 questions, I'll pass these blue cards out for
25 those who want to fill it out. And I'll be

1 available in the back of the room to answer
2 questions that you may have. Thank you very much.

3 HEARING OFFICER FAY: Thank you, Nick.
4 There's a number of major documents that will be
5 coming out as the case progresses. And early on
6 the staff will sponsor a number of workshops,
7 which are an informal meetings, with the applicant
8 and other parties, interested agencies and members
9 of the public. And they will most likely be down
10 here in this area.

11 And people can come and ask detailed
12 questions and give their comments while the staff
13 is still just beginning its analysis. And it's a
14 great opportunity to get you word in early.

15 That will lead to a number of data
16 requests and data responses from the applicant.
17 And the workshops then follow after the data
18 responses so that everybody understands what was
19 written down.

20 All these documents are available
21 publicly and the staff uses the data responses to
22 their questions to form a preliminary staff
23 assessment that is available to the public; and it
24 is really the first cut of the staff's formal
25 analysis.

1 After that's out for comment they will
2 begin to prepare their final staff assessment.
3 And they use that as not only their final
4 analysis, but also their testimony that's formally
5 presented to the record.

6 And the applicant will rely on its
7 application for certification as well as
8 supplementary testimony to present evidence to the
9 record.

10 And all this is available in advance of
11 the hearings. And the evidentiary hearings will
12 be public. So people will have a number of
13 opportunities to go to the workshops, to see the
14 documents, and the final analyses and the
15 testimony.

16 After all that is done and the evidence
17 is taken, the Committee will prepare a document
18 called the Presiding Member's Proposed Decision.
19 And that proposed decision will be out before the
20 public for 30 days for comment.

21 And then the Committee will assess the
22 comments and make any changes they want to before
23 sending the proposed decision to the full Energy
24 Commission for final disposition of the project,
25 to approve it or not. And if approved, what

1 conditions it will be approved with.

2 So, there are many many opportunities to
3 have input and to see how the analysis is
4 progressing on the project.

5 I just want to point out that in order
6 to preserve the integrity and the impartiality of
7 the Energy Commission's licensing process the
8 Commission's regulations and the California
9 Administrative Procedure Act prohibits expressly
10 any private contacts between the parties.

11 Now, right now the parties are the staff
12 and the applicant, and the California Unions for
13 Reliable Energy have also filed a petition to
14 intervene. And if it's granted, they will become
15 a party. And anybody else that intervenes would
16 become a party.

17 No party can communicate with the
18 decisionmakers up here except in public. Either
19 at a hearing like this or in a letter that they
20 write to the public record that goes out to
21 everybody.

22 In other words, no behind-doors deals or
23 discussions are allowed. It's called the ex parte
24 rule and it prohibits that kind of communication.
25 So people can't call up the Commissioners and say,

1 you know, I really think the staff's offbase about
2 this or that, or talk about substance at all.

3 We have avenues for people to learn what
4 time the hearings are and where they're located.
5 It's on the website. There's the Public Adviser's
6 Office. But that's all process; that's, you know,
7 what happens where and when.

8 But substantive argument can only take
9 place on the record. So we just want to make that
10 clear, and that's for everybody's benefit so that
11 it is an open process.

12 Now, if there's any questions about that
13 way of doing business, the ex parte rule, I'd be
14 happy to deal with them now. Otherwise we'll go
15 ahead. Okay.

16 What I'd like to do now is turn it over
17 to the applicant for their presentation on the
18 project, itself. And then we'll entertain some
19 questions from the folks that want to know about
20 the project. Perry.

21 MR. FONTANA: Now we'll see if I'm
22 defeated by my own computer technology, which
23 probably has a pretty high likelihood of
24 happening.

25 (Pause.)

1 MR. FONTANA: And I apologize to the
2 Commissioners; we ran out of space for you.

3 (Pause.)

4 MR. FONTANA: All right. I'm Perry
5 Fontana with Carrizo Energy.

6 (Parties speaking simultaneously.)

7 MR. FONTANA: Okay, is this better?

8 MR. SPEAKER: Yes.

9 MR. FONTANA: Perry Fontana with Carrizo
10 Energy. I'd like to welcome you on behalf of
11 Carrizo Energy. For those of you that came to our
12 open house, welcome back. We appreciate the
13 interest and appreciate your comments.

14 The presentation I'm going to run
15 through is kind of a high level overview of the
16 project. As was mentioned earlier there's a lot
17 of documents available for detailed review that
18 you have access to. And as the process goes along
19 there will be more information coming out.

20 What I'd like to go through very
21 quickly, and I realize I'm probably standing in
22 somebody's way here --

23 (Parties speaking simultaneously.)

24 MR. FONTANA: I'm going to run through
25 very quickly -- Rob's here, he'll help me out --

1 just run through very quickly is introducing who
2 we are, our technology, talk about the Carrizo
3 Energy Solar Farm project, talk about our site
4 location, show some visual simulations, and
5 there's a number of those in the other room where
6 the food is, that's how we strategically locate
7 them.

8 Talk about project schedule and our
9 process. And then talk a little bit about the
10 things that excite us about this project.

11 Carrizo Energy is a wholly owned
12 subsidiary of AUSRA. And AUSRA is a company
13 that's focused on developing utility grade,
14 central solar thermal power. Utility grade, to
15 us, is large-scale projects.

16 At competitive prices. We believe that
17 our approach is having a simple technology that's
18 reliable and very scalable, in other words we can
19 build it in large amounts, will help us meet the
20 need for renewable power at an attractive cost.
21 Because we realize although there's a great drive
22 for renewables certainly cost is an important part
23 of the equation.

24 The concept. It's been built in
25 Australia since about 2004 and is operating there.

1 AUSRA is a U.S. company with some strong financial
2 backing from venture capital firms. Having said
3 that we are a startup, so we're not a huge
4 company.

5 But it's based on 20 years of research
6 that has now led to kind of culmination of this
7 project in Australia, and now our expansion here
8 in the U.S.

9 Our core technology is a compact linear
10 fresnel reflector, and we'll talk about what that
11 is a little bit more. But we think what's
12 important there is we operate at a low
13 temperature. We use mirrors to focus the light on
14 pipes that have water; turns the water to steam;
15 and from that point it's very traditional power
16 generation technology. It goes to a steam
17 turbine. The steam turbine generates electricity,
18 which goes off to the grid.

19 We focused on a simple technology
20 because we believe that volume manufacture again
21 allows us to have competitive prices.

22 We've tested it and it's ready to be
23 scaled up now. And, again, as I mentioned, it's
24 nice to assist direct steam technology, interfaces
25 very well with the existing power generation

1 technology.

2 We are working on a number of exciting
3 things. We believe this technology will lead us,
4 at some point, to be able to store some of the
5 sun's energy to produce power when the sun angle's
6 too low or if it's cloudy. But this project does
7 not have storage included in it. We're not ready
8 for that.

9 I just want to provide some kind of
10 background on solar technology you may be familiar
11 with, the solar trough plants. In the Mojave area
12 there's a number of them, been operating for a
13 number of years. And have really shown us that
14 central solar power generation does work and it is
15 reliable.

16 But in looking at the trough system
17 there were areas we thought we could perhaps make
18 a bit more simple, perhaps drive some costs out.

19 And so this is really what our
20 technology looks like. It's large, long lines of
21 mirrors focusing up on receive pipe. And you'll
22 notice in the slide there's actually two
23 receivers. If you look at the pictures in there
24 you'll see one receiver located in the middle.
25 And that's as the technology has evolved we

1 figured out that really the best way to do this is
2 have the receiver in the middle of the line of
3 mirrors.

4 But it allows us to produce steam, what
5 is a low-temperature power generation, but still
6 pretty hot, up to 350 degrees Centigrade. The
7 receiver is fixed, so it's very reliable. We're
8 not moving the entire system. We just move the
9 mirrors to maintain focus on the receiver pipe.

10 And this is a picture of the technology
11 in Australia. You get an idea. It's a long piece
12 of glass on a very very slightly curved backing.
13 And that slight curvature gives us the focal
14 length to focus the sun upon the receiver.

15 And the mirrors are mounted on large
16 hoops. And, again, there's some better pictures
17 in the other room. But that allows us to move
18 those hoops to track the sun. And in the event of
19 rain or hail or night, we can turn those mirrors
20 over. And then the backing protected them from
21 the elements and helps keep them clean so we're
22 not having to clean them as often.

23 This is our project in Australia. I
24 love these photos. Our very small solar power
25 plant is located by a very large coal-fired power

1 plant. So when I first looked at it, I said, why
2 do we have stacks. And then I realized, no,
3 that's really not us.

4 But it was a good opportunity for us.
5 MacQuarie Generating had some land. They were
6 interested in our technology and allowed us to
7 deploy our technology there.

8 Some landmarks. In August 2004 our
9 initial deployment took place. We are now in
10 construction on a larger system. And in
11 negotiation with MacQuarie Generation for a larger
12 system yet that we hope to deploy.

13 Focusing now on the Carrizo Energy
14 project. Those of you who went on the site visit
15 saw the site. On that square mile we will put a
16 power plant that will generate about 177 net
17 megawatts; be delivered to Pacific Gas and
18 Electric under a 20-year power purchase agreement,
19 which is now in place.

20 Our technology will consist of 195 of
21 these units we call lines, which are essentially
22 ten rows of mirrors and one receiver. We'll put
23 195 of those out there with the associated steam
24 drums, steam turbine generators. We're proposing
25 air-cooled condensers and the associated

1 infrastructure that goes with them.

2 Subject to receipt of all necessary
3 approvals, and that's why the Energy Commission is
4 having this meeting here, they're starting their
5 process. We would start construction in 2009 and
6 then start to come online in 2010.

7 And the transmission, we saw where the
8 transmission interconnection is. Site map. If
9 you found here, you obviously found the site, so
10 that's good.

11 (Laughter.)

12 MR. FONTANA: And you saw the site in
13 the laydown area to the south. As you've noticed
14 we have long lines of mirrors. We'll have glass
15 and steel, so we have a temporary laydown area
16 that's fairly sizeable where we can handle that
17 material in an efficient manner.

18 This is visual simulation. What you're
19 seeing is the field, the mirrors, the air-cooled
20 condensers. And again, we have other renderings
21 from different lines of sight, but this kind of
22 gives you an idea of what the things will look
23 like.

24 The schedule. We have filed our
25 application, as you're aware. Begin looking at

1 receiving certification at the end of the
2 Commission's process. And moving on to
3 construction and operation.

4 And this is a schematic really of how
5 the process works. I think really there's a lot
6 of elegance in our technology, but one of the
7 things we're very excited about is we've really
8 tried to go back to some basics.

9 And I don't know about all of you when
10 you were a kid, but I was one of the people out
11 there with a magnifying glass setting sticks on
12 fire and my mom yelled at me. And I'm convinced
13 that Dr. David Mills, who's our founder, did
14 exactly the same thing.

15 The sun shines. The mirrors concentrate
16 the sun up on that elevated receiver. There's a
17 bundle of pipes that have water. Water turns to
18 steam. It goes through a steam turbine. It comes
19 back as water. Generates electricity and goes off
20 to the grid.

21 Because we're very aware that water's a
22 precious commodity here, we do extensive re-use
23 and recycle. And we use the air-cooled condensers
24 as opposed to a more traditional power cooling
25 technology which would use water.

1 Some of the things that excite us about
2 the project. I think we're all aware that
3 renewable energy has become very important in this
4 country. We generate power with a very very low
5 carbon footprint. Obviously the sun's our fuel.

6 One of the things that we've heard back,
7 been out looking at the site, is that people see
8 perhaps farming the sun as an alternative to
9 agriculture in areas where that's becoming less
10 attractive.

11 We're looking at about 75 operational
12 jobs. And there's some numbers on construction
13 payroll.

14 And we think this is a good project here
15 locally. We think it's good for San Luis Obispo
16 County. We have gotten a lot of interest from
17 various institutions. This will be one of the
18 largest solar power plants that have been
19 permitted and built. So it will be kind of a one-
20 of-a-kind thing.

21 Obviously we hope there will be many
22 more solar projects with our technology and
23 others. But on the schedule we're on, we think
24 that this is going to be a facility that people
25 will want to come and see.

1 And that's it. I think I'll turn it
2 back over to the Commission, and there'll be a
3 presentation from staff, and then an opportunity
4 for comment. So I appreciate it.

5 HEARING OFFICER FAY: Thank you. Before
6 we turn to the staff, and while all this is fresh,
7 are there any technical questions about the
8 mechanism that the applicant is using that you'd
9 like to address? And please come up and state
10 your name and ask your question, and we'll try to
11 get an answer right here.

12 AUDIENCE SPEAKER: You had a slide in
13 which you quickly looked at parabolic dishes and
14 listed some downsides. Could you repeat those and
15 why you're using essentially flat plate technology
16 instead of parabolics?

17 MR. FONTANA: Well, I don't know if I'd
18 characterize it as downsides parabolic trough, but
19 looking at parabolic trough technology we were
20 looking at ways to essentially take the cost out,
21 take a more simple approach. And so that's what
22 led us to the compact fresnel technology.

23 HEARING OFFICER FAY: Any -- yes.

24 MS. HOLMES: What's the purpose of the
25 steam drum?

1 MR. FONTANA: The steam drum allows us
2 to manage our steam flows. So instead of just
3 having all the pipes run directly to the turbine,
4 we have steam drums so we can manage that capacity
5 effectively.

6 MS. HOLMES: Thank you.

7 HEARING OFFICER FAY: Yes. Please state
8 your name --

9 MS. HARVEY: My name is Susan Harvey and
10 I represent North County Watch. And I have a
11 question. You talked about the water but you
12 didn't say how much water you expected to use
13 daily; how much you expect to recover.

14 Then my other question is it talks about
15 air cooling. How does that work? I mean the
16 temperatures get very high here in the day. What
17 is being cooled? And in the evenings, however,
18 they usually do cool down.

19 I think that's it. Thank you.

20 MR. FONTANA: Okay, I'll try to remember
21 all those and take them in order. We estimate our
22 water use to be about 22 acrefeet a year on an
23 annual basis, about 18,000 gallons a day.

24 The air-cooled condensers work, as the
25 steam is generated in the pipes, it goes through

1 the turbine. The steam is very hot and we have to
2 cool that water down to go back into our cycle.
3 The air-cooled condensers work by essentially
4 moving volumes of air past pipes that have the hot
5 water in them, thus cooling those pipes.

6 We do, and I would have to look to get
7 the exact percentage, but we are using extensive
8 re-use and recycle in our process. That is
9 described in our application. And I will try to
10 dig those numbers out for you. I just don't have
11 them on the top of my head.

12 MS. HARVEY: I'm sorry, I did have one
13 more question.

14 HEARING OFFICER FAY: You'll have to
15 come up to the microphone. By the way, if you see
16 our court reporter over here waving his hand, that
17 means you're doing something wrong.

18 MS. HARVEY: The site in Australia now
19 generates 1 megawatt, is that what -- how many
20 does it -- what's the capacity of the one in
21 Australia? This one seems much much larger. And
22 I assume you don't have experience with something
23 this large. If that's -- the numbers were 1, I
24 think, or you're going from 5 or --

25 MR. FONTANA: Yes, the facility in

1 Australia currently generates about a megawatt
2 electric, moving up to 5 megawatts electric.
3 However, based on all the work we've done, we feel
4 very comfortable that we can then scale this up.
5 But this would be our largest project.

6 HEARING OFFICER FAY: Yes, sir, in back
7 there. Come on up.

8 AUDIENCE SPEAKER: I've never been
9 accused of not being heard, but --

10 (Laughter.)

11 HEARING OFFICER FAY: Please state your
12 name for --

13 MR. BELL: Jim Bell, B-e-l-l. I had a
14 question with regard to the water; you mentioned
15 the 18- to 19,000 a day. But in your application
16 you said that the peak usage of water could be up
17 to 700,000 gallons a day. Can you explain the
18 difference there? Obviously that's quite a bit.

19 MR. FONTANA: I think there will be an
20 initial time when we fill our system with water
21 where our water would be higher. Once the system
22 is filled then all we're doing is washing and
23 we're doing steam cycle makeup. However, we tried
24 to characterize all of the potential facets of our
25 use.

1 MR. BELL: So you think the 700,000 is a
2 one-time usage?

3 MR. FONTANA: I would need to honestly
4 check that. That is what I recall, but there's a
5 lot of facts and figures running around in my
6 head. So, no, I would be definitely happy to
7 clarify that for you.

8 MR. BELL: And then with the 18- to
9 19,000 gallons a day for operation, during the
10 three years of construction is there an estimate
11 of what your water usage at that time, dust
12 abatement, compaction?

13 MR. FONTANA: The reason I'm smiling I'm
14 sure there is. I cannot recall, but, again, I'll
15 be happy to look on our application. I just want
16 to make sure that I give you the right numbers, I
17 don't pull numbers off the top of my head.

18 MR. BELL: Okay, thank you.

19 HEARING OFFICER FAY: By the way, I'll
20 ask the staff to reference where those
21 applications will be available when they speak,
22 because there are some copies available locally.

23 Yes, sir.

24 MR. STODDARD: Stu Stoddard, Director of
25 Sports Services, Atascadero Schools. And we're

1 happy to consider you as neighbors. But, as
2 neighbors, one section of land away you have 30 to
3 60 K through 8th grade students.

4 I think mine are more comments than
5 questions, but certainly comments we have. In
6 essence significant high-pressure steam boilers
7 and steam storage facility, which we would want to
8 know the safety records of those and how we
9 anticipate to keep those safe.

10 How to keep the site safe from
11 inquisitive kids who might want to run in there.
12 And just, you know, what impact those lenses and
13 fresnel lenses and mirrors would have.

14 As well as, again, in water usage,
15 although the water is not suitable for drinking in
16 the eyes of the state for students at school, if
17 you're using significant water, we do pump all our
18 irrigation and nonpotable water from the ground.
19 And do you have some backup plan if your wells
20 suck ours dry?

21 So those are the questions that I pose.
22 I don't know that you need to answer them now, but
23 certainly we will be asking in the future and want
24 to verify the safety.

25 HEARING OFFICER FAY: Do you want to

1 respond to some of those?

2 MR. FONTANA: No, I think it's fine.

3 (Laughter.)

4 MR. FONTANA: I appreciate the comments.

5 HEARING OFFICER FAY: All right. And I
6 want to reiterate that just because you may not
7 leave today with the answer to your question, it
8 doesn't mean you won't be able to pose that either
9 in writing to the staff or coming to a workshop
10 locally and be sure that the staff is taking into
11 account your concerns in their analysis.

12 Go ahead, sir.

13 MR. STROBRIDGE: Hi, my name is Tim
14 Strobridge. And my question is the noise levels.
15 At our last meeting you had you couldn't answer
16 the question.

17 My belief is these kind of meetings,
18 AUSRA should come prepared; they should be able to
19 answer any question that is posed by this
20 community to anybody sitting here. If you can't
21 answer the questions you're not prepared.

22 But my question is noise levels.

23 MR. FONTANA: I certainly appreciate the
24 comment. However, I think people appreciate in a
25 1000-page application I don't have every number at

1 the tip of my tongue or on ready access to me.

2 But we definitely do have that
3 information; and I'm certainly willing to get
4 those specific numbers out. We do have an
5 extensive noise section in the application, which
6 has noise level modeling. And we can pull out
7 that information and make that available.

8 Again, I just don't have every single
9 number that's in that very large application in my
10 head.

11 HEARING OFFICER FAY: Again the
12 application is available for people to check. And
13 then once the staff does its analysis that entire
14 analysis will be online with a chapter on noise, a
15 chapter on biological resources, a chapter on
16 health and safety, all these things. So you'll
17 not only see what the applicant proposed, but what
18 the staff's reaction to it is.

19 Any other questions about the hardware
20 at this time? Yes.

21 MR. ROSE: My name is Don Rose; I'm a
22 family member out here, as a lot of you are. The
23 main concern that we have is another question
24 about water.

25 I'd like to know when you feel that it

1 is proper to have the Regional Water Quality
2 Control Board do a survey and see if this is
3 really a viable enterprise that you're
4 anticipating here. Thank you.

5 MR. MORGAN: I don't know if the
6 Commission wants to address that.

7 HEARING OFFICER FAY: Is there a short
8 answer --

9 MR. MORGAN: I thought as part of the
10 process the CEC is lead agency, and Regional -- as
11 part of the process the Energy Commission is the
12 lead agency, and the Water Quality Control Board
13 is an agency that gets wrapped into the process
14 with the Energy Commission, as other agencies
15 around the state are all funneled in through the
16 Energy Commission's process. So they are part of
17 this process is my understanding. But I don't
18 want to overstep that.

19 HEARING OFFICER FAY: Yeah. And I can't
20 comment which permits will be required for the
21 project because a number of things influence that.
22 But the staff will be analyzing the water
23 resources -- or the impact of the project on water
24 resources and water quality. And that will be
25 part of their preliminary and final analysis.

1 MS. NOLAN: Patty Nolan, California
2 Valley. The gentleman is right. A lot of these
3 questions were asked at the original opening
4 house. They should be answered by now. It's been
5 a couple months.

6 And you mentioned the water. This
7 report that you did have on the table, there were
8 very few of them. This says right here: Staff is
9 concerned that Carissa Plains may currently be in
10 an over-draft situation."

11 Some of the groundwork that was laid
12 down for this should have been, hey, do we have
13 water. And if we run out, what's the answer.
14 Like the one woman asked. That should be answered
15 here tonight.

16 Water's an absolute must in this
17 community, it's an absolute must in the state.
18 And to gloss over that is just a joke.

19 HEARING OFFICER FAY: Okay. Other --
20 and I really do want to focus on questions about
21 the hardware, because staff is going to go on and
22 talk about what they'll do; and we'll have more
23 time at the end for comments.

24 MS. BELL: Okay. Robin Bell, and it is
25 about the hardware. I'd like to know about the

1 air-cooled condensers. The two of them, why they
2 have to be 115 feet tall. Couldn't there be an
3 alternate design that was more horizontal so there
4 wasn't such a visual impact?

5 MR. FONTANA: The design and the look of
6 the air-cooled condensers is based on the bids
7 that we've gotten from several vendors who would
8 actually supply that hardware to us. Based on
9 everything we've seen right now, that's what they
10 would look like.

11 If we become aware of a design that is a
12 lower profile I think we'd certainly be happy to
13 consider that. It's based on hardware suppliers
14 who have given us bids and specifications.

15 HEARING OFFICER FAY: Okay, any other
16 questions about the hardware before we hear from
17 staff? And if one occurs to you later I promise
18 you you can raise it at a later time.

19 At this time I'd like to turn to Mary
20 Dyas and we'll hear how the staff will conduct its
21 analysis.

22 (Pause.)

23 MS. DYAS: Good evening. My name's Mary
24 Dyas. I'm the Energy Commission Siting Project
25 Manager for the Carrizo project. And I'm going to

1 spend the next few minutes going over the review
2 process that the Energy Commission follows.

3 The Energy Commission has sole
4 permitting authority over thermal power plants 50
5 megawatts or greater. This authority also extends
6 to linear facilities such as electric transmission
7 lines, water supply lines, natural gas pipelines,
8 waste disposal facilities, access roads.

9 And the Energy Commission is the lead
10 state agency for the California Environmental
11 Quality Act.

12 The Energy Commission has three phases
13 in the licensing process. The first phase is the
14 data adequacy phase. And this is when staff
15 reviews the application for certification to
16 determine if it meets the minimum requirements as
17 required by the siting regulations.

18 Staff then makes a data adequacy
19 recommendation to the Commission. And for this
20 particular project the application was accepted as
21 complete on December 19th.

22 The next phase is the staff's discovery
23 and analysis phase. And during this period data
24 gathering by staff, agencies and intervenors are
25 conducted. Staff develops data requests to obtain

1 further information from the applicant in order to
2 more fully understand the project.

3 The first round of staff's data
4 requests, number 1 through 78, were just filed
5 yesterday on January 28th. And there are copies
6 that I made available at either entrance.

7 Public workshops and hearings are held
8 like the one here today. Staff also identifies
9 issues, as spelled out in the issues
10 identification report, which I will go over a
11 little bit later in this presentation.

12 And staff also produces two
13 environmental documents, the preliminary and the
14 final staff assessment.

15 The third phase is the Committee
16 evidentiary hearings, which are held after the
17 final staff assessment is published. These
18 hearings will include formal testimony from all of
19 the participants in the process.

20 The Committee will produce the Presiding
21 Member's Proposed Decision, or PMPD, which is a
22 recommendation on the proposed project. This
23 document will go before the full Commission for a
24 final decision on the licensing of this project.

25 And this is a flow chart of the

1 discovery and analysis process. You can go to the
2 next slide, please.

3 During the discovery and analysis phase
4 the staff examines the application for
5 certification to determine if the proposal
6 complies with all laws, ordinances, regulations
7 and standards.

8 Staff conducts independent engineering
9 and environmental analyses for the project. This
10 includes identifying issues, evaluating a
11 reasonable range of alternatives including the no-
12 project alternative, in comparison with the
13 environmental effects of the proposed project.

14 Staff identifies measures that can be
15 mitigated or reduced -- that can mitigate or
16 reduce any potentially significant impacts.

17 Staff recommends the conditions of
18 certification that would govern the operation of
19 this facility.

20 Staff develops, as I mentioned before,
21 their preliminary and final staff assessments
22 which are dependent upon input from the applicant,
23 agencies, formal intervenors and the public.

24 The Public Adviser's Office, as Nick had
25 mentioned, can help anyone if they choose to

1 become an intervenor, or on how to interact and
2 comment in our process.

3 Staff facilitates public and agency
4 participation in workshops. They complete their
5 analysis, produce their documents, and make a
6 recommendation to the Committee.

7 And then this is the flow chart for the
8 third phase, which is the evidentiary hearing
9 phase.

10 After the final staff assessment is
11 released, the Committee conducts evidentiary
12 hearings and accepts testimony from all the
13 parties formally involved in the siting process,
14 as well as public comment.

15 At the conclusion of hearings the
16 Committee issues the Presiding Member's Proposed
17 Decision, or the PMPD. The PMPD contains findings
18 relevant to the project's environmental, public
19 health, engineering impacts, the project's
20 compliance with the laws, ordinances, regulations
21 and standards, recommended conditions of
22 certification, and their recommendation of whether
23 or not to approve the project.

24 The PMPD is then used by the full five-
25 member Commission to decide whether or not to

1 grant license for the proposed project.

2 If the project is approved and a license
3 is granted, Energy Commission Staff will monitor
4 compliance with all of the conditions of
5 certification for the life of the project.

6 Staff's analysis and input to the
7 Committee's final decision requires that staff
8 seek input from agencies at the local, state and
9 federal levels. Staff's participation with these
10 entities assists us in identifying issues,
11 environmental impacts and appropriate mitigation
12 measures.

13 As has been brought up numerous times
14 already, the Energy Commission's process includes
15 holding meetings and workshops, and making the
16 information concerning the project available for
17 those who request it.

18 The meetings will be noticed at least
19 ten days prior to the date that they are going to
20 be scheduled to be held.

21 Staff maintains project mailing lists.
22 If you would like to receive project information
23 and notices that we send out, you can ask to be
24 placed on the list. You can either contact
25 myself. The sign-in sheets have boxes that you

1 can check as to whether or not you want to receive
2 email notification or hard copy.

3 You can also sign up on the Energy
4 Commission's listserver. When you do that you
5 receive notification that documents and other
6 filings have been added to the Commission's
7 website -- or this project's website on the
8 Commission's webpage.

9 And on the website the documents that
10 have been filed are all listed. And, again, if
11 you don't see something there that you need, you
12 can always contact me and I'll help you obtain
13 whatever copies of documents you need.

14 Copies of the project application are
15 available for public review in a number of
16 libraries, as well as on the Commission's website,
17 as I mentioned. And you can also contact the
18 dockets unit directly to find out information on
19 the availability of any of the documents.

20 HEARING OFFICER FAY: Mary, which local
21 libraries have the document?

22 MS. DYAS: I don't have -- it was on the
23 original notice. Well, those are actually the
24 state libraries. And there were three, I believe,
25 the Sindler (phonetic) Library, Santa Margarita

1 and California -- because we were trying to find
2 the closest ones to the project site. And I think
3 there was one somewhere else in the outer --
4 Creston, that's right, thank you. I didn't have a
5 copy in my notes, and I couldn't remember which
6 local ones.

7 And we can also send out other ones to
8 other local libraries if anyone wants. They can
9 contact me and let me know which library would be
10 appropriate.

11 Some ways that the public can
12 participate in the process include, as has been
13 previously mentioned, submitting written comments,
14 providing oral comments at meetings like this to
15 get on the record. You can become a formal
16 intervenor. And, again, you can contact the
17 Public Adviser's Office or speak to Nick Bartsch
18 after this meeting.

19 And you can provide written comments on
20 the preliminary and final staff assessments. And
21 then staff would respond to those comments.

22 This is a list of contacts for the
23 project which includes the Committee, myself,
24 staff counsel and the Public Adviser's contact
25 information, as well as information for contacting

1 the applicant.

2 And then at this point are there any
3 questions on the process before I go into the
4 issues identification report?

5 And there are copies of this issues
6 identification report at either entrance, as well.
7 Staff develops the issues identification report
8 early in the process. The purpose of the report
9 is to inform participants, including the
10 applicant, of potential issues the staff finds
11 relating to the project. It is also to provide
12 focus on important topics that may affect the
13 project and staff's analysis of the project.

14 Criteria that's used in determining
15 something that is identified as an issue include
16 the potential for any significant impact that
17 might be difficult to mitigate, noncompliance with
18 laws, ordinances, regulations and standards, or if
19 there's a conflict that would affect the schedule.

20 Staff has identified for this project so
21 far -- and I do want to point out that this is
22 just the initial run-through by staff, and we're
23 still very very early in their review process; and
24 this was just the initial issue that has been
25 brought forward.

1 The San Joaquin kit fox population for
2 the project area was identified as a Corps
3 population in the federal species recovery plan.
4 If the permit from the U.S. Corps is required, the
5 Corps would then have to consult with the U.S.
6 Fish and Wildlife Service. If the permit is not
7 required, a habitat conservation plan would be
8 prepared and approved by the Fish and Wildlife
9 Service. And this could take a number of years.
10 And thus, this would fit under a conflict with the
11 schedule for the project.

12 Staff is currently working with the
13 Corps of Engineers and Fish and Wildlife and the
14 applicant to resolve this issue.

15 This is the proposed schedule, and this
16 one is actually slightly modified from the
17 schedule that is listed in the issues
18 identification report due to the fact that we were
19 several days past the original date that I had put
20 for filing the data requests.

21 And these dates are all tentative,
22 subject to change, just depending on the
23 availability of information that comes out, and
24 any other unforeseen issues that may pop up.

25 And meeting the schedule, whether as-is

1 or with any modifications that come up, is
2 dependent on timely responses to staff's data
3 requests, inputs and determinations from other
4 agencies and the resolution of the issue that was
5 raised in the issues identification report. And
6 as I mentioned, other issues may come up as we go
7 along that we would have to deal with, and that
8 could also affect the schedule.

9 HEARING OFFICER FAY: Are there any
10 questions based on the staff's presentation?
11 Well, at this time -- oh, I'm sorry. Yes, sir,
12 please come up. Sorry.

13 MR. MARUSKA: My name is Don Maruska and
14 I was just interested in understanding more from
15 the staff about the biological issue. Could you
16 just explain briefly what is the issue triggering
17 the particular concern, and what about the project
18 is prompting that concern?

19 MS. DYAS: Okay, fortunately for us we
20 have our staff biologist here. He'll be able to
21 give you a better description than I would.

22 MR. McCULLOUGH: Hello; I'm Brian
23 McCullough. I'm a Staff Biologist with the
24 California Energy Commission. And as this project
25 site is in kit fox habitat area, and the U.S. Fish

1 and Wildlife Service, in their kit fox recovery
2 plan, as the kit fox is a federally endangered
3 species, has listed the Carrizo Plain population
4 of the kit fox as a Corps recovery area.

5 And so for the viability of the species
6 they're very concerned about kit fox in the
7 Carrizo Plain.

8 And as a result of the project being in
9 the habitat area, and impacting this federally
10 endangered species, then the U.S. Fish and
11 Wildlife Service has to be consulted.

12 And the question is whether the U.S.
13 Fish and Wildlife Service gets consulted directly,
14 which would take awhile, or if, because the
15 project may need a permit for impacts to wetlands
16 in the laydown area, this would trigger a permit
17 from the U.S. Army Corps of Engineers for impacts
18 to waters of the U.S. and the Clean Water Act.

19 This permit, in order for the Corps to
20 issue the permit they would have to consult with
21 the Fish and Wildlife Service. This process is
22 much faster than if the applicant were contacting
23 Fish and Wildlife Service directly.

24 And so the timeframe could be very
25 quick, or it could be slow.

1 Did I answer the question?

2 AUDIENCE SPEAKER: (inaudible).

3 HEARING OFFICER FAY: Yes, could you
4 repeat the question, please?

5 MR. McCULLOUGH: It was a question,
6 could this stop the project.

7 AUDIENCE SPEAKER: (inaudible).

8 MR. McCULLOUGH: I don't know. That's a
9 question for the U.S. Fish and Wildlife Service.
10 I think -- one moment.

11 (Laughter.)

12 MR. O'BRIEN: Good evening. My name is
13 Terry O'Brien. I also work for the California
14 Energy Commission. I am the Deputy Director for
15 Energy Facility Siting.

16 In response to the question as to
17 whether or not it could affect the project, it
18 gets to the issue of the degree of the
19 significance of the impact.

20 Significant impacts can be mitigated to
21 a level of insignificance. If that were not
22 possible, then the Energy Commission would be
23 faced with a decision as to whether or not to
24 approve a project with significant impacts. To do
25 so would require a finding of overriding concern

1 that the benefits of the project overrode the
2 impacts.

3 So, obviously, from the staff's
4 standpoint, and also from the standpoint of the
5 entire Commission, we're very interested and
6 concerned about the input that we will receive
7 from other governmental agencies. Whether those
8 agencies be the local agencies like San Luis
9 Obispo County, other state agencies that are
10 involved. One of the members of the public
11 earlier talked about the Regional Water Quality
12 Control Board. And the federal agencies like the
13 Fish and Wildlife Service.

14 So what we're going to do is we're going
15 to take that input and make determinations in each
16 one of the technical areas that we look at to make
17 a determination as to what are the level of the
18 impacts; are they significant; and can they be
19 fully and adequately mitigated.

20 And after we do that, we will reach a
21 conclusion that Mary Dyas, the Project Manager,
22 talked about in our staff analysis as to what the
23 impacts are of this project and whether or not we
24 believe from the staff perspective as to whether
25 the project should be permitted or not.

1 And then we'll make our recommendation
2 to the Commissioners, who are the decisionmakers
3 at the Energy Commission.

4 So, did that answer your question?

5 HEARING OFFICER FAY: Yes, sir in the
6 blue shirt.

7 AUDIENCE SPEAKER: (inaudible).

8 PRESIDING MEMBER BYRON: No, please come
9 up to the microphone. While you're coming up,
10 though, let me give you the short answer.
11 Commissioners don't have to be as nuanced in the
12 answers. Mr. Maruska, the answer is yes, it could
13 affect the project going forward from my
14 perspective. Okay? Does that answer your
15 question?

16 MR. MARUSKA: (inaudible).

17 PRESIDING MEMBER BYRON: Please
18 introduce yourself.

19 MR. RUSKOVICH: My name's John
20 Ruskovich. I live out here. Why are you just
21 talking about the kit fox, according to the
22 federal government? We have the condor; we have
23 the eagles, hawks. We have the elk. We have the
24 vernal pool shrimp. I can't do anything with my
25 land because this is what's on my land.

1 So there's a lot more endangered species
2 out here besides one thing. And I have been
3 bucking against this process. So it can't be a
4 line that just stops. The line keeps moving. The
5 vernal pool shrimp moved because I wanted to build
6 a farm road on my land. There's vernal pool
7 shrimp throughout this whole area.

8 The native Carrizo Grass. That's why
9 the Conservative is down here with a quarter of a
10 million acres that we can't even run cattle on
11 anymore. This is such environmental special land,
12 very sensitive.

13 I don't know why BLM is not here at this
14 meeting representing stop this growth. Okay. So
15 it's not just the kit fox. It's every other
16 endangered species, when you walk out to check
17 your cattle in the morning, that they say is on my
18 land.

19 So, I've talked to you before. I would
20 like a meeting with all you gentlemen about all
21 these concerns.

22 PRESIDING MEMBER BYRON: And ladies.

23 MR. RUSKOVICH: And ladies, yes.

24 There's a proposed piece of property out in this
25 area that would be perfect for this plant. And

1 it's an industrial area. Thank you.

2 (Applause.)

3 HEARING OFFICER FAY: Thank you. I just
4 want to be sure everybody understands that this
5 staff issues report is a really broadbrush first
6 cut. And the fact that they mention the kit fox
7 does not mean that all these other species will
8 not be examined by staff biologists. And if
9 they're found to be significantly impacted by the
10 project, that will really raise some serious
11 issues.

12 But, all the species that could be
13 affected will be examined on the site and in the
14 area. Obviously some creatures may not literally
15 be on the site, but may feed around here, fly by,
16 something like that.

17 So, using biology as an example, don't
18 be too focused on how specific that issues report
19 is, because the staff takes a very comprehensive
20 view.

21 Water, the same thing. They'll be
22 looking at all the water impacts. The noise
23 impacts, whether the project meets the County
24 requirements. And even if it meets the County
25 requirements, are there sensitive receptors like

1 farm houses nearby that could be affected.

2 So, as --

3 AUDIENCE SPEAKER: (inaudible).

4 HEARING OFFICER FAY: Okay, we're not
5 having a dialogue. But I just want to be sure
6 that people understand that there is a very
7 comprehensive review that's going to take place.

8 Now, are there other questions of how
9 the staff conducts its analysis at this time?

10 Okay, I don't see any hands.

11 But I would like to see if the applicant
12 has any reaction to the staff's proposed schedule.
13 Any comments to make on that?

14 MS. LUCKHARDT: We actually worked with
15 staff on the schedule and agree with the schedule
16 that's been proposed.

17 HEARING OFFICER FAY: Okay, thank you,
18 Ms. Luckhardt.

19 And I want to be sure that anybody that
20 leaves with some remaining concerns knows that
21 they can send an email to the staff or to the
22 Public Adviser or both. They can call; they can
23 write in. And the process will be going on for
24 quite awhile.

25 So, as you think of concerns you can

1 certainly pass them along to the staff. And then
2 attend the workshops to be sure that your concerns
3 are actually being taken into account in the
4 analysis.

5 At this time I'd like to see if there
6 are any just comments -- yeah, Nick's collecting
7 the cards. If you have blue cards, please give
8 them to Nick and we'll just go through the cards
9 and let everybody come up and --

10 (Parties speaking simultaneously.)

11 (Pause.)

12 HEARING OFFICER FAY: Okay, if I could
13 have people's attention we're going to call your
14 neighbors and friends up and give them a chance to
15 make their comments about the project.

16 Janet Klock. Would you like to come up
17 and -- the tall silver microphone.

18 (Parties speaking simultaneously.)

19 MS. KLOCK: My name is Janet Klock and I
20 live in Tempe, Arizona. And the PG&E lines go
21 across my property, which is known traditionally
22 as the Little San Juan Ranch.

23 And this was my first notice of the
24 energy concern here, and so I decided I should
25 come over and talk about it.

1 I am very concerned about the
2 environmental impact on my groundwater. I am
3 upstream and I have -- I'm worried about the
4 consumption, not only in the initial construction
5 of the facility, but in the plant usage, as well
6 as if there are resident families out here to work
7 on the facility, their consumption. Because
8 families do consume a lot of water.

9 I also would like to know, I have
10 several springs, too. And two wells. And I would
11 like to know if there is some water that will not
12 be recycled into the system. If that water that
13 is dispensed with will be reclaimed, and what will
14 be done with it.

15 Also I am concerned about the grass and
16 the land usage. If there are going to be
17 residents families out here to run the plant after
18 it's in operation, that will mean a lot of water
19 consumption, but it will also mean children and
20 teenagers and visiting cousins. And with the
21 grass situation the way it is, I'm afraid of
22 catalytic burners on cars going across my
23 property, or ATVs -- is that what they are, those
24 things, four-wheel things that go up and down the
25 hills -- this is very thin soil. And a very

1 delicate area.

2 And I'm apprehensive, a lot of the land
3 in the area is in the conservation reserve
4 program. And so I'm very apprehensive concerning
5 the degradation of the land. It's very thin land.
6 I have seen spots that were probably an acre,
7 where the tires in the road have just churned up
8 nothing but dust during the summer months. It
9 just will be a very big impact.

10 And then also after -- one of my
11 questions was answered. The construction area
12 will be returned to its previous condition.
13 However, where will the families live that will be
14 on the -- the project workers? Will they be bused
15 in every day and out every night? That's a
16 horrendous amount of wear on our county highways.

17 And I think -- are there any questions
18 anyone would like to ask me?

19 (Laughter.)

20 HEARING OFFICER FAY: Thank you very
21 much, Ms. Klock. John Ruskovich. I'm going to
22 have to limit everybody to three minutes because
23 we have quite a few people that want to talk. So
24 we ask you to please limit your comments to no
25 longer than that.

1 Mr. Ruskin?

2 MR. RUSKOVICH: Again, I'd like to work
3 with this Commission, show you where a better
4 piece of land is. I'm totally against this
5 project for many reasons.

6 But, as far as financially, this is a
7 new corporation and they don't know how to bid on
8 land and how to build something without looking at
9 the cost of bringing material in to the project
10 site.

11 Highway 58, Bitter Water Road, Shell
12 Creek Road cannot be traveled on by semis to bring
13 in the product to build this plant.

14 The water issue enough people are going
15 to bring up.

16 The endangered species, I'm bringing
17 that up. And like I said, I'd like to talk to you
18 in closed session. My corporation's willing to
19 fight this in court. And right now what I'm told
20 is might not be a problem. But I'd rather work
21 this with you people as an individual group
22 instead of getting attorneys involved. Okay?

23 So, if we can talk after this meeting, I
24 can even show you the proposed land tomorrow
25 morning. And it's right over this mountain. And

1 it's ready to go, okay? And the U.S. Department
2 of Energy own the land.

3 Thank you.

4 HEARING OFFICER FAY: Thank you. I just
5 want to mention, you're certainly free to talk to
6 the applicant or the staff, but the Committee
7 won't be having that kind of conversation in a
8 closed session. It's all on the record as far
9 as --

10 MR. RUSKOVICH: On the record, yes, but
11 I think just us --

12 AUDIENCE SPEAKER: We all want to know
13 what's going on -- not between you and them.

14 HEARING OFFICER FAY: Yeah, not between
15 us.

16 AUDIENCE SPEAKER: Not between you and
17 them.

18 HEARING OFFICER FAY: Yeah. I just want
19 to clarify that. That's our ex parte rule.

20 Robin Bell, do you have a comment?

21 MS. BELL: Hi. I'm Robin Bell, and I
22 own property 1.2 miles from the AUSRA site and
23 plan to live there forever after.

24 In general I don't think this plant
25 belongs here because of the technology, because of

1 our ecology here, the beauty and the serenity.

2 And particularly because it's situated
3 adjacent to an area of 40-acre parcels to the
4 north and to the west. And these parcels, the
5 primary use is residential. Some may not be built
6 yet, but that's really what they're there for.
7 Nobody is making an agricultural living off of 40
8 acres here.

9 And so whether there's a house there or
10 not, the value is as residential. And who wants
11 to live next to a power plant? I don't. So there
12 goes our property value, I feel.

13 And the reason for that, the visual
14 impact. I'm concerned about the landscaping. How
15 are we supposed to get individual agreements with
16 AUSRA to deal with the landscaping.

17 We don't agree with their description
18 that there's no scenic vistas here. We think it's
19 beautiful.

20 The noise is also a huge concern. They
21 did their noise evaluation and the sounds that
22 they heard we cows, wind, birds. How does that
23 compare to the noise of turbines going to
24 generate. That's not a country noise. That's not
25 why we live here.

1 I'd like to know more about their noise
2 report and how to understand it in a layman's
3 terms. I'd like to know if those reports were
4 done on a windy day because that certainly affects
5 the quiet here.

6 There are times when you can't hear
7 anything on my property. And they have the lows
8 on some of the properties as 20 decibels. But yet
9 where my house is, it'll be over 30. So those
10 moments when I can hear nothing will be gone.

11 I'm concerned about the lights, the
12 beautiful starry nights we have.

13 And, of course, the water that
14 everybody's concerned about.

15 Thank you.

16 HEARING OFFICER FAY: Thank you. Don
17 Maruska.

18 MR. MARUSKA: First I just wanted to
19 clarify, Commissioner, the question you were
20 responding to is actually a question from a
21 different person in the audience.

22 PRESIDING MEMBER BYRON: My apologies.

23 MR. MARUSKA: I actually support solar
24 energy, but I just have questions that I want to
25 understand about the project.

1 What I was interested in was just the
2 understanding of the concept of the laydown being
3 across 58 from the project site, and how that
4 would affect transportation on 58 when they're
5 bringing materials from one side to the other, and
6 just how they thought through that and what they
7 were thinking about in terms of how to approach
8 that issue.

9 I don't know what the answer might be,
10 but just wanted to understand how you were
11 thinking of that.

12 HEARING OFFICER FAY: Well, I don't know
13 if they want to make a short response now, but
14 regardless, this is one of those areas that the
15 staff will be looking at closely, transportation
16 impacts; impacts on roads, impacts on traffic,
17 impacts on safety.

18 And obviously crossing a state highway
19 like 58, you know, on a frequent basis for
20 construction is going to be something the staff is
21 going to need to analyze as to, you know, what are
22 the risks and how's traffic going to be
23 controlled.

24 PRESIDING MEMBER BYRON: I'd note
25 there's a bus blocking the road right now.

1 (Laughter.)

2 HEARING OFFICER FAY: And we'll expect
3 the staff to take that into account.

4 Orchel Krier.

5 MR. KRIER: My name is Orchel Krier; I'm
6 not from this area here, so forgive me. I'm going
7 to have to say I might not be too popular, but I'm
8 from Kern County. I'm a farmer and I know there's
9 carrots grown here in this area here, about 160
10 acres, 260 -- if I'm not mistaken.

11 Anyway, an acre of carrots take about
12 three foot of acre of water per acre, and they use
13 that in about 120-, 130-day crop.

14 I understand this project here takes
15 what, about .4 acrefoot per acre here. That's not
16 a whole lot of water. 18,000 gallons of water per
17 day, less than half this room right here. That's
18 in correlation, simplify it and everything.

19 Me, I think the project would be good,
20 but I'm not live here, forgive me for that. But I
21 think, you know, where I live I have wind energy.
22 We have a lot of noises, not much noise, but it
23 does have a little bit. And I own them wind
24 turbines on Tehachapi.

25 But, solar energy is quite, hardly any

1 noise at all, as far as that. But I'd welcome to
2 have this in our area for jobs, more
3 infrastructure, more stores here. Maybe you don't
4 want no stores. Or a hospital or some of the
5 benefits to the community here, a more better,
6 more sound. Instead of going always to
7 Bakersfield for your groceries or to the coast,
8 you have it here.

9 I look at it as a positive way or
10 influence here. And I understand everybody's
11 concern, and I'm kind of pro-business, I have to
12 admit that. But this is your home, you live here,
13 and you make the final decisions here.

14 You know, that's all I have to say. But
15 look at -- visualize the water. I'm not sure if
16 your aquifer is hard. There's a lot of questions
17 there, but I understand you have a lot of farm
18 down here. They pull up more water than this
19 project here does. That's all I have to say.

20 HEARING OFFICER FAY: Thank you. Fred
21 Young.

22 MR. YOUNG: I don't know whether to face
23 this way or this way or this way.

24 HEARING OFFICER FAY: We will hear you,
25 even if you face that way.

1 PRESIDING MEMBER BYRON: Your choice.

2 MR. YOUNG: My name is Fred Young and I
3 live over on the fashionable west side of this
4 valley. I just want to say about the water, it
5 seems like the main concern. And even before this
6 project came to anybody's awareness there was talk
7 out here of trying to get the water situation
8 improved in some kind of way.

9 And so what I was hoping and thinking,
10 and the reason I got up to talk was to say that
11 maybe in conjunction with this project, because we
12 already have residents out here, I don't know if
13 you're aware, that don't have good water already.
14 And this is not likely to make the situation any
15 better.

16 So why not, as part of this project,
17 could not the water supply for this area be
18 improved?

19 (Applause.)

20 HEARING OFFICER FAY: Thank you. Susan
21 Harvey. North County Watch.

22 MS. HARVEY: Thank you. My name's Susan
23 Harvey and I represent North County Watch. And I
24 have a few comments. From a historical
25 perspective we've lived here for 20 years. And

1 one of the people that I got to know is a lovely
2 woman who's passed away since, but her family
3 moved here in 1910 and she said that her father
4 hand-dug a well at the corner of Highway 58 and
5 Soda Lake Road --

6 AUDIENCE SPEAKER: Could you use the
7 microphone?

8 (Parties speaking simultaneously.)

9 MS. HARVEY: I'm sorry. -- at 15 feet
10 at that time. And he did dry farming of
11 watermelons. This time was like 1978, and she
12 lived in the same area and her well was now 150
13 feet. And the water was not potable any longer.
14 So it's a closed aquifer and I always think to
15 have a little historical perspective is useful.

16 San Luis Obispo County is over 3000
17 square miles. And the north county here has
18 something like two sheriffs on duty at a given
19 time. Countywide, I believe the numbers for
20 sheriff is less than one per thousand, which is a
21 really low level of service.

22 I have concerns about what method of
23 vegetation control is going to be used because
24 usually these things are sterile. And this area
25 has a lot of winds and little cyclone kinds of

1 things, so that it's easy to raise the PM10 level.
2 And that might not be something that you're aware
3 of.

4 Let's see, I'm sorry. I've got my notes
5 not very well organized. I would like to ask Mary
6 Dyas if she could put copies of the reports in the
7 Atascadero Library, the Paso Robles Library, San
8 Luis Obispo City and Taft, Creston and Sindler are
9 only open on a limited number of days, so they
10 wouldn't be available all the time. That would be
11 really great, thank you so much.

12 MS. DYAS: Okay, just real quick,
13 interrupt you.

14 MS. HARVEY: Atascadero, --

15 MS. DYAS: That was Atascadero, --

16 MS. HARVEY: -- Paso Robles --

17 MS. DYAS: -- Paso Robles --

18 MS. HARVEY: -- San Luis Obispo City.

19 MS. DYAS: City, okay.

20 MS. HARVEY: And then Taft. And then
21 the other thing is since a number of commuters
22 working here might be coming from Taft, that road
23 is subject to tule fog about halfway up during the
24 winter, also.

25 Thank you.

1 HEARING OFFICER FAY: Thanks very much.

2 Did staff get all those suggestions on --

3 MS. DYAS: Yeah.

4 HEARING OFFICER FAY: -- document sites?

5 Great. Because we want as much information

6 available to you as possible.

7 Tim Strobridge.

8 MR. STROBRIDGE: My name's Tim

9 Strobridge and I oppose this project from the get-
10 go. Mainly on, well, my family --

11 AUDIENCE SPEAKER: Microphone, please.

12 MR. STROBRIDGE: My family purchased
13 property here, we're somewhat new, seven years
14 ago. And my son looks forward to living here with
15 this community. And we've learned to appreciate
16 what's here. There's nothing like it. I mean
17 anywhere else. It's a special place.

18 And I don't think that a venture
19 capitalist should be allowed to come in here and
20 exploit your community, my son's property, for the
21 benefit of the almighty buck. And that's what
22 it's about. It's about money.

23 The only reason they're building this
24 plant is to make money. Venture capitalists,
25 that's the only reason they're putting their money

1 up, they want a return on it.

2 And I don't think this is the right
3 place for it. That's my opinion. I think it's
4 going to look like hell, just bluntly; it's going
5 to look like an industrial site. It's going to be
6 lit at night.

7 He still can't answer my question about
8 the noise. I mean they're doing their best to
9 keep information from you. And their pictures are
10 deceptive if you look at them. They're not in
11 correlation with what the actual footages are.

12 I think they're -- it's a bad deal.
13 That's my opinion.

14 HEARING OFFICER FAY: Thank you.

15 (Applause.)

16 HEARING OFFICER FAY: Alex Bugrov,
17 Bugrov.

18 MR. BUGROV: Close enough. Evening,
19 folks. My name is Alex Bugrov. I work for the
20 County Air Pollution Control District. I live in
21 San Luis Obispo, so this also is not my town.

22 I can tell you that a pretty phenomenal
23 amount of California's air pollution comes from
24 power generation, usually by burning things like
25 coal, oil and even natural gas. So I, for one,

1 would like to thank and commend these folks for
2 proposing the project.

3 That said, it sounds like you've got
4 some pretty legitimate concerns and I hope you get
5 the answers you deserve, and I hope you get the
6 final say in how and where it's done.

7 I, for one, think it's going to be a
8 credit to the County and look forward to seeing it
9 in operation.

10 Thank you.

11 (Applause.)

12 HEARING OFFICER FAY: And just by way of
13 example, Mr. Bugrov's office will be working with
14 our staff air quality people, too. So, our Energy
15 Commission Staff analysts in each area work with
16 local analysts, whether it's Fish and Game or air
17 quality people, all that.

18 You can kind of think of the Energy
19 Commission as a clearing house for information;
20 information from you, the neighbors who know
21 intimately how things go day-to-day here, and also
22 from the local land regulators and managers and
23 air quality people, et cetera, so that we can get
24 as much information as possible to analyze the
25 project.

1 Okay. We've gone through all the blue
2 cards. Was there anybody else who has not made a
3 comment and wanted to make a comment? Yes, sir,
4 please come up and identify yourself.

5 MR. COOPER: My name's Ryan Cooper; I
6 live out here in Carissa Plains, actually probably
7 about a mile and a half from where the site's
8 going to be.

9 My comments or questions are not
10 necessarily for this group, but actually for the
11 County. And I know that we have some
12 representatives from County government here.

13 If this project does go through, will we
14 have any sort of development? Right now it seems
15 like we can't keep a store open; we can't keep any
16 facilities open. We don't have gas; we don't have
17 anything. I would like to see the County be
18 involved in this and maybe if this does happen and
19 we have all these jobs that are supposedly going
20 to come, are we going to have, you know, some type
21 of facilities out here. And I think that's a
22 concern for me.

23 (Applause.)

24 HEARING OFFICER FAY: Thank you. One
25 more, yes, ma'am.

1 MS. FRENCH: Hi, my name's Louise
2 French. My husband is usually at these meetings
3 but I've been delegated. Anyway, I just wanted to
4 say that the Sierra Club is watching this project
5 very closely.

6 Nationally, locally, we do support
7 renewable forms of energy. We are against carbon
8 energy. This puts us in a big problem because we
9 also support the wildlife, the naturalness, the
10 beauty of the Carisso, all the wonderful values
11 that have been promoted here.

12 And so I think that I just want to say
13 the Sierra Club is very involved in this, and we
14 are watching it closely.

15 HEARING OFFICER FAY: Thank you.

16 PRESIDING MEMBER BYRON: Are you
17 representing the Sierra Club here today?

18 MS. FRENCH: Am I? Yes. Santa Lucia
19 Chapter, and the California/Nevada Regional
20 Conservation Committee, which takes in all of
21 California and Nevada.

22 PRESIDING MEMBER BYRON: Thank you.

23 HEARING OFFICER FAY: Great. Thank you.

24 PRESIDING MEMBER PFANNENSTIEL: Any
25 further comments? We want to make sure -- yes,

1 sir, please come on up.

2 MR. STROBRIDGE: I just want to remind
3 the --

4 PRESIDING MEMBER PFANNENSTIEL: Please
5 come to the mike. Yeah, we can't -- we won't be
6 able to record it unless you do.

7 MR. STROBRIDGE: I just want to remind
8 everybody that there's no tax money for this;
9 they're exempt. You're not going to get any tax
10 money out of this project. So they're working on
11 your backs. You're paying their taxes.

12 PRESIDING MEMBER PFANNENSTIEL: If
13 there's nothing else let me just conclude. There
14 will be an order coming out of the Committee on
15 scheduling. That's the next thing that happens.
16 And the schedule will set out when the process
17 that we've heard talked about earlier will take
18 place.

19 With that, I want to thank everybody for
20 being here. This is the reason we're holding it
21 here, not only to talk to you, but to hear from
22 you. And so we really appreciate both your being
23 here and your being open and candid and very
24 thoughtful and informative.

25 So, with that, having nothing else,

1 we'll be adjourned.

2 HEARING OFFICER FAY: Please drive
3 safely.

4 (Applause.)

5 (Whereupon, at 6:45 p.m., the hearing
6 was adjourned.)

7 --o0o--

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of February, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□