

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

In the Matter of: )  
 )  
Application for Certification ) Docket No.  
Colusa Generating Station ) 06-AFC-9  
 )  
\_\_\_\_\_ )

GRANSELLA'S INN  
CONFERENCE ROOMS A and B  
391 6TH STREET  
WILLIAMS, CALIFORNIA 95987

THURSDAY, JANUARY 25, 2007

5:11 p.m.

Reported by:  
Richard A. Friant  
Contract No. 170-04-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

John L. Geesman, Presiding Member

James D. Boyd, Associate Member

HEARING OFFICER AND ADVISORS

Paul A. Kramer, Jr., Hearing Officer

Susan J. Brown

STAFF AND CONSULTANTS PRESENT

Jack W. Caswell, Project Manager

Dick Ratliff, Senior Staff Counsel

Michael Doughton, Staff Counsel

Deborah R. Dyer, Staff Counsel

Eileen Allen

Keith M. Golden

Lance Shaw

Mark R. Hamblin

PUBLIC ADVISER

J. Mike Monasmith

APPLICANT

Michael J. Carroll, Attorney  
Latham and Watkins, LLP

Andrew Welch, Project Manager  
Peter J. Podurgiel, Senior Vice President  
Christopher J. Curry, Manager, Development  
Competitive Power Ventures, Inc.

APPLICANT

Mark A. Strehlow, Senior Project Manager  
Dale D. Shilelkis, Vice President  
Kathy Rushmore, Project Manager  
Steve Leach, Senior Biologist  
URS Corporation

ALSO PRESENT

Joe A. Padilla  
SPX Cooling Technologies

Alan W. Christian  
Christian Power Equipment, Inc.

Don R. Barker, Mayor  
City of Williams

Mark D. Marshall, Supervisor  
Daniel C. Yerxa, Supervisor  
Kim Dolbow Vann, Supervisor  
Thomas A. Indrieri, Supervisor  
Gary Evans, Supervisor  
Stephen M. Hackney, Planning/Building Department  
County of Colusa

Howard Yune, Reporter  
The Appeal-Democrat

Allen Etchepare  
Emerald Farms/Seeds by Design

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

5:11 p.m.

PRESIDING MEMBER GEESMAN: Why don't we go ahead and get started. Thank you all for attending this evening. This is a meeting of the California Energy Commission, the Siting Committee, comprised of two Commissioners, to hold an informational hearing on the Colusa Generating Plant license application.

I'm John Geesman, a member of the California Energy Commission; I've been appointed the Presiding Member of the Siting Committee. Two seats to my left is Commissioner Jim Boyd; he's the Associate Member of the Siting Committee.

To his left is Susan Brown, his Staff Advisor.

The purpose of tonight's meeting is to inform Commissioner Boyd and myself of the project; describe the project to the public. We'll hear from the applicant. We'll also hear from the Energy Commission Staff. They will try to identify issues that at this point in time they expect to be subjects of concern during the licensing process. We'll also hear from any members of the public that care to address us.

1           This is the first public event in what  
2 will probably be a chain of public hearings and  
3 workshops over the course of the next year as the  
4 Energy Commission considers whether or not to  
5 issue a license for this power plant.

6           I'm going to turn tonight's proceedings  
7 over to our Hearing Officer, Paul Kramer. The  
8 Energy Commission relies on the hearing officers  
9 to conduct our hearings. Paul will explain the  
10 process to you in greater detail. Paul.

11           HEARING OFFICER KRAMER: Thank you. Now  
12 we've identified and introduced the Committee to  
13 you, so the next step would be for the applicant  
14 and staff to introduce themselves to you. Start  
15 first with the applicant. And you're free to sit  
16 in the front row if you'd like; we kind of set  
17 that up for representatives of the applicant.

18           MR. WELCH: Thank you. My name is Andy  
19 Welch; I'm the Project Manager for the project and  
20 the partnership that owns it. My company is  
21 called Competitive Power Ventures. We're an  
22 independent development power company.

23           Along with me is my associate, Chris  
24 Curry, who will be in; and this is the Senior Vice  
25 President of our company, Pete Podurgiel in the

1 back. We also have our permitting attorney  
2 present from Latham and Watkins, is Mike Carroll.

3 We have several people present from our  
4 URS, who is our environmental consulting firm.  
5 We've got the Project Manager is Dale Shilelkis;  
6 Kathy rushmore is the Assistant Project Manager.  
7 And Mark Strehlow is the air quality expert; and  
8 Steve Leach is our biology expert.

9 HEARING OFFICER KRAMER: Thank you.  
10 Staff.

11 MR. CASWELL: Yes, I'm Jack Caswell,  
12 Project Manager for the Energy Commission guiding  
13 the Energy Commission through the process -- staff  
14 through the process, and the applicant, through  
15 this licensing process at the Commission.

16 Standing up right here is Dick Ratliff,  
17 our staff attorney. Again, there was a mention of  
18 issues that were brought up by some higher concern  
19 of the staff, and right behind Dick is Mark  
20 Hamblin; he's doing the land. And that is one of  
21 the issues that was brought up.

22 Lance Shaw is a compliance project  
23 manager at this time. Keith Golden is the air  
24 quality technical staff person, and he has an  
25 issue that was brought up. As well, we have other

1 members here from the Commission. My supervisor,  
2 Eileen Allen, is here. And we have two other  
3 attorneys that are new to the Energy Commission,  
4 I'm sorry, I've gone blank --

5 MR. DOUGHTON: Michael Doughton.

6 MR. CASWELL: -- Michael Doughton is a  
7 new staff; and --

8 MS. DYER: Deborah Dyer.

9 MR. CASWELL: -- Deborah is here. They  
10 are observing as part of getting involved in the  
11 siting process here at the Energy Commission.

12 Our Public Adviser, Michael Monasmith,  
13 is here. And Mike is available to any member of  
14 the public at this point anytime during this  
15 proceeding and throughout the next year. Should  
16 you want to get involved in these proceedings, the  
17 Public Adviser's Office is available to you to  
18 contact. Mike's got blue cards to fill out, as  
19 well as his business card is out here.

20 There's going to be a slide presentation  
21 and we have hard copies of that slide presentation  
22 out here on the table. And it has a lot of  
23 contact information on it, to find out and remind  
24 yourself after these proceedings of who's who and  
25 what their phone numbers are and email addresses.

1 Thank you.

2 HEARING OFFICER KRAMER: I'm not aware  
3 of anybody that's intending to intervene in this  
4 proceeding. Do we have any intervenors in the  
5 audience? No.

6 Now, let's see which other agencies are  
7 with us today. Do we have representatives of the  
8 County? Please come to the microphone and, if you  
9 can, spell your last name or give a business card  
10 to the court reporter so he will have a better  
11 chance of getting it spelled right in the  
12 transcript.

13 SUPERVISOR MARSHALL: Thank you. Good  
14 evening, I'm Mark Marshall, common spelling,  
15 Chairman of the Colusa County Board of  
16 Supervisors. I have with me this evening  
17 Supervisor Kim Dolbow from District 1; Gary Evans;  
18 Tom Indrieri and Dan Yerxa from the Board of  
19 Supervisors.

20 HEARING OFFICER KRAMER: That's about as  
21 good a turnout as we've ever had, I think.

22 (Laughter.)

23 SUPERVISOR MARSHALL: We have great  
24 interest in this project.

25 HEARING OFFICER KRAMER: Is anybody here

1 representing the City? Please introduce yourself.

2 MAYOR BARKER: Yes. My name is Don  
3 Barker; I'm the Mayor of Williams.

4 HEARING OFFICER KRAMER: Thanks for  
5 coming.

6 MAYOR BARKER: Thank you.

7 HEARING OFFICER KRAMER: Do we have any  
8 representatives of the Air District here? Any  
9 other agencies that wish to identify themselves?

10 MR. HACKNEY: Steve Hackney, Director of  
11 Planning and Building for the County.

12 HEARING OFFICER KRAMER: Thank you.  
13 Well, we're here, as Commissioner Geesman said,  
14 today to provide information about the proposed  
15 power plant; to describe for you the Commission's  
16 licensing process; and give you information on  
17 opportunities for the public to participate in  
18 that process.

19 As Mr. Caswell mentioned, there's some  
20 documents at the table outside that you might want  
21 to look at. He's already mentioned a copy of his  
22 report. Is there also a copy of your issues  
23 identification report?

24 MR. CASWELL: There is not.

25 HEARING OFFICER KRAMER: Okay.

1           MR. CASWELL: It is on the web, though,  
2 at the Energy Commission, if you have access to  
3 the web. And if anybody would like a copy of  
4 that, you can contact me and we can insure that  
5 you get the right direction. You'll get a hard  
6 copy.

7           HEARING OFFICER KRAMER: Okay. You  
8 might want to use that mike. Are you getting him  
9 okay?

10           (Pause.)

11           MR. CASWELL: Do you want me to stand  
12 (inaudible)? Did you get that (inaudible).

13           HEARING OFFICER KRAMER: Okay, and  
14 you're going to cover basically, you're going to  
15 summarize your issues identification report a  
16 little later?

17           MR. CASWELL: Correct.

18           HEARING OFFICER KRAMER: Okay, I also  
19 have a one-page handout I put on the table that  
20 just lists all the contact information for the  
21 Commission, for me, Mr. Caswell, the Public  
22 Adviser, our media office, for instance. And also  
23 it has the address for the website for this  
24 project that Mr. Caswell will show you a little  
25 later, has a lot of information you might want to

1 look at.

2 If you'd like to speak today, we  
3 encourage you to fill out one of Mr. Monasmith's  
4 blue cards. It's not absolutely necessary, but it  
5 helps us get your name spelled right; and also to  
6 make sure that things move along in an orderly  
7 fashion.

8 November 6, 2006, the E&L West Coast,  
9 LLC, filed an application for certification to  
10 construct and operate the Colusa Generating  
11 Station. The proposed project is a 660 megawatt,  
12 combined cycle power plant with two natural gas  
13 fired turbine generators, one steam turbine  
14 generator, and all the associated plumbing and  
15 other equipment that goes along with that.

16 It would be located approximately 14  
17 miles north of Williams and four miles west of I-  
18 5, west of the Glenn-Colusa Bridge and Dirks Road  
19 in Colusa County.

20 The Energy Commission has exclusive  
21 jurisdiction to license a power plant of this  
22 type; and we are considering the application under  
23 our 12-month review process.

24 Notice of today's events was mailed on  
25 January 8th to all the parties, adjoining

1 landowners, interested government agencies and  
2 other individuals. And it was published in The  
3 Marysville Appeal-Democrat on January 21st.

4 Just before this meeting we had a site  
5 visit. We drove out to the location where the  
6 project is proposed; walked around a little bit;  
7 tried not to get star thistle on us; and had a  
8 pretty good view of both the project site and a  
9 couple of the improvements that are going to need  
10 to be made to the roads leading to it.

11 As Commissioner Geesman said, today's  
12 hearing is the first in a series of formal  
13 Commission events that will extend over the next  
14 year or so. The Committee will eventually issue a  
15 proposed decision containing recommendations on  
16 the proposed project. And then the five-member  
17 Energy Commission will make the final decision on  
18 the application.

19 The Committee's proposed decision, and  
20 for that matter, the Commission's final decision,  
21 must be based solely on the evidence that's  
22 presented to the Committee in the official record.

23 To insure that that happens and to  
24 preserve the integrity and impartiality of the  
25 Commission's licensing process our regulations and

1 state law prohibit private contacts between the  
2 parties or the public and the Committee Members or  
3 their Advisors.

4 The rule is called the ex parte, roughly  
5 translated to one-sided rule. This means that all  
6 the discussions with the Committee about a  
7 substantive matter relating to this project need  
8 to occur in the context of a public meeting, such  
9 as today's event, or in the form of a written  
10 communication that can be distributed to all the  
11 other interested people.

12 The purpose of the rule is to provide  
13 full disclosure to all participants of any  
14 information that might be the basis for the  
15 Commission's decision.

16 Having said that, it is okay to have ex  
17 parte discussions about things like scheduling.  
18 So, for instance, I might be talking to the  
19 individual parties about when they're available  
20 for a meeting, something like that. But we can't  
21 talk about the merits of the project outside the  
22 public forum.

23 There will be additional opportunities  
24 for the parties and governmental agencies to  
25 discuss substantive issues. And those will occur

1 in public workshops that the staff will be holding  
2 either here in this area, or depending on the  
3 level of public interest, perhaps in Sacramento.

4 The Committee will probably not have any  
5 further hearings until after the staff has  
6 performed its analysis and published it, and we're  
7 ready to have what we call evidentiary hearings  
8 that lead up to the decision.

9 Information regarding the communications  
10 between the parties, government agencies and  
11 others is generally contained in written reports  
12 or letters that summarize those communications.  
13 And those would be -- those are distributed to the  
14 parties; and they're made available to the public  
15 via the Commission's website.

16 And also on the website you'll find  
17 information about upcoming hearings and other  
18 events relating to this case. So if you have  
19 access to the internet, one of the easiest ways to  
20 keep track of this case is by going to the  
21 website; or you can also put your email address on  
22 a project-specific email list.

23 And so then you'll receive electronic  
24 copies of notices and other documents that are  
25 filed. Some of them are rather large, but you'll

1 get them quicker. And, you know, if you get a  
2 report in an electronic format, you can do word  
3 searches, which I find to be more convenient than  
4 trying to flip through a document to find  
5 something that you're interested in reading.

6 So the Commission's website is a very  
7 valuable resource for you. Besides looking at  
8 this case you could look at other cases to see how  
9 things have been handled in the past, or you know,  
10 to compare, do research, whatever you need to do.

11 The address for the project's page will  
12 be in Mr. Caswell's presentation. It's also on  
13 the sheet that I left outside. And you can see  
14 one of us if you want, if we run out of copies of  
15 that and you want to get the address. Just feel  
16 free to ask me and I'll give it to you.

17 We've introduced the Public Adviser's  
18 representative, Mr. Monasmith. He's here and  
19 we'll give him an opportunity now to explain to  
20 you the process for public participation in our  
21 hearings and workshops and other events.

22 MR. MONASMITH: Hello, everybody.  
23 Hearing Commissioners, Hearing Officer Kramer,  
24 Commissioners, thank you. Can everybody hear me  
25 okay? Smaller room. Don't mean to have my back

1 to anybody, but I want this to be --

2 My name is Mike Monasmith; I'm with the  
3 Public Adviser's Office at the Energy Commission.  
4 The Energy Commission is unique in that they fully  
5 fund and staff an office that is here exclusively  
6 for the public. It's very encouraging to see so  
7 many people from the local community here today.  
8 Been with the Commission three and a half years,  
9 about a dozen of these cases, and this is the  
10 largest turnout I've had for a project in a  
11 community the size of Williams. So, it's very  
12 encouraging.

13 I just wanted to briefly talk about ways  
14 the public can be involved in this process. The  
15 first of which is very easy. All it involves is  
16 you signing in on the sign-in sheet outside,  
17 giving us your information. And we will use that  
18 to contact you either electronically, if you have  
19 email, or we can always send you written material  
20 on the proceedings as this moves forward over the  
21 next year.

22 You can receive those; those will be  
23 updates, the information the applicant files,  
24 information that comes from our staff, and  
25 information that might come from intervenors if we

1 have intervenors in this case.

2 There's really three levels of  
3 involvement with the public. First, like I said,  
4 is signing up. the second is to show up, which  
5 you've all done tonight, which is very  
6 encouraging; coming to the meetings that we have  
7 here in the community, as well as south in  
8 Sacramento.

9 The third level is one that has a little  
10 bit more involvement and responsibility. It's one  
11 that we involve ourselves with exclusively at the  
12 Public Adviser's Office. That is to become an  
13 intervenor, or an official party to these  
14 proceedings.

15 You are able to present information,  
16 evidence, cross-examine witnesses that the  
17 applicant may put forward; you can cross-examine  
18 staff. You're a full part of the proceeding. And  
19 there is information outside on how you do that.  
20 There's a little brochure which we have outside  
21 that talks about the different levels. If there's  
22 not enough copies, let me know, we'll give you  
23 more.

24 It also has the contact information; our  
25 website information. We realize not everybody has

1 the internet, so if you to just have a phone call  
2 or written information, we provide that.

3 So, I just wanted to let you know I'm  
4 here for the members of the public. My name is  
5 Mike Monasmith, Public Adviser's Office.  
6 Information's outside. Stop me afterwards; I'll  
7 give you my card if you have any questions you  
8 want to bring up now or later.

9 The blue cards, which the Hearing  
10 Officer mentioned, are right here. I don't think  
11 anyone has to necessarily fill one out in order to  
12 talk tonight, but if you do think about, please  
13 try to fill it out later because the court  
14 reporter will want to put your information on, and  
15 we'll want to have it, as well. So I'm going to  
16 leave one here for you guys in a moment. But if  
17 you have questions or anything, just raise your  
18 hand throughout the evening.

19 That's about it. If there are any  
20 questions just pull me aside later. Thank you.

21 HEARING OFFICER KRAMER: Thank you. One  
22 thing to mention is if you're going to be an  
23 intervenor it's better to do that early in the  
24 process so that you can become involved right  
25 away. If you try to come in and intervene at the

1 last minute the process will not wait or back up  
2 so that you can have extra time. You'll be  
3 somewhat limited if you do wait till the last  
4 minute.

5 Now we're going to go through some  
6 presentations of the parties. I think we're going  
7 to have to move the front row there so we can set  
8 up the projector. The order will be first the  
9 applicant. They'll describe the proposed project  
10 and explain their development plans.

11 And then Commission Staff will provide  
12 an overview of the licensing process and staff's  
13 role.

14 The rest of the order will be we'll talk  
15 about scheduling and the issues that staff has  
16 identified, followed by the applicant's response.

17 Then we'll have any questions and  
18 presentations from interested agencies. Finally,  
19 then we'll have comment from members of the  
20 public, or questions from members of the public.

21 Any questions about the order? Okay,  
22 we'll begin with the applicant's presentation.

23 MR. WELCH: Thank you. I'm going to  
24 give a brief presentation. Obviously you've had  
25 the advantage, most of you, of just being out to

1 the site and seeing it. But we'll go through  
2 this.

3 As I indicated earlier, I'm Andy Welch;  
4 I'm the Project Manager. Before I really get  
5 started on this I did forget to introduce one  
6 person which is Greg Buscalin (phonetic) who just  
7 put a bite of food in his mouth, so --

8 (Laughter.)

9 MR. WELCH: He's with Pacific Gas and  
10 Electric. And as you see, this project is being  
11 done; it's on the same site as an earlier project  
12 that was done by a different owner. It is a new  
13 project, even though it's very similar both in its  
14 site and its configuration.

15 We began it as a result of a request for  
16 offers that PG&E went out for in order to meet  
17 their future needs for electricity in the region.  
18 We bid into this along with many other bidders.  
19 We were able to negotiate a contract. What we  
20 negotiated was a purchase-and-sale agreement  
21 whereby my company formed a partnership with two  
22 other entities, being E&L West Coast.

23 E&L West Coast is a competitive power  
24 ventures, which independent power company, with  
25 General Electric Company, who is providing the

1 major equipment as well as an equity investor in  
2 this project, and Arclight Capital Development,  
3 who is a private equity and financial expertise  
4 firm.

5 Our purchase-and-sale agreement says  
6 that this partnership, E&L West Coast, developed,  
7 licenses and builds this project. And when it's  
8 ready to go into commercial operation after we've  
9 tested it out, we will sell it to the utility at  
10 an already-agreed-upon price. And the utility  
11 will then operate it as an asset of their fleet.

12 So the operating personnel will be PG&E;  
13 and the management of it will be PG&E once it's  
14 into operations. So we are working very closely  
15 with them through this process of it. But this  
16 licensing, this development is our responsibility.

17 Competitive Power Ventures, just  
18 briefly, was founded in 1999 by a handful of  
19 people who had left some of the other independent  
20 power companies that were owned by bigger entities  
21 in order to be a more effective and efficient  
22 means for developing power.

23 We have development experience now.  
24 We've grown into a management team that has  
25 considerable expertise in this field. In

1 particular, in California, we have -- many of us  
2 have worked on projects that have received Energy  
3 Commission permits and are in operation in the  
4 state.

5 We also have a part of our company that  
6 does asset management. This is for institutional  
7 investors who have taken ownership of power  
8 projects; need someone to operate it as in their  
9 stead as owner. We have that expertise and it's  
10 given us a lot of experience in our development  
11 projects, as well as continuing to operate those.  
12 We have over 5500 megawatts currently that we  
13 operate for other people that are producing power  
14 nationwide.

15 We also have one of the largest wind  
16 energy development companies for renewable energy  
17 in the country, of over 3500 megawatts in  
18 development right now.

19 Project location on the map. This kind  
20 of shows where it is, and it's in -- sure you've  
21 seen, but most of you have actually been out  
22 there, which I think was useful. Again, the  
23 highlights from that site is the access to the  
24 water, to the electricity, to the gas all without  
25 going off of our project location. And that we're

1 over a mile and a half away from the nearest  
2 residence, which is a considerable difference.  
3 There's many power projects that have residents  
4 quite a bit closer to the project.

5 Our design features, as we say, we've  
6 got General Electric 7FA combustion turbines.  
7 These are like large jet engines that are actually  
8 put into an enclosure to keep out the elements and  
9 to keep the sound within.

10 Steam turbine that provides additional  
11 heat from the waste heat off of those gas  
12 turbines. And air cooled condenser and zero  
13 liquid discharge, so we use the minimal amount of  
14 water that practically and can effectively  
15 generate this much electricity.

16 Interconnected into four transmission  
17 lines so that we can provide power onto the grid  
18 for not only delivery locally, but throughout  
19 PG&E's territory and further into all of  
20 California and the Independent System Operator's  
21 areas.

22 We have a 100-acre site. We'll use that  
23 all for construction. But when it's into  
24 operation we're going to take up 31 acres within  
25 it. Have a buffer zone around the outside. That

1 gives us, as we say, we're less than a half mile  
2 to each of our major interconnections of electric,  
3 gas, water and even access into the plant.

4 We pointed out the bridges that we need  
5 to replace because they're not adequate to take  
6 the heavy loads that we need to take across to  
7 construct this plant. And that's both over the  
8 Teresa Creek and the Glenn-Colusa Canal. And then  
9 a widening of the shoulder at McDermott and  
10 Delevan, as well as to repair any of the road  
11 surfaces that may be damaged due to the heavy  
12 loads being taken over them during construction.

13 We've taken existing photos, and then  
14 we've superimposed onto it a photograph or a  
15 computer-generation of our plant. If you note,  
16 this is from Interstate 5. You can see off in the  
17 distance it sits up against the foothills. If you  
18 look at the inset in the upper left-hand corner,  
19 you'll note that there seems to be two objects if  
20 you split it off. The left-hand object is that  
21 existing compressor station that we saw today.  
22 The right-hand is the new plant. So that's  
23 basically what you're seeing in this photo.

24 This is a computer generation of what  
25 that is. Basically you can see that you've got

1 two identical lines of gas turbine with a waste  
2 heat boiler and a stack at the end of it. Moving  
3 further from left to right across the picture is a  
4 steam turbine raised up on a pedestal. And that  
5 large is an air-cooled condenser on the back end.

6 Near the lower right-hand corner is the  
7 new switchyard that's going to connect into those  
8 four 230 kV power lines. And then assorted  
9 buildings for operating personnel, for maintenance  
10 activities, for parts storage and water treatment.

11 This is it, you know, we talk about this  
12 being a combined cycle. As you see and look at  
13 this, you've got, on the top of this if -- I don't  
14 know, I can't do that effectively -- but you see  
15 it starts in the upper left. The air goes into a  
16 gas turbine, the blue. It gets compressed We add  
17 natural gas, that's the only fuel burned in the  
18 plant is natural gas. It goes through that and  
19 then spins the turbine to generate electricity in  
20 generator number one, as it says on that.

21 In a peaking plant a simple cycle gas  
22 turbine at that point you'd exhaust all of the --  
23 out of the gas turbine at that point.

24 This is a combined cycle, because we  
25 then take that waste heat, put it into a heat

1 recovery steam generator, which is a waste heat  
2 boiler. Generate more steam, or generate steam  
3 that then goes into a steam turbine that generates  
4 more electricity.

5 The steam, when all the effective energy  
6 is removed from it, we put it into the air-cooled  
7 condenser where that, by rejecting the heat off,  
8 turns the steam back into water. We put it back  
9 in a closed system, back into the boiler; make it  
10 into steam again.

11 A small amount of make-up water is  
12 needed to keep the chemistry right. And then  
13 we've got all the power goes out to the electric  
14 substation and onto the grid.

15 I mention a small amount of water,  
16 because we've got zero discharge, which means we  
17 recycle all of our water onsite, and use it over.  
18 And then an air-cooled condenser, we use only 126  
19 acrefeet of water. That's an extremely small  
20 amount for a power plant of this size.

21 the source of water is the Tehama-Colusa  
22 Canal that has much higher flow rates than that.  
23 We have a will-serve letter from the Glenn-Colusa  
24 Irrigation District. And we continue to work out  
25 the details with them.

1           We need to get the land use designation  
2           changed. It's currently designated to be  
3           agricultural. We need to have that changed to  
4           industrial. Also, it's a -- need to have -- I'm  
5           blinking on this -- subdivision map of the site  
6           because we're only taking a 100-acre parcel of a  
7           much -- that parcel's 400 or 500 acres, in  
8           particular.

9           And then our environmental impacts are  
10          minimal. We've got, we believe, as we put it in  
11          our application that you can see, that we've got  
12          no significant adverse impacts on any areas; and  
13          in particular, you know, the highlights here, the  
14          public health, the resources that I should specify  
15          in front of the group. That is our opinion and  
16          that's what we've submitted. And that's for these  
17          folks to decide at the end of the permitting  
18          process.

19          The highlights, we're able to do that  
20          because we've got best available control  
21          technologies to control the emissions. These are  
22          extremely low air emissions that come out of these  
23          stacks -- of any fossil fuel projects ever built.

24          For those emissions that we do have we  
25          offset them as required at a greater percentage

1 than we use, at a 1.2-to-1 or 1.5-to-1, depending  
2 on the distance that we get those offsets from.  
3 Our offsets are coming from closed-down stationary  
4 sources that are banked; but also a large group of  
5 them are coming from the farmers and, you know,  
6 their ag burn credits that they get to discontinue  
7 the burning of the fields at the end of the  
8 harvest season and so plow them under or other  
9 technologies. And we are giving them an economic  
10 incentive to make that change by purchasing the  
11 offsets that we need.

12 Economic benefits to the County. It's  
13 estimated that about \$2 million in property tax  
14 revenues would come off of the site, which  
15 obviously, particularly a County the size of  
16 Colusa, is a considerable amount. I guess that's  
17 a considerable amount anywhere.

18 Twenty-five full-time employees; annual  
19 payroll of about over \$3 million. These are  
20 highly skilled, well trained employees; tend to be  
21 an asset to any community, if history shows us any  
22 example, the PG&E folks at their other plants.

23 We estimate the annual spending at  
24 50,000 local businesses. That is admittedly the  
25 biggest that we have up here. And that's not a

1 huge number for a plant this size. But to the  
2 extent that PG&E can go out and find the things  
3 that they need on a local basis, it's advantageous  
4 to them to do so.

5 And then, you know, the hard-to-quantify  
6 how much of the employees spending on goods and  
7 services on top of that.

8 Our schedule going forward. We  
9 submitted our application for certification to the  
10 Energy Commission on the 6th of November. On the  
11 13th they granted us data adequacy. They've got a  
12 statute that I'm sure they're going to later of 12  
13 months. We're looking at permitting complete 12  
14 months later, which would be December of this  
15 year.

16 Beginning construction well over a year  
17 from now. Two-year construction period in the  
18 ground to do this. And commercial operation then  
19 in probably the late spring of 2010.

20 I don't know if you wanted me to take  
21 questions at this point?

22 HEARING OFFICER KRAMER: No, we'll take  
23 questions at the end.

24 MR. WELCH: Okay.

25 HEARING OFFICER KRAMER: The next

1 presentation will be the staff's.

2 MR. CASWELL: I'm Jack Caswell, Project  
3 Manager for the Energy Commission. The purpose of  
4 the siting process, it's up here. It's to insure  
5 a reliable supply of electricity and energy to  
6 maintain a level consistent with the need for such  
7 energy or public -- protection of the public,  
8 health, safety, for the promotion of general  
9 welfare, and for the environmental quality  
10 protection. I won't read everyone of these  
11 slides, I promise you.

12 (Laughter.)

13 MR. CASWELL: Anyway, the Energy  
14 Commission's role here. You can see that we have  
15 a permitting authority for 50 megawatts or greater  
16 power plants that are thermal power plants. And  
17 you can see those associated facilities that  
18 relate to that power plant. And Andy has  
19 discussed several of those issues right now  
20 already on the project.

21 We are the lead agency for the State of  
22 California for licensing everything 50 megawatts,  
23 thermal power plants 50 megawatts or greater.

24 The project contacts and the  
25 participants. Everyone's introduced themselves.

1 If you have that slide show and that hard copy  
2 contact information i's very helpful should you  
3 want to contact any of us.

4 The overview process. As Andy just  
5 discussed we did data adequacy and then this  
6 project met the minimum requirements in their  
7 filing; we start our review.

8 We're in the discovery and analysis  
9 phase right now. We have issued some data  
10 requests to the applicant for further  
11 clarification on the project. And certain  
12 processes they're in right now.

13 I have also issued a issues  
14 identification report and that is -- both of these  
15 are on the webpage, by the way, are posted on our  
16 web. We're going to conduct public workshops.  
17 The next public workshop on this, and the first  
18 public workshop actually, will be a data response  
19 issue resolution workshop. And we're looking to  
20 conduct that in February.

21 We've targeted dates. These dates tend  
22 to slide due to responses, availability of staff,  
23 agencies, location to hold these workshops.  
24 There's quite a few things that impact our ability  
25 to have it on a particular date. So you'll see a

1 schedule, but don't hold that schedule as carved  
2 in stone, please.

3 The third phase of this process is  
4 Committee evidentiary hearing and decision  
5 process. That's after the staff has published  
6 that preliminary and final staff assessments.  
7 I'll talk about that a little bit further in the  
8 slide show.

9 But at the Committee evidentiary hearing  
10 and decision process, that is the Commissioners  
11 take charge of this process and our documents, and  
12 start to take input from the public and the  
13 applicant, the agencies and any formal  
14 intervenors.

15 Discovery and analysis process. This  
16 shows you the players that are in that process.  
17 In the center there, of course, is the Energy  
18 Commission Staff that's pulling together that  
19 preliminary staff assessment and final staff  
20 assessment.

21 Members of the public; formal  
22 intervenors, which Mike has discussed about  
23 contacting the Public Adviser. And that formal  
24 intervenors have to go through the Commissioners'  
25 Office to establish that status.

1           The applicant and local, state and  
2           federal agencies. Those are the main players in  
3           our discovery and analysis process while staff  
4           develops those documents I mentioned.

5           Discovery and analysis. It goes into a  
6           little more detail here on what we're doing in  
7           that discovery and analysis phase. If you want me  
8           to discuss these further with you, you can  
9           certainly get ahold of me via email, telephone.  
10          Business cards of mine are out on the table, as  
11          well as my information on that hard copy of the  
12          slide presentation.

13          Evidentiary hearing and decision  
14          process. In the center again here is the  
15          Committee, because they are the ones that make the  
16          decision here. Not the staff, not the applicant  
17          or any other agencies, but the Committee, itself.  
18          And the players in that involve all those agencies  
19          and those groups from the first slide. And we all  
20          provide testimony or comments to the Commissioners  
21          on our views of this process.

22          The PSA, preliminary staff assessment,  
23          and FSA, final staff assessment, are a formalized  
24          document that we present to the Commissioners as a  
25          record of our views, Commission Staff's views, of

1 this project.

2 Evidentiary hearing process, again.

3 This is just a little more detail about exactly  
4 what goes on in that process. It outlines quite a  
5 few of the processes that the Commissioners  
6 conduct during that evidentiary hearings. And,  
7 again, you can contact me about those or the  
8 Public Adviser's Office should you choose to have  
9 a specific question on a specific issue; or all of  
10 it. Feel free to get all of us.

11 These are some of the agencies that we  
12 deal with. Staff works closely with the state,  
13 federal and local agencies. And right now, you  
14 know, we're in communication right now with the  
15 Colusa County Building and Planning and Health,  
16 Public Works. I've talked to those people, and so  
17 have our staff.

18 The Colusa County Air Pollution Control  
19 District and our staff is talking with them. The  
20 Irrigation District, which is providing some of  
21 that makeup water.

22 For the state, samples of that, again  
23 you can see who we deal with on a regular basis.  
24 And there's a couple three examples of federal  
25 agencies that we deal with, as well.

1           This process, as it's been discussed, is  
2 open to the public. Here's some details about how  
3 you can get involved. Mike has discussed those,  
4 but here it is in writing. It helps you, you can  
5 find where our documents have been sent.

6           When the applicant filed this AFC,  
7 application for certification, we mailed copies of  
8 that application to all those libraries throughout  
9 the state. There's the Energy Commission's  
10 website webpage that you can access all this  
11 information and review some of the documents as we  
12 move along throughout the process.

13           And there's also our Dockets Unit. All  
14 of this information goes into a dockets unit as an  
15 evidentiary record for the Commissioners to use to  
16 make a legal decision on this process; and for  
17 anyone who desires to access this information, as  
18 well, and get copies of that.

19           Here's some ways that you can  
20 participate in our process, again. Mike had  
21 discussed that. Again, it's in writing. It's  
22 helpful if you have a copy of the slide  
23 presentation. If you don't, again, you can  
24 contact me through a business card that's out  
25 there or I'll give you one before you leave. And

1 I'll make sure that I can send it to you  
2 electronically or I'll mail you a hard copy.

3 List server. This is a webpage that you  
4 can access to get yourself signed up for  
5 information in this process. And it's on the  
6 webpage. And it shows you four easy steps on how  
7 you can do that. And that's a sample of what that  
8 webpage looks like. I downloaded that and put it  
9 on there so that you could recognize it when you  
10 got there. And at the bottom is the website  
11 address, as well.

12 Here's another website page. This is  
13 actually the Colusa Generation Station webpage  
14 that we post all those documents we just discussed  
15 for review. And should you choose to download  
16 them versus get hard copies.

17 We also have an issues identification  
18 report -- you know, I want to back up for a  
19 minute. I didn't mention the PMPD, the Presiding  
20 Member's Proposed Decision, which is a big slip on  
21 my part.

22 That is the Commissioners' document  
23 after we've presented our PSA and our FSA, and  
24 we've had our workshops, and we've discussed all  
25 the things the staff wanted to discuss. The

1 Commissioners now have moved forward with making a  
2 decision, and then have held evidentiary hearings.  
3 They produce a Presiding Member's Proposed  
4 Decision and hold hearings on that, as well.

5 And that's yet another opportunity. So  
6 there are multiple opportunities for everyone to  
7 get involved here in workshops, prior to the PSA  
8 publication, after the PSA publication, after the  
9 final staff assessment is out, at evidentiary  
10 hearings prior to the Presiding Member's Proposed  
11 Decision, after the Presiding Member's Proposed  
12 Decision. And then once again final comments at a  
13 business meeting prior to the decision.

14 So, believe me, there will be lots of  
15 opportunity to make comment as this progresses and  
16 you see things, how they develop.

17 I recommend that you get a chance to --  
18 you may have a lot of questions, but once we get  
19 our PSA out, our preliminary staff assessment, you  
20 actually see what direction the Energy Commission  
21 Staff is going and what we're thinking.

22 And it's a really good opportunity to  
23 get involved and ask some questions of the Energy  
24 Commission Staff how we arrived at these  
25 conclusions. Why are we going in this direction.

1       What was the information that supported us to get  
2       to that point.

3               Prior to that it's mostly a lot of  
4       technical work between the applicant, the agencies  
5       involved and our staff just trying to get the idea  
6       together and what the issues are. And try to find  
7       if they're mitigatable to levels of less than  
8       significant.

9               So, PSA time is a really wonderful  
10      opportunity for you to see the whole picture as  
11      it's developing.

12              Staff issues identification report. The  
13      purpose of that report is to inform the  
14      Commissioners of issues that the staff believe are  
15      of higher concern in this process. All issues are  
16      of concern, but these are of higher concern. And  
17      there's the criteria that we use to establish our  
18      issues identification report.

19              Currently there was an air quality had a  
20      couple issues. If you look at that, it's  
21      justification for agricultural offsets for  
22      stationary source impacts.

23              Also volatile organic compounds being  
24      exchanged for nitrogen oxides. Basically what  
25      this is is the stuff that's coming out of the

1 power plant has to be offset with these emission  
2 reduction credits. And the applicant is  
3 suggesting that they use agricultural burn offsets  
4 that have been created. It's a little different,  
5 but it's an exchange. And that's what -- staff  
6 wants to discuss those; wants to meet with the Air  
7 District; wants to hear input from the public.  
8 And we're going to move forward with that.

9 I don't believe it's a -- it's not a  
10 deal-killer. It's just something that needs to be  
11 worked through so that we all understand how the  
12 analysis was arrived at the ratios, and how the  
13 Air District's interpretation of their own  
14 regulations are being implemented. And staff  
15 would just like to get further clarification  
16 through workshops on those issues.

17 And, of course, there's this land use.  
18 And it's pretty straightforward. There's land use  
19 designations currently on this piece of property  
20 that are not consistent with the use of this  
21 proposed project. And those are the ones.

22 You've got a project that's designated  
23 agriculture. There's a general plan amendment  
24 required; a zoning amendment; and a height  
25 variance because of the height of the stacks.

1       Probably not a real big issue, but it still  
2       requires that that has to meet County Code. And  
3       it would not be at this time.

4               This is staff's proposed schedule. If  
5       you see TBD, to be determined; this is that phase  
6       where evidentiary hearings and input -- staff has  
7       already filed their final staff assessment. We  
8       don't dictate that schedule. We do come up with a  
9       general schedule that we submit to the  
10      Commissioners and the Committee here. We did that  
11      in the issues identification report, suggesting  
12      dates.

13             Again, any date on there, some of them  
14      are carved in stone because they've already  
15      occurred. You see the top basically four days,  
16      those things have already occurred. And we're on  
17      the fifth, and it's occurring today.

18             Everything from that point forward is  
19      kind of a flexible schedule from day to day.  
20      That's targeted dates. And we do our best to  
21      stick to those. But for a multitude of reasons  
22      those dates have to slide one way or another, and  
23      we, in order to keep this 12-month process going.

24             There are some things that in order for  
25      us to meet this schedule that have to happen. the

1 applicant's timely response to data requests,  
2 which they have in their possession at this time  
3 and are going to respond to us. Right now it's  
4 targeted for February 12th.

5           Timing of the Colusa County Air  
6 Pollution Control District's filing of a  
7 determination of compliance, they have to file a  
8 preliminary determination of compliance, and a  
9 final determination of compliance. And that has  
10 to be done without our process timeframe of this  
11 12 months.

12           Determinations by the Colusa County on  
13 that land use issue. Determination of local,  
14 state and federal agencies of any issues that they  
15 may find that they feel this project doesn't meet  
16 or does not meet any of their regulations.

17           And, again, this is on the very front  
18 end of this process. So there are a lot of  
19 factors not yet known.

20           So we're in the discovery phase. We're  
21 in the early parts of the discovery phase. And  
22 we're doing our best to gather as much  
23 information, working with the applicant and their  
24 staff, and the County's, and the agencies, all the  
25 agencies that are involved, so that we can all

1 have a clear understanding. Also the public. We  
2 want you there. We want you to be involved. And  
3 we want your input on this process, because it's  
4 an important part of what goes on here at the  
5 Energy Commission.

6 With that, that's it.

7 HEARING OFFICER KRAMER: Okay. Does the  
8 applicant want to respond to the issues  
9 identification report at all?

10 MR. WELCH: No.

11 HEARING OFFICER KRAMER: Okay, then the  
12 next order in the presentation was presentations  
13 from any agencies or questions from agencies.  
14 Does the County wish to make any kind of  
15 presentation about their process, their concerns?  
16 Any other agencies?

17 Okay, hearing no one, then we will move  
18 on to questions and comments from the public. As  
19 a reminder, when you speak you need to come up to  
20 the microphone so that you have a good chance of  
21 being properly recorded in the transcript of this  
22 meeting.

23 Despite what Mr. Caswell said about  
24 looking at the preliminary staff analysis, this is  
25 still a good time for you to tell us about

1 anything that you're concerned about to make sure  
2 that when the preliminary staff analysis comes it,  
3 it's more likely to have covered your concern.

4 So, if there's something that you want  
5 to make sure that the staff and the applicant look  
6 at fully, this is a really great time to make sure  
7 that it's on the radar screen.

8 So, with that, we don't have any blue  
9 cards; so who would like to speak? No one?

10 MR. ETCHEPARE: My name's Allen  
11 Etchepare and our family farm is substantially  
12 near the project, probably one of the closest  
13 large farms.

14 We have a number of concerns regarding  
15 issues from noise to stack emissions to you name  
16 it. We farm a lot of specialty crops that are  
17 very sensitive to small deviations in temperature  
18 and pollution, anything you might want to cover.

19 I've spoken to Mr. Welch and we're --  
20 flesh out this, but I just wanted to make that  
21 public comment regarding the fact that we are a  
22 different kind of animal than the standard  
23 agriculture growing out here.

24 We grow several hundred different  
25 species of crops, and hundreds of varieties of

1 crops. And a lot of them are very expensive and  
2 very difficult to raise.

3 We're concerned that maybe this project  
4 might have an impact on our ability to continue  
5 doing it, so I'm sure we'll get some answers to  
6 that as time goes on. But I just wanted to make  
7 the comment that I'm, and our family, very  
8 concerned about this.

9 HEARING OFFICER KRAMER: As the crow  
10 flies, which direction are you from the plant?

11 MR. ETCHEPARE: West -- or excuse me,  
12 east and south. We have over 4000 acres --  
13 location.

14 HEARING OFFICER KRAMER: Are some of  
15 your crops organic?

16 MR. ETCHEPARE: Yes.

17 HEARING OFFICER KRAMER: Could you --

18 MR. ETCHEPARE: -- residence is 1.7  
19 miles from this.

20 HEARING OFFICER KRAMER: Could you  
21 provide the spelling of your last name for the  
22 court reporter.

23 MR. ETCHEPARE: E-t-c-h-e-p-a-r-e.

24 HEARING OFFICER KRAMER: Thank you.

25 ASSOCIATE MEMBER BOYD: Sir, does your

1 facility have a name, a farm name?

2 MR. ETCHEPARE: Emerald Farms.

3 ASSOCIATE MEMBER BOYD: Emerald Farms.

4 MR. ETCHEPARE: And we have others, but  
5 our primary farming company is Emerald Farms.

6 ASSOCIATE MEMBER BOYD: Thank you.

7 MR. ETCHEPARE: We also host a seed  
8 company that exists on our ranch; do a  
9 considerable amount of your specialized seeds.  
10 And that seed company's name is Seeds By Design.  
11 The owner is Patty Buster, who couldn't attend  
12 tonight because she was ill.

13 HEARING OFFICER KRAMER: Thank you for  
14 coming. Anybody else want to make a comment or  
15 ask a question?

16 Okay. I just have a couple housekeeping  
17 items. We have what we call a proof of service  
18 list for this project. And these are people that  
19 get formally served with any of the documents that  
20 are filed.

21 It seems appropriate to add the County  
22 to the list of interested agencies. So, the  
23 gentleman from the planning department or one of  
24 the board members could see me after the hearing  
25 I'll make sure that you get on the list.

1           I think we'd rather not mail five or ten  
2           copies to the County, but if we can find the best  
3           person who could be the central clearinghouse, I'd  
4           like to make sure they get on the list.

5           Actually that turns out to be the only  
6           housekeeping item. So does any party wish to make  
7           any final remarks?

8           The Committee will issue a scheduling  
9           order based on the information that was presented  
10          today. It will have some formulas in it; we're  
11          not going to pretend to predict when the final  
12          decision is going to be, because as everyone has  
13          said, there's so many variables. But it'll be a  
14          guidepost, and as necessary, we'll revise it. So  
15          that's another thing you can look for on the  
16          website if you're trying to figure out where this  
17          project is, is the scheduling order. With the  
18          caveat that it may not always reflect the latest  
19          events that could have caused a delay.

20          Do either of the Commissioners wish to  
21          make final remarks?

22          PRESIDING MEMBER GEESMAN: Yeah, I would  
23          like to. The statute provides for a 12-month  
24          licensing process. And as you saw from the staff  
25          schedule that contemplates a Commission decision

1 in the middle of December this year.

2 My term on the Commission expires at the  
3 end of December this year. And I do not want to  
4 leave this case unfinished at the end of my term.  
5 The cases at the Commission that tend to fall off-  
6 track, sometimes get lost in the cracks, are those  
7 that get handed down from one Commissioner to  
8 another.

9 And the reason for that, it's very  
10 difficult, given the voluminous record that we  
11 compile, for a new Commissioner to familiarize  
12 himself or herself with the record in a timely  
13 way, if he or she has not sat in the evidentiary  
14 hearings.

15 There's also a problem of potential  
16 staleness of the evidentiary record. And those  
17 problems seem to get accentuated when a case is  
18 passed from one Commissioner to another.

19 And I realize from the comments filed by  
20 both the applicant and the staff that it's quite  
21 possible that there'll be some disagreements over  
22 the appropriate way to assure conformity to the  
23 air quality requirements; the air quality  
24 requirements of the District and air quality  
25 requirements that the Commission feels CEQA

1 imposes on our process.

2 I want to make as clear as I can  
3 possibly be my view that the Committee can handle  
4 differences of opinion or differences of  
5 perspective. And I would encourage you to get to  
6 the point where those differences are distilled  
7 and can be presented to us in evidentiary  
8 hearings.

9 What would be bad would be for you to  
10 get into a procedural dispute where one party  
11 cannot do their work because another party hasn't  
12 completed its work. And I recognize that there is  
13 that potential between the applicant and the Air  
14 District and our staff for you-go-first-type  
15 disputes to delay the process. I don't want to  
16 see that happen. And I want to be very clear that  
17 if that does happen, I will try to determine who  
18 is responsible for it happening. And I will not  
19 be happy about that, and I'll make it very clear  
20 that I'm not happy. And I'll make it very clear  
21 who I'm not happy with.

22 So, I would encourage the applicant, the  
23 Air District and the staff, do your work, do your  
24 work in a timely way. If you have disagreements  
25 bring them forward to the Committee and we'll

1 resolve them after evidentiary hearings.

2 Thank you.

3 ASSOCIATE MEMBER BOYD: I just want to  
4 make, I guess, two comments. The air quality  
5 issue here, I think, is fairly complex and I just  
6 want to re-emphasize what Commissioner Geesman  
7 said. I see Mr. Fife now standing out there in  
8 the audience, the consulting engineer to your  
9 local Air District. And we've known each other  
10 for about 25 or 30 years. I'm an old air quality  
11 person.

12 So, I'm just telling you, I think this  
13 is an interesting and novel, and perhaps complex  
14 issue. And I just encourage you, for the reasons  
15 Commissioner Geesman mentioned, to get this  
16 underway and wrapped up as soon as you can.

17 The other point I'll make is -- and I  
18 wouldn't have thought to have said this -- as  
19 Commissioner Geesman mentioned, that his term may  
20 run out before this case is done. My term is up.  
21 I'm in overtime right now. I've asked to be  
22 reappointed by the Governor, but lord knows if  
23 that'll happen or not.

24 So Commissioner Geesman may have to  
25 finish this all by himself.

1 (Laughter.)

2 ASSOCIATE MEMBER BOYD: So you really  
3 need to take into account what he had to say. I  
4 hope I'm here to finish this case. Lord knows Bob  
5 Mussetter has been bothering me about this for a  
6 decade, I think.

7 In any event, so we'll see. But I just  
8 would encourage you to work quickly to resolve the  
9 problems and I do agree the air quality problem is  
10 going to be an interesting one. I was the State  
11 Air Quality Director for 15 years, and this is  
12 novel. So you need to work on it.

13 Thank you.

14 HEARING OFFICER KRAMER: Okay, with that  
15 we're adjourned. Thank you for coming.

16 (Whereupon, at 6:08 p.m., the  
17 informational hearing was adjourned.)

18 --o0o--

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## CERTIFICATE OF REPORTER

I, RICHARD A. FRIANT, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational 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 February, 2007.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345