

COMMITTEE STATUS CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for)
Certification for the) Docket No. 98-AFC-3
Delta Energy Center)
(Calpine Corporation)
and Bechtel Enterprises,)
Inc.))
_____)

HEARING ROOM B
CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 14, 1999
1:30 P. M.

Reported by:
Debi Baker
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

William Keese, Chairman
Presiding Member

STAFF PRESENT

Susan Gefter, Hearing Officer

Cynthia Praul, Adviser

Rosella Shapiro, Adviser

Paul Richins, Project Manager

Jeff Ogata, Staff Counsel

Kerry A. Willis, Staff Counsel

PUBLIC ADVISER

Roberta Mendonca

Priscilla Ross, Executive Assistant

REPRESENTING THE APPLICANT

Christopher Ellison
Jeffery D. Harris
ELLISON & SCHNEIDER
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Sacramento, California 95814-3109

Susan Strachan
Douglas Buchanan
DELTA ENERGY CENTER
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INTERVENORS PRESENT (VIA TELEPHONE)

Jack Hall
City of Antioch

Pauletta Lagana
CAP-IT

Katharine Poole
CURE

AGENCIES

Avan Gangapuram
City of Pittsburg

Steve Hill
Bay Area Air Quality Management District
(Via Telephone)

ALSO PRESENT

Gary Rubenstein
Sierra Research

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

2 HEARING OFFICER GEFTER: I'm going to do
3 the introductions. This is a status conference
4 conducted by a Committee of the California Energy
5 Commission on the proposed Delta Energy Center.
6 Before we begin we would like to introduce the
7 Committee and then ask the parties to identify
8 themselves for the record.

9 This conference is conducted in
10 Sacramento. However parties and interested
11 members of the public were invited to call us via
12 telephone conference and using a toll free number.
13 We can hear everyone who calls in and we will ask
14 the callers to identify themselves, in turn, as we
15 do the introductions.

16 Also, if the callers can't hear us,
17 please let us know and we'll try to speak louder.
18 First, we'll introduce the Committee, Chairman
19 William Keese, who is the Presiding Member of this
20 Committee; his Adviser, Cynthia Praul and Adviser
21 Rosella Shapiro and I'm Susan Gefter, the Hearing
22 Officer.

23 And then I'm going to ask the Applicant
24 to introduce your representatives.

25 MR. ELLISON: Thank you. I'm Chris

1 Ellison, Ellison and Schneider, attorney for the
2 Calpine-Bechtel joint venture. To my right is
3 Doug Buchanan, who is the Delta Energy Center
4 Development Manager and to his right is Susan
5 Strachan who is the Environmental Project Manager.

6 HEARING OFFICER GEFTER: Thank you.
7 Would staff introduce your representatives,
8 please?

9 PROJECT MANAGER RICHINS: I'm Paul
10 Richins, I'm the Project Manager for the Delta
11 Project, and on my left is Jeff Ogata. He's staff
12 counsel and I think he's pinch hitting for Dick
13 Ratliff that's not here today.

14 HEARING OFFICER GEFTER: Thank you.
15 And I'd like to ask the intervenors to
16 identify themselves. I understand that Kate Poole
17 is on the phone.

18 MS. POOLE: That's right, Kate Poole is
19 here representing CURE.

20 HEARING OFFICER GEFTER: Okay. And from
21 the City of Antioch?

22 MR. HALL: Jack, City of Antioch.

23 HEARING OFFICER GEFTER: And from CAP-
24 IT?

25 MS. LAGANA: Paulette Lagana from CAP-

1 IT.

2 HEARING OFFICER GEFTER: Thank you. Is
3 there anyone else on the phone?

4 Okay.

5 Are there any members from any agency
6 representatives here today?

7 MR. GANGAPURAM: Avan Gangapuram from
8 City of Pittsburg.

9 HEARING OFFICER GEFTER: Anyone else
10 representing agencies here today?

11 MR. HILL: This is Steve Hill with the
12 Bay Area Air Quality Management District on the
13 phone.

14 HEARING OFFICER GEFTER: Steve Hill?

15 MR. HILL: Yes.

16 HEARING OFFICER GEFTER: Thank you.

17 Are there any members of the public who
18 are on the phone with us today?

19 I don't hear anybody.

20 The Public Adviser, please?

21 PUBLIC ADVISER MENDONCA: Yes, Roberta
22 Mendonca, the Public Adviser. My Assistant,
23 Priscilla Ross and I have been here today.

24 HEARING OFFICER GEFTER: Thank you.

25 Is there anyone else who intends to

1 speak today? Would they please introduce
2 themselves for the record?

3 Okay. I'm going to give a little
4 background as to why we're here.

5 On February 17th, 1999, the Commission
6 accepted the Application for Certification filed
7 by Calpine and Bechtel to build and operate the
8 Delta Energy Center in the City of Pittsburg. On
9 March 30th, the Committee issued a scheduling
10 order that is based on a 12-month certification
11 period. The 12-month review period anticipates
12 that the full Commission will consider the
13 Committee's recommendation on the project at the
14 February 16th, 2000 Business Meeting.

15 Under the scheduling order the Applicant
16 is required to provide specified information by
17 certain deadlines in order to complete the
18 schedule within 12 months. The schedule also
19 requires the parties to submit status reports to
20 the Committee to indicate whether case development
21 is progressing satisfactorily.

22 The parties filed their most recent
23 status reports on June 23rd. The status reports
24 indicate that certain deadlines have not been met
25 at this time. We will discuss those status

1 reports today, as well as the Applicant's request
2 to expedite the schedule and the Applicant's
3 response to staff's report. We hope to facilitate
4 discussion among the parties to determine whether
5 the existing schedule should be modified.

6 The Committee also wants to discuss
7 whether any proposed changes to the initial
8 project description would require additional
9 review by staff and the responsible agencies.

10 During the Conference we will ask the
11 parties to make their presentations in the
12 following order: first, the Applicant, then the
13 staff, then the Intervenors, agency
14 representatives and then we'll take public
15 comment. This is somewhat of an informal process.
16 The Committee may question during each
17 presentation. We will also allow the parties to
18 ask questions at the conclusion of each
19 presentation. And before we begin, are there any
20 questions about our agenda today?

21 Yes.

22 MR. ELLISON: One, question, would you
23 like us to take up our motions separately from the
24 status report or would you like them taken up
25 together?

1 HEARING OFFICER GEFTER: I think we
2 should do it all at one time, because I think
3 they're interrelated. Yes.

4 Are there any questions from staff?

5 Okay. Do any of the Intervenors on
6 line, on the phone, have any questions at this
7 point, people on the phone?

8 Okay. Would the Applicant now begin
9 your presentation?

10 MR. ELLISON: I'd be happy to, but first
11 let me inquire as to whether there are any
12 participants who have time deadlines that might
13 not be able to stay to the end? I understand that
14 perhaps Mr. Hill, for example, of the Air Quality
15 Management District may be time limited.

16 MS. LAGANA: This is Paulette from CAP-
17 IT and I have to get off at 2:30.

18 MR. HILL: And this is Steve Hill, I
19 have to leave at three.

20 HEARING OFFICER GEFTER: Well, would you
21 want to discuss the air quality issues first? I
22 think that we should do it in sequence --

23 MR. ELLISON: Okay, well I want to make
24 sure that anybody that has to leave early has an
25 opportunity to participate and say what they want

1 to say. So, my sense is that we can go through
2 our presentation before anybody has to leave, so
3 I'll commence in doing that. But if either of the
4 individuals who are not able to stay beyond 2:30
5 in one case and three in the other need to speak
6 up, please do so.

7 Let me take up our motion, because
8 that's our most primary concern here and I think
9 Hearing Officer Gefter is correct that the issues
10 of the status of the case are intertwined with the
11 schedule in such a way that those issues will come
12 out in the discussion of our motion.

13 And in discussing our motion I want to
14 address essentially three things. I want to give
15 a brief overview or introduction and then I want
16 to talk about why expediting the schedule and
17 concluding this case by the end of the year is in
18 the public interest and is in important. And then
19 I want to talk about what our proposed scheduled
20 is and why it's feasible. And then lastly I want
21 to give a brief conclusion.

22 By way of introduction, though the most
23 important thing that I want to say to the
24 Committee on this issue is this. The question
25 before you in our view is whether the Committee

1 will give the Delta Energy Center a fighting
2 chance at an expedited schedule, whether it will
3 even try. And the reason I put it that way is
4 because of two fundamental facts that I think
5 everybody here would agree on.

6 The first is that if the Committee
7 adopts an expedited schedule it can slip that
8 schedule down the road if it turns out that there
9 are issues or we need more time. But if the
10 Committee does not adopt an expedited schedule and
11 stays with the full one-year schedule, it
12 guarantees that this case will take a year
13 regardless of the efforts of everybody involved.

14 In a sense the work expands to fill the
15 available time, if people meet whatever deadlines
16 there are. So if there's going to be any
17 opportunity at all for this case to be expedited,
18 the Committee needs to set an expedited schedule,
19 with the understanding, and I emphasize this, the
20 Applicant fully understands in making this motion,
21 that it is predicated on certain assumptions and
22 if those assumptions turn out not to be correct
23 about where the issues are going to go in the case
24 and that sort of thing, we fully understand that
25 the Committee has the power and will exercise that

1 power to change the schedule to provide more time
2 to any party that needs it.

3 But, again, if the Committee does not
4 adopt an expedited schedule now it is essentially
5 saying that we're not even going to try to move
6 this case more quickly than the full 12 months'
7 statutory maximum, which is my next introductory
8 point.

9 The 12-month schedule set forth in the
10 Warren-Alquist Act is the statutory maximum, and I
11 have participated in many discussions with
12 representatives of the Commission, both informal
13 and formal in which it has been acknowledged that
14 in an appropriate case, that the Commission would
15 attempt to resolve and get its decision out more
16 quickly than the statutory maximum time provided
17 for in the Warren-Alquist Act.

18 I'm going to spend quite a bit of time
19 discussing why I think this is such an appropriate
20 case, even in my view, to the point that if the
21 Commission cannot expedite this case, I don't know
22 what case it could expedite. There are some very
23 unique things about this case that make it much
24 more feasible to move the schedule along than any
25 other case that I am aware of. And let me touch

1 briefly on what those are.

2 The first is there is no opposition, at
3 least that we aware of, to this application.

4 Secondly, and this is the most unique thing about
5 it, this case is so intertwined with the Enron,
6 Pittsburg District Energy Facility case, that many
7 of the cumulative impacts issues in this case have
8 already been heard by the Commission and resolved
9 in the PDEF case. And, in fact, in many cases in
10 technical areas there's been specific reliance in
11 the PDEF case on work done by Calpine-Bechtel for
12 this case.

13 Thirdly, Calpine-Bechtel is working very
14 hard and is confident that there will not be any
15 contentious substantial issues for adjudication in
16 this case. Now, again, I emphasize what I said at
17 the outset. If that turns out not to be true,
18 then the Committee has the power to provide more
19 time if necessary. But I think you'll hear today
20 when we go through the issues that Calpine
21 believes very strongly that that is the case and
22 will be the case.

23 We have filed -- and I will discuss --
24 and we discuss in as much detail as the Committee
25 wants, we filed a written response to the staff's

1 status report, going through, item by item, the
2 issues that are raised there and why we believe
3 that those are not issues that, in any way, would
4 affect the schedule that we have proposed.

5 And lastly, this is a case where there
6 have been no significant project changes by the
7 Applicant. The only changes that have been made
8 by the Applicant in this case are ones which
9 reduce impacts, reduce work load for the staff.
10 For all of those reasons we think this is a unique
11 and appropriate case for expediting the schedule.

12 Now, with that, let me turn to why the
13 end of the year is important to Calpine-Bechtel.
14 I'm going to ask Mr. Buchanan to discuss that.
15 But before I do, let me make one preparatory point
16 to that discussion.

17 It is in the public interest, in my view
18 at least, for all Commission decisions to be made
19 as quickly as they can feasibly be made. So the
20 question of why is it in the public interest to
21 expedite this schedule I think should begin with
22 the precept that I hope everybody in this room
23 agrees with, that it is always in the public
24 interest for the Commission to act as quickly as
25 it feasibly can.

1 So in my view the issue is is our
2 schedule feasible and if it's not feasible what is
3 the fastest schedule that is feasible? And I
4 emphasize that we have been open in our
5 discussions with the staff and we're certainly
6 open here to hearing alternative expedited
7 schedules, to talking about changes to our
8 expedited schedule and all of those sorts of
9 things. What Calpine-Bechtel cares about is
10 getting a final decision by the end of this year.

11 And the second preparatory point before
12 I turn it over to Mr. Buchanan is to say that what
13 we do care about is getting a decision by the end
14 of the year. Now, you'll note that our schedule,
15 in fact, concludes on December 15th. It would be
16 acceptable to Calpine, Calpine-Bechtel --
17 occasionally I refer to the Applicant here as
18 Calpine for short, but it's Calpine-Bechtel -- to
19 have this case decided at the end of December.
20 But we recognize that the Commission does not
21 generally hold a Business Meeting on the 29th of
22 December and so we have been constrained to move
23 our schedule forward to the 15th by that.

24 But one of the questions that has come
25 up is what is magic about the end of the year?

1 And I will tell that one thing, as a practical
2 matter, that is magic at the end of the year is
3 that if you don't get it done by December 15th,
4 you essentially lose a month, you're basically
5 into January, into mid-January, just by virtue of
6 the holidays. And that's a very important month.

7 But I want to emphasize that Calpine
8 would certainly be willing to be here on the 29th
9 if the Commission were willing to be here on the
10 29th.

11 So, with that, let me ask Mr. Buchanan
12 to talk about, apart from what I've already said,
13 why it is so important that this case be resolved
14 by the end of the year.

15 MR. BUCHANAN: This is Doug Buchanan.
16 I'm the Development Manager for the Delta Energy
17 Center Project. And I want to give you a sense of
18 some of the business and commercial demands and
19 constraints that we face in these kinds of
20 projects.

21 The project is, in its simplest form, is
22 defined by two dates, the date it starts, the date
23 it ends. The date it started was in September,
24 which was on the formal implication of the
25 Bechtel-Calpine, Calpine-Bechtel joint venture.

1 The joint development effort did not exist prior
2 to that. When the two companies decided to get
3 together and address the California energy market,
4 negotiations took place and we agreed to jointly
5 pursue this and that culminated at the very start
6 of September of last year.

7 I was brought on as the Development
8 Manager and immediately began the process of the
9 AFC development and other kinds of work, such as
10 the filing of the Detail Facility Study
11 immediately.

12 The end date is one that we think is
13 absolutely of importance, both to us as a company
14 and we think to the California electric market and
15 electric customers as a whole.

16 Our specific objective, and our specific
17 objective in asking for this acceleration is to be
18 in place, proven and reliable to meet the summer
19 peak of 2002. And I think of the events of --

20 MS. LAGANA: Doug, your voice cut out on
21 that last statement.

22 MR. BUCHANAN: To repeat myself, the
23 specific objective of Calpine-Bechtel and the
24 specific objective of seeking this acceleration is
25 to have the Delta Energy Center in place, proven

1 and reliable to meet the summer peak of 2002.

2 As we've seen in the last several weeks,
3 as the ISO has declared a stage one and stage two,
4 what you call them, alerts, regarding the use of
5 power because of the heat waves we've had last
6 week and then this two weeks prior to that, the
7 summer peak is not occurring in August, it's not
8 occurring in September, it's occurring at the
9 start of July, maybe the end of June.

10 With that realization and
11 acknowledgement we look at the start date, we look
12 at the end date, and that end date being proven
13 for the summer peak of 2002, and then you look at
14 everything in between. And it's the
15 responsibility of myself and those that work with
16 and for me to understand, move and manage all the
17 stuff that happens in between.

18 In this particular case, the stuff, the
19 design and construct of a large power generation
20 facility, is time consumptive. And in the best
21 case, in our case, we believe that time to be 24
22 months, and that's just for the construction of
23 the facility. That's two years and that's, in
24 some cases, considered optimistic. I consider it
25 doable.

1 Within that construction we have the
2 ordering and manufacturing of large pieces of
3 equipment. In the case of Delta, the items that
4 are of a specific critical nature are the ordering
5 and manufacturing of the combustion turbines, and,
6 in this case, the order and manufacture of the
7 steam turbine. This is a large piece of equipment
8 that is turning out to be the critical path.

9 As you look at this 24 months, you say,
10 okay, how can I move this within the process?
11 Well, there's another event in this business and
12 commercial situation that we have that we refer to
13 as a financial closing, project financing. And
14 this is the point in the project where we have
15 convinced the marketplace, the capital markets,
16 that we have something of, that's worthy enough
17 and tight enough with which to lend money against.
18 And at that project financing we actually commence
19 the placement of large sums of money to effect the
20 manufacture of the steam turbines and combustion
21 turbines and other critical items, and begin
22 construction.

23 So the driver in this is the financial
24 closing. Most companies, not all, but most
25 companies will not go at risk for a \$40 million

1 piece of equipment out of their pocket. Calpine-
2 Bechtel will not. So we look to the financial
3 closing as the event that initiates the project
4 construction, the 24-month construction.

5 As we bring that backwards, we have to
6 have other things in place to effect project
7 financing, the most important of which is
8 certification. Well, if you sort of sketch this
9 out on the back of an envelop and you've come to
10 the conclusion that you need to be proven and
11 operable and reliable at full capacity by the end
12 of June, 2002, in order to meet the electric needs
13 of the Bay Area, in this case, you assume you're
14 going to need two to three months in front of that
15 to prove the plant out, 24 months in front of
16 that, brings us right back up almost into the
17 February of next year, for financial closing.

18 So with that realization on our part and
19 the very real desire to have this thing available
20 to meet the needs of the California consumer, that
21 brought us to the conclusion that we would want,
22 desire and, in effect, need to seek certification
23 earlier than what is currently scheduled.

24 There is risk in all of this. We
25 realize that, but in making this request we saw

1 that there was also an opportunity and that that
2 opportunity was that if we did our job well
3 enough, and to date we believe we've done a very
4 good job with this project, plus some luck, a lot
5 of the PDEF activities have supported Delta, that
6 we could, with clear conscience, seek an
7 acceleration and seek it in such a way that we
8 would not impact the staff's workload, which we
9 know is extraordinary at the moment, in such a way
10 that it was unrealistic.

11 And, just in closing, the real intent,
12 desire and purpose of this request is to seek
13 certification by the end of this year, such that
14 we could effect a financial closing in February or
15 potentially March of next year, commence
16 construction and be proven and in place to serve
17 the electric demands of the Bay Area in California
18 by the end of June, 2002.

19 MR. ELLISON: Now, let me turn to what
20 our proposed schedule is and why we believe it's
21 feasible, because the second half of the decision
22 to make this motion -- the first half, Mr.
23 Buchanan has just described, the urgent need to
24 expedite the schedule. But obviously the second
25 half is we had to ask ourselves whether that was

1 feasible and what was an appropriate schedule, and
2 we believe that there is an appropriate schedule
3 that is feasible.

4 We originally, in our motion, filed a
5 schedule which concluded on December 15th of this
6 year, and which expedited the schedule in various
7 small ways and a couple of big ways.

8 A couple of big ways were one, to
9 shorten the amount of time that the staff would
10 have to produce the preliminary staff assessment.
11 And, in particular, we didn't shorten the time
12 that the staff had to develop it, but rather there
13 was six weeks of management review and we felt
14 that management could be able to review it in
15 three weeks.

16 However, we understand the staff is
17 under tremendous workload right now and we met
18 with the staff to discuss the schedule with them
19 and they raised that concern about that. I want
20 to emphasize, that unlike the Enron case we are
21 not proposing to eliminate the preliminary staff
22 assessment, and we are not proposing that in
23 either of our schedules. We recognize the value
24 to the public of having that document.

25 The other way that we proposed in our

1 original schedule, the other big way to save time
2 was to reduce the amount of time for the Committee
3 to produce its Presiding Member's proposed
4 decision. And we felt that that was appropriate
5 because of the issues that had already been
6 resolved in PDEF, the fact that there weren't
7 going to be contested adjudicated issues and for
8 some other reasons that I'm going to go into in a
9 minute.

10 MS. LAGANA: Excuse me, but your voice
11 is dropping and I couldn't hear the last
12 statement.

13 MR. ELLISON: I'll try to speak up. I
14 said that the second way that we were trying to
15 save time in our original schedule was by reducing
16 the amount of time for the Committee to produce
17 the PMPD. And that we thought that was feasible
18 because of the issues that had been resolved in
19 PDEF because of the fact that we are confident
20 that we're not going to have contested significant
21 issues in the hearings and for some other reasons
22 that I'm going to talk about later, in a minute.

23 But we recognize that that's also a
24 concern. And so on Monday we filed a proposed
25 compromise schedule which sought to one, restore

1 the staff's time for the PSA. Two, to recognize
2 the need for the Bay Area Air Quality Management
3 District to file its preliminary determination of
4 compliance on, I believe, the 28th of July, if my
5 memory serves. And third, to try to restore time
6 to the Committee for the PMPD.

7 And we attempt to accomplish that in the
8 compromise schedule by eliminating the revision to
9 the PMPD, by relying upon the belief that the
10 Committee can produce a PMPD which will be close
11 enough that the comments to it can be dealt with
12 in errata, rather than going through another round
13 of public comment and rewriting of the PMPD. And
14 I emphasize that even in the Commission's standard
15 schedule, the PMPD revision is deemed optional.

16 So what we have now in the schedule that
17 we sent out on Monday, we tried to fax it out to
18 people, is a schedule which does not limit the
19 staff's time significantly to produce the PSA,
20 which divides the issues into two categories, air
21 quality and everything else, and holds separate
22 hearings on air quality and earlier hearings on
23 everything else.

24 By holding the earlier hearings on
25 everything else it allows the Committee to work on

1 the PMPD with respect to all issues except for air
2 quality and gives the Committee five to six weeks
3 to do that. Or, if the Commission were willing to
4 meet on the 29th of December it would have two
5 weeks beyond that. And then three weeks for the
6 Committee to produce the PMPD with respect to the
7 air quality issue.

8 So I think those are the significant
9 changes that we've made to the Committee schedule
10 in our proposed schedule. We recognize, though,
11 that there are some very significant workload
12 issues associated with particularly the production
13 of the PMPD. I mean by restoring the staff time
14 for the PSA we think the significant issues that
15 we now present to you are the issues related to,
16 instead of having 60 days to produce the PMPD
17 having five to six weeks and only three weeks for
18 air quality.

19 And I wanted to emphasize that we think
20 that that's doable for the following reasons.
21 One, again, we do not see these as being contested
22 issues. Two, some of these issues, as I
23 mentioned, have already been resolved,
24 particularly the cumulative impacts issues in the
25 PDEF case. But three, I also want to emphasize

1 that Calpine-Bechtel is prepared to do whatever is
2 appropriate and helpful in enabling the Committee
3 to produce that decision in that shorter amount of
4 time. And we believe there are some things that
5 the Applicant can appropriately do to assist.

6 We recognize that, obviously, the
7 Applicant cannot participate in any way in the
8 writing of the PMPD, but there are certain
9 mechanical things that we are prepared to do if
10 the Committee or the Commission were to find them
11 appropriate.

12 For example, we can submit our testimony
13 and submit our briefs in any way that the
14 Committee and the Hearing Officer desire in terms
15 of electronic format, in terms of having citations
16 in a certain format, to make them easier to
17 summarize in the decision.

18 Secondly, we understand that there are
19 some technological issues that frustrate the
20 ability to expeditiously do a PMPD in terms of the
21 Commission's equipment. I have testified in
22 support of the Commission's budget, in support of
23 staffing, and I recognize these issues. But we
24 also recognize that the Legislature hasn't always
25 responded the way we want them to.

1 There may be ways, and I simply want to
2 express Calpine-Bechtel's willingness to explore
3 any creative, and I emphasize again, appropriate
4 method that we can provide, rental equipment, in
5 terms of, you know, color copiers and that sort of
6 thing, whatever is necessary. I understand that
7 these sorts of things are issues. And perhaps
8 even to provide funding for temporary staff in
9 terms of clerical staff to help look up citations
10 and that kind of thing.

11 I've had some conversations with the
12 Hearing Office about the kinds of issues that they
13 confront when they have to write the PMPD, which
14 is unquestionably a challenging exercise. And I
15 have been told that quite a bit of Hearing Officer
16 time is devoted to doing things like looking up
17 citations in the record for the things that they
18 want to say in the PMPD, and there may be ways
19 that an applicant, without interfering or
20 participating in the development of the decision,
21 can help do that, and we are prepared to do that.

22 Most importantly, we are prepared to
23 make this PMPD easier to write by resolving all
24 the issues. And we recognize, again, we're
25 working very hard to do that. I emphasize once

1 again, that if that's not the case, if we fail in
2 that effort, such that staff, the Committee or
3 anyone else decides that we need more time from
4 this expedited schedule, the Committee can always
5 extend it.

6 But if we do not adopt the expedited
7 schedule, there is no way, no matter how hard
8 Calpine tries, that we can move this case forward
9 on anything faster than the current schedule.

10 Now, I want to talk briefly about the
11 issues in the case and why we think they are
12 resolved. And let me, in the interest of time,
13 knowing that we're going to lose some people,
14 handle it this way. We have filed a written
15 response, point by point, to the staff's status
16 report. Ms. Strachan is here and is prepared to
17 discuss that. We can go through every one of
18 those issues and are prepared to point by point,
19 talk about the status of the case, if you wish.

20 For the moment, let me just say, that we
21 believe that in every case, those are issues that
22 either are not issues or issues that will be
23 resolved consistent with the schedule that we have
24 proposed.

25 So lastly, let me conclude by saying

1 this. This is an aggressive schedule. We
2 recognize that what we proposed is an aggressive
3 schedule. We are prepared to talk about changes
4 to it that are consistent with the end date that
5 we desire. We've made that clear, I think, to the
6 staff in our informal discussions with them. We
7 certainly extend that same offer to the Committee.

8 I emphasize once again that it is a
9 schedule that can always be slipped, if it proves
10 to be infeasible, but can never be accelerated if
11 it's not adopted. It's a schedule that preserves
12 all of the mandatory aspects of the Commission's
13 process. It does not eliminate the PSA, for
14 example, as was done in Enron.

15 And lastly, I think I want just to close
16 by saying this. I think one of the important
17 aspects of the decision that you have before you
18 is the message that it will send to applicants
19 about the way to approach the Commission. When we
20 look at -- you know, it's sort of a tail of two
21 cities, a tail of two cases. You know, when
22 Calpine-Bechtel looks at the Enron case and sees
23 the way that that case was expedited -- now,
24 granted the case was finished, I believe two weeks
25 beyond the one-year deadline.

1 But if you look at how that case was
2 handled from its mid-point, when significant
3 changes in the project were filed, to the end of
4 the case, it was very much expedited. The PSA was
5 eliminated and a variety of things were done to
6 move that case forward. And that was a case where
7 the cumulative impacts had not been resolved.
8 That was a case where there were very significant
9 changes to the project, etcetera, etcetera.

10 Here you have an Applicant that has
11 worked very hard to eliminate the issues, has not
12 made significant changes to its project, what
13 cumulative impacts issues have already been
14 resolved. If, at the end of the day, both of
15 those cases were resolved in the same amount of
16 time, if you cannot expedite this case, then my
17 question to you is what case can you expedite?
18 And my more important question to you is if you
19 don't expedite this case, what is the message that
20 you're sending to applicants about the best way to
21 approach the Commission?

22 I think that it is in the Commission's
23 interest, I think it's in the public interest to
24 send the message that the Commission can and will
25 expedite projects where there are the right

1 circumstances. And we think those right
2 circumstances uniquely exist in this case.

3 HEARING OFFICER GEFTER: Thank you, Mr
4 Ellison.

5 Before Paulette Lagana has to leave, I
6 wonder if you have any questions for us?
7 Paulette?

8 MS. LAGANA: Yes, I do have some
9 comments regarding one of the compromises to the
10 schedule and that is the shortening of the public
11 comment period, and that's what I believe I heard
12 you say. Is that correct?

13 HEARING OFFICER GEFTER: Your concern is
14 the shortening of the public comment period?

15 MS. LAGANA: Right. That was one of
16 the proposed ways to compromise the schedule or to
17 expedite the schedule, is that not correct?

18 MR. ELLISON: The public comment period
19 on what?

20 MS. LAGANA: I thought you had given
21 three reasons for the compromise schedule?

22 MR. ELLISON: No, I don't believe we've
23 shortened the public comment period on any
24 significant Commission document. We certainly
25 haven't shortened it on the proposed decision.

1 The PSA would still have the public workshops
2 associated with the PSA. If there is a specific
3 concern that you have I'd be happy to respond to
4 it, but my general reaction is we certainly did
5 not intend to, and I don't believe we have,
6 curtailed public comment in any way.

7 MS. LAGANA: Okay. That's what I
8 thought I heard. That's why I was asking for a
9 point of clarification. You said there were three
10 ways that the schedule could be expedited and I
11 believed one of the things I heard you say was
12 something about the public comment period?

13 MR. ELLISON: No, we tried not to
14 shorten the public comment period.

15 MS. LAGANA: Okay.

16 HEARING OFFICER GEFTER: In the
17 compromise schedule that you submitted, originally
18 the Committee schedule has public workshops on the
19 PSA from August 11th through August 23rd, it's
20 about 12 days. And the compromise schedule
21 proposed by the Applicant has public comment on
22 the PSA for just the week of August 9th, so it is
23 shortened by a number of days.

24 MR. ELLISON: Well, let me comment about
25 that.

1 MS. LAGANA: Could you repeat those two
2 dates for me -- I'm sorry.

3 HEARING OFFICER GEFTER: All right. The
4 Committee schedule --

5 MS. LAGANA: Yes.

6 HEARING OFFICER GEFTER: -- has PSA
7 workshops from August 11th through August 23rd.
8 The proposed compromise schedule from the
9 Applicant has public workshops on the PSA the week
10 of Monday -- beginning Monday, August 9th.

11 MR. ELLISON: My comment to that is I
12 don't believe we've shortened public comment,
13 because I don't think that even under the
14 Committee's schedule that amount of time for
15 public workshops on the PSA would be required.
16 And again, I emphasize that if it turns out that
17 that's not correct, if any member of the public
18 believes that there's been insufficient public
19 workshop time, we can always add more time to the
20 schedule, but you can never delete time from the
21 schedule.

22 When I say I don't think we've cut out
23 any time for public comment, I think there is
24 sufficient time in a week of public comment on the
25 PSA, consistent with other cases that I've

1 familiar with, that have similar sorts of issues.
2 The public comment on the PSA has not taken more
3 than a week's period of time. Or to be succinct
4 about it, let me put it this way, I think you can
5 accommodate all of the public comment that people
6 would want to make within the time that we have
7 identified here.

8 MS. LAGANA: Okay.

9 MR. ELLISON: And let me emphasize
10 again, I mean one of the things that we seriously
11 considered, of course, was to say well let's
12 follow the precedent of the Enron case and just
13 eliminate the PSA. And of course if you eliminate
14 the PSA you eliminate all of the workshops.

15 We decided that was not an appropriate
16 way to go and one of the reasons we decided that
17 was precisely because we think those workshops
18 provide an important opportunity for public
19 comment on the preliminary document. And
20 remember, we're talking about the preliminary
21 staff assessment, leading to the final staff
22 assessment, leading to comments on the PMPD. So
23 there's a lot of public comment still in this
24 process.

25 HEARING OFFICER GEFTER: There's a, in

1 the proposed schedule from the Applicant, the --
2 Paulette, I'm sorry, do you have a copy of this
3 compromised schedule proposed by the Applicant?

4 MS. LAGANA: No, I don't.

5 HEARING OFFICER GEFTER: Okay. Well, it
6 should have been served on you. Mr. Ellison, do
7 you know if this was served on the CAP-IT? Yes.

8 Okay. You should be getting it pretty
9 soon or else they could fax it to you today.

10 MR. ELLISON: My understanding was that
11 it was already faxed. We served --

12 HEARING OFFICER GEFTER: It was faxed.

13 MR. ELLISON: We definitely served it on
14 everybody, but I asked specifically that my staff
15 fax it to all of the non-Calpine-Bechtel people on
16 the service list.

17 MS. PRAUL: This is Cynthia Praul.

18 I'd like to pursue this sort of time for
19 the PSA comment and hearings, if I can. And while
20 the dates are different, in terms of the length of
21 time allowed, they're triggered by a different
22 release date. So we need to look at this and
23 actually count up to what the difference is
24 between the two proposals in terms of the actual
25 number of days allowed. And my reading is that if

1 we were actually able to move the PSA up, that
2 they're coming pretty close. They're about the
3 same and we just need to have the record clear on
4 that.

5 While it doesn't need to say we're going
6 to go in any particular direction, but at least
7 with respect to that particular document it
8 doesn't appear to me we're compromising the time
9 allowed for comment and workshop. I would like to
10 emphasize here, though, that this question of
11 things not being contested necessarily, at least
12 in the front end part of the process, there's
13 still a lot of time required to go through the
14 workshop process to, indeed, get the recognition
15 and the record developed to show the basis for the
16 decision, whether it's contested or not.

17 So we still, we need, you know, a
18 reasonable amount of time there and I would have
19 to look to staff for, not necessarily right now,
20 but, you know, how many days of workshops on PSAs
21 do we have on average for a good case? You know,
22 quote, "good case," I mean good in the sense of
23 the materials that have been provided in a timely
24 manner.

25 But on that particular question, you

1 know, it looks to me like we are not fighting over
2 periods of months. It's more like a day or two,
3 you know, here or there.

4 HEARING OFFICER GEFTER: I was going to
5 ask the Applicant again, was your compromise
6 schedule sent to the Commission's document unit?

7 MR. ELLISON: Yes, it was. I have a
8 docket stamp. It was docketed on July 12th.

9 HEARING OFFICER GEFTER: Thank you.
10 Okay.

11 MR. ELLISON: It was docketed on Monday.

12 MS. ROSS: Because Paulette at CAP-IT
13 does not have a copy of this at this point in
14 time.

15 HEARING OFFICER GEFTER: Yeah, we know
16 that. She'll be getting a copy. The Applicant
17 will fix her another copy.

18 MR. ELLISON: Okay. We'll be happy to
19 do that.

20 HEARING OFFICER GEFTER: Okay. Again --

21 MS. POOLE: This is Kate Poole from
22 CURE, excuse me. I also haven't yet received a
23 copy of that compromise schedule. So if somebody
24 is faxing them out now, I'd like to have a copy
25 faxed to me as well.

1 HEARING OFFICER GEFTER: We'll go off
2 the record and please strike the last few comments
3 there.

4 (Thereupon a short recess was
5 taken.)

6 HEARING OFFICER GEFTER: We're going to
7 continue the discussion, but we need to allow for
8 any sort of concluding statements by staff.

9 MS. LAGANA: Is there something being
10 faxed right now, because I don't have a fax
11 machine next to me and I can go get it.

12 HEARING OFFICER GEFTER: I can't hear
13 you.

14 MS. LAGANA: Is there something being
15 faxed to Paulette Lagana now?

16 HEARING OFFICER GEFTER: Yes, yes.

17 Okay. Mr. Richins is going to attempt
18 to address your concerns from staff's perspective
19 regarding public workshops on the PSA.

20 PROJECT MANAGER RICHINS: What we'd like
21 to do is have a series of workshops to cover every
22 technical area and that could take anywhere from
23 two to three days to, in the case that I'm most
24 familiar with, in the Sutter case where there was
25 a number of contested issues, I believe we had

1 nine different days of hearings.

2 Now the nine days occurred not over just
3 consecutively, because there was issues being
4 worked on during the interim, in between
5 workshops. And so in a case where there are few
6 or no issues, workshops can be held consecutively
7 in a short period of time. Where there's issues
8 that are not necessarily being contested, but
9 issues that needed to be resolved, working with
10 local, state, federal agencies, working with the
11 City of Pittsburg and so forth, you may have a
12 series of workshops that might be scheduled over a
13 couple of weeks of comment.

14 HEARING OFFICER GEFTER: Thank you.
15 Okay.

16 I'm going to, because we're under a time
17 constraint, Chairman Keese has to leave shortly,
18 does the Applicant have any other conclusionary
19 remarks that you want to be sure that Chairman
20 Keese hears before he has to leave?

21 MR. ELLISON: No, other than I would
22 just reiterate that if you have any questions
23 about any of the specific issues in the case we'd
24 be happy to talk about them. I didn't talk about
25 that because we presented it in writing, but we'd

1 be happy to do that. In the interest of time,
2 though, I'm not going to go through them unless
3 you ask me to.

4 MS. PRAUL: I am going to ask, you've
5 done a fairly detailed response to what I've read
6 as a list of about eight things that staff was
7 indicating needed to be brought into the case by
8 some date certain and that was really the, sort of
9 the -- that was primarily what staff was saying in
10 its status report, was a list of those items.

11 Can you just do a three-minute or two-
12 minute summary of the kinds of responses that you
13 provided, relative, not necessarily to the
14 specific items, but where you made findings or
15 suggestions about specific things done in previous
16 cases versus this case? It would be good on the
17 record to have a short description of what your
18 responses were.

19 MR. ELLISON: Okay, let me ask Ms.
20 Strachan to go through briefly what our response
21 is. Let me also say with respect to air quality,
22 which is obviously one of the biggest issues in
23 any of these cases, we believe -- in our response
24 to status report, we said that we believed that we
25 had no issues. In discussions with the District

1 we now understand that there is still one issue,
2 and I believe the district can confirm that, but
3 we believe that's an issue that we can resolve.

4 But basically with respect to air
5 quality, which is often one of the most difficult
6 ones, even that is very good news, to say at this
7 point in the process that we are down to one
8 issue. I think Mr. Hill can speak to that and I
9 hope I'm correct. But with respect to the other
10 issues, let me turn it over to Ms. Strachan.

11 MS. STRACHAN: Thank you. I'm Susan
12 Strachan. I'm the Environmental Project Manager
13 for the Delta Energy Center Project. And I'll
14 make this real, real short since you do have it
15 before you.

16 There were a list of ten items that the
17 staff has said that would need to be resolved by,
18 I believe the date was August 12th in order for it
19 to complete its final staff assessment. And what
20 we did is a status report and in some of the cases
21 specified that, based on past cases, we didn't
22 necessarily believe that those items were required
23 at that point in time. And I'll go through those
24 briefly.

25 One of the items was completion of our

1 biological assessment by June 30th. We met that
2 date. They wanted to receive draft U. S. Fish and
3 Wildlife Service and Fish and Game opinions,
4 biological opinions, before the evidentiary
5 hearings begin. The problem with that is that
6 these agencies do not issue draft opinions.
7 However, they do have all of the documentation
8 before them.

9 We've met with U. S. Fish and Wildlife
10 and Fish and Game. They don't believe the project
11 to begin with had significant issues. The one
12 area that they had identified, where we had
13 temporary impacts was along our gasline route. We
14 have since eliminated those issues by now
15 directional drilling. You basically go very very
16 deep under all of it.

17 When we met with Fish and Wildlife
18 Service, and at the time they were saying because
19 of these temporary impacts they would have to have
20 formal consultation, they said that because the
21 issues were so minimal they didn't believe it
22 would take the 135 days. Now that we've
23 eliminated those issues, we anticipate that it
24 will take far less than the 135 days and may not
25 even require formal consultation.

1 Fish and Game has a new -- the State
2 Fish and Game has a new process for consultation.
3 They're going to wait until they hear from Fish
4 and Wildlife Service, then they'll have 30 days to
5 give their opinion.

6 In terms of past cases, the most recent
7 being the Sutter Project, that biological opinion
8 was not received before the evidentiary hearings.
9 Actually it was received finally -- it was 12 days
10 before the CEC actually approved the project, and
11 the same was the case for the permit from the Army
12 Corps of Engineers, so we're well ahead of that
13 project.

14 The Streambed Alteration Agreement,
15 another requirement of the California Department
16 of Fish and Game, they've told us that it will
17 take two months by the time they receive the
18 actual application from us. We are submitting it
19 this month. We had to wait to submit it this
20 month because they don't want to receive it until
21 all of the other documentation to Army Corps and
22 U. S. Fish and Wildlife has been submitted. So
23 that will be done -- that application actually
24 will be submitted next week.

25 But, again, to point to some past cases,

1 the Sutter Power Plant, which was certified April
2 14th has not yet applied for its Streambed
3 Alteration Agreement. The SMUD, Sacramento
4 Municipal Utility District Cogeneration Pipeline
5 Project, a 64-mile pipeline project that covered,
6 you know, made several river crossings, stream
7 crossings, it applied for its streambed alteration
8 agreement, after -- actually it was a couple of
9 months after it was certified and didn't receive
10 it until almost six months after it was certified.

11 On the wastewater discharge we were
12 going down two avenues. One was an NPDS permit.
13 The other was sending our discharge to Delta
14 Diablo Sanitation District. We have now dropped
15 the NPDS option. We are going to Delta Diablo.
16 They are just finishing their review with our
17 discharge permit and I heard from their
18 representative, Greg Baytrip a couple of days ago,
19 that they believe the permit application is
20 acceptable.

21 Air quality, as Chris said, well, why
22 don't we wait, and since we have the benefit of
23 the air district on the phone, I'll go over that
24 or pass over that.

25 In terms of the detailed facilities

1 study, we do have a detailed facilities study that
2 we've received already from PG&E and the
3 independent system operator has commented on it.
4 They have said that they believe the study is
5 adequate for the ISO to grant its preliminary
6 interconnection approval, but they wanted to see
7 some additional sensitivity studies which are
8 currently being run.

9 In this instance we look to the permit
10 condition that was actually adopted or proposed
11 for the Enron Project, which requires the project
12 owner or applicant to submit an ISO approved
13 detailed facility study once that is done, and we
14 propose that same language on this project.

15 With the Enron Project it, as you know,
16 the Presiding Member's proposed decision was
17 released June 30th and their detailed facility
18 study isn't expected to be submitted or completed
19 until July 15th.

20 The last items are some transmission
21 issues which we're working on. One was a staff
22 proposal in terms of where would our line be in
23 relation to the bypass road that's been discussed
24 on the Enron Project and the wall that goes with
25 it, and we've asked the staff to look at both

1 sides, south side and north side. Staff suggested
2 to us that we could put it on the north side.
3 We're entertaining that and we're working with the
4 railroad on that.

5 Our transition station location for our
6 underground transmission line, Paul Richins had
7 asked us to at least provide an idea of where we
8 think that will be. We have that and we'll be
9 filing that with him in the next couple of days.

10 And then there was one other item about,
11 we saw an opportunity to remove an existing 115 KV
12 line in light of the interconnection that the
13 Enron Project is doing with PASCO. If that's
14 something that can be done, it'll be great. We're
15 looking at that, but in our opinion, it shouldn't
16 be necessarily a requirement or a part of this
17 project, in that it's an extra. It's not
18 something that is contingent upon anything in
19 relation to our transmission line route.

20 And that is very quick, but you gave me
21 three minutes. I went over it a little bit.

22 Oh, I'm sorry, I missed a couple on the
23 last page.

24 Height variance. We submitted our
25 application to the City of Pittsburg back in May

1 -- excuse me, March, on the height variance and
2 it's our understanding that the City is waiting
3 for a letter from the Energy Commission asking the
4 City to make recommendations to the Energy
5 Commission on the position it would take on the
6 height variance if it did have the jurisdiction of
7 this project. Once that letter is received then
8 they will put it on the agendas of the Planning
9 Commission and the City Council and we're prepared
10 to go forward with that.

11 And then the last item is the
12 discussions with Contra Costa Fire District. And
13 we've had several meetings with them and believe
14 we'll definitely reach agreement with them. We
15 don't see a problem in that issue at all.

16 HEARING OFFICER GEFTER: Thank you.

17 Before Chairman Keese leaves I'd like
18 staff to make a presentation on your view on the
19 status of the case and what your anticipated
20 release date is for the PSA.

21 MS. LAGANA: This is Paulette Lagana
22 from CAP-IT and I'm going to have to drop off now.

23 HEARING OFFICER GEFTER: Okay, Paulette,
24 the rest of the Conference will be on transcript,
25 which we will put on the Internet for you to see.

1 MS. LAGANA: Thank you very much, I
2 appreciate it.

3 HEARING OFFICER GEFTER: Okay. Thank
4 you.

5 We're taking a bit of a recess, we can
6 go off line -- oh, we're on, never mind. Okay.

7 Okay, Mr. Richins.

8 PROJECT MANAGER RICHINS: Okay. First
9 of all I'd like to say my comments are not going
10 to be to the total of the Applicant's suggested
11 acceleration of schedule. We'll only be speaking
12 to the part that we can speak to and that is the
13 portion through the FSA. So, if you'll just take
14 my comments as it relates to the preliminary staff
15 assessment, final staff assessment and the issues
16 contained therein.

17 I want to also state that I understand
18 and am sympathetic to Calpine-Bechtel's position
19 on wanting to expedite the schedule and also their
20 desire to come on line in the middle of 2002. So
21 those are noble goals and objectives. However,
22 our goals and objectives are somewhat a little bit
23 different than theirs, not necessarily in
24 conflict, but staff's goals are slightly
25 different. And that is, it's our responsibility

1 to have a complete and thorough assessment and to
2 also try to resolve as many issues as we can
3 during the process.

4 I guess there is a number of ways of
5 proceeding. One way is for staff to hurry up and
6 do their analysis, complete their final staff
7 assessment and if there are unresolved issues,
8 kind of throw them in the lap of the Committee and
9 let the Committee work through the issues in the
10 hearings.

11 We don't recommend that process or we
12 don't recommend that approach. We recommend that
13 we be given adequate time to review the issues,
14 deal with the issues and try to resolve as many
15 issues as possible that we're capable, by working
16 with the local community, the agencies and the
17 Applicant in resolving issues. And so that's what
18 we'll propose here.

19 And to that end we think that the
20 original schedule was very thoughtful and logical.
21 It had some concepts in it that we liked. It
22 provided adequate time for comment by the public
23 on the PSA, adequate time for state, local and
24 federal agencies to review the document and
25 provide comments back to us. We're talking about

1 the City of Pittsburg, the City of Antioch, Fish
2 and Game, U. S. Fish and Wildlife Service, the
3 Regional Water Quality Board.

4 So there's a lot of agencies that we're
5 coordinating with. Also Calpine-Bechtel is also
6 coordinating with them, so it's a difficult and
7 time-consuming process that we all would hope
8 could go faster, but sometimes you don't have any
9 control over these other agencies getting comments
10 back from them.

11 We also like the concept in the original
12 schedule that was adopted by the Committee and
13 that had allowed a fair amount of time between the
14 preliminary determination of compliance from the
15 Air District to when we filed our preliminary
16 staff assessment. And, likewise, there was
17 adequate time for review of issues from the final
18 determination of compliance from the Air District
19 to the issuance of our final staff assessment.

20 Also we believe that the current
21 schedule took into consideration the current
22 workload. Currently there are nine cases in house
23 that staff is working on, and if this was the only
24 case in house we could put full-time attention to
25 it, but staff is divided nine ways and even more

1 than nine ways. We're also expecting three more
2 cases to be filed in the next couple of months,
3 and so we'll have to add adequacy issues during
4 that time period.

5 So, it's going to be a difficult
6 workload issue to try to satisfy not only Calpine-
7 Bechtel's request for just getting the PSA and FSA
8 out on the original schedule, but to accelerate it
9 is even going to be a greater hardship.

10 Also we think the schedule that was
11 originally proposed was very thoughtful by the
12 Committee in that I think it anticipated things
13 that couldn't be foreseen at the time, but happens
14 in many cases, and that is that there's always
15 changes. The project evolves, changes, gets
16 modified, refined.

17 That's not good -- that's not
18 necessarily good, that's not necessarily bad.
19 It's just a fact of life that as you get involved
20 in the issues you want to make improvements, so
21 Calpine has made improvements in the project and
22 has made some changes, but all those changes take
23 a little bit of time, coordination with the
24 agencies, takes staff additional time on analysis
25 and so forth. And so changes may be good, but

1 also changes do cause more work and could cause
2 additional time.

3 CHAIRMAN KEESE: May I ask a specific
4 question? Has the slippage of the Bay Area's
5 preliminary determination from June 21st to July
6 28th, has that caused slippage in other things
7 yet? Does that in and of itself cause any of the
8 Commission's dates to slip?

9 PROJECT MANAGER RICHINS: Well, in the
10 -- what we're going to try to do, and this will be
11 in my recommendation, is that we're going to move
12 forward without it. Normally, and in the schedule
13 that was provided, there was a time of about four
14 weeks between the preliminary determination of
15 compliance and when we filed our preliminary staff
16 assessment. We prefer that and we worked hard
17 with the Air District to achieve that, but since
18 they were not able to meet their date, we are
19 proposing to move forward with the PSA without it.
20 But with a cautionary note is that we will hold a
21 workshop whenever that document is released. And
22 so, as it relates just to the PSA, it's not
23 causing a problem, but it's problematic when you
24 get to the final staff assessment, because if the
25 PDOC is delayed, then the final DOC is

1 correspondingly delayed, and so that's going to be
2 a problem for us.

3 MS. PRAUL: And your rule of thumb is to
4 have four weeks from the FDOC to the FSA, have I
5 heard you say that or --

6 PROJECT MANAGER RICHINS: That's what's
7 in the schedule as it is now. And if -- we would
8 like to see between three and four weeks to -- if
9 there's any need for workshops and things like
10 that, it provides us adequate time to have a
11 workshop and to work through any issues that might
12 be unresolved either in the PDOC or the final DOC.

13 MS. PRAUL: Did I pick up that you have
14 a response to the compromise proposal? Is the
15 staff intending to respond to either of the two
16 most recent Applicant filings, or have you and I
17 just don't know you did?

18 PROJECT MANAGER RICHINS: Well, I'm not
19 through with my presentation, so I'm moving in
20 that direction, but I entertained questions, so I
21 guess yes is the answer.

22 MS. PRAUL: So what you're referring to
23 is a verbal response, not a subsequent to now
24 written response?

25 PROJECT MANAGER RICHINS: Yes, I was

1 just going to provide a verbal response. If the
2 Committee wants a written response, we can do
3 that.

4 MS. PRAUL: No, I just --

5 PROJECT MANAGER RICHINS: It was my
6 understanding that this would take the place of a
7 written comment.

8 MS. PRAUL: I just needed to clarify
9 that for myself to see if there was some step out
10 there that I didn't know was going to happen.

11 PROJECT MANAGER RICHINS: Let me just
12 briefly indicate some of the changes in the
13 project and probably many of them are good
14 changes, but these are changes that do cause us a
15 little bit more time. The natural gas termination
16 point for the natural gas pipeline has been
17 changed slightly. The wastewater discharge
18 process at the Delta Diablo Sanitation District,
19 there's been a number of changes back and forth on
20 that.

21 There was also consideration of adding a
22 Dow outfall to the project and then that was
23 subsequently withdrawn. They're still working
24 with Calpine-Bechtel on the location of the
25 transition station and the pump station and then

1 there's also issues related to the air quality
2 package. There was some original plans for out-
3 of-district offsets, and I believe that's been
4 changed now and taken off the table just to be in-
5 district offsets.

6 And then in the AFC there was proposals
7 for landscaping and through meetings with the City
8 of Pittsburg it was determined that it would be
9 better not to have that and so that's been
10 withdrawn. I only use those as illustrative
11 purposes to show that things are changing, things
12 are happening and the project is evolving to some
13 extent.

14 Then what I'd like to do is talk a
15 little bit about some of the key unresolved
16 issues. In the Applicant's motion to set
17 schedule, they implied basically that our analysis
18 would be probably just a repackaging of the
19 analysis that was contained in the Pittsburg Enron
20 case, that was a cookie cutter approach, and I
21 think that there are many unique issues associated
22 with this project and I'd like to go into some of
23 those.

24 There is uniqueness in the visual
25 biological resources, transmission, water, air

1 quality and noise that are quite different than
2 what was encountered in the situation with
3 Pittsburg Enron.

4 Going specifically to some of the issues
5 that still are outstanding that we feel are
6 important to have resolved during the PSA, FSA
7 period of time, so that there are few issues taken
8 to the Committee. One is the transmission system
9 engineering and downstream impacts.

10 My understanding is that there was a
11 facility study plan completed and we have comments
12 from the Cal ISO on that. However, I believe
13 Calpine-Bechtel has asked PG&E to do some
14 additional analysis. So if that additional
15 analysis changes then, that would have to go back
16 to the Cal ISO and we plan to use the Cal ISO in
17 our testimony at the time we file our FSA. So we
18 would like to see the issue of the transmission
19 system impacts and reliability issues handled in
20 the FSA.

21 Regarding the biological -- oh, is there
22 a question?

23 MS. PRAUL: I'm trying to follow -- what
24 was done in the Pittsburg case, and perhaps I'm
25 not -- maybe we're talking slightly different

1 things, but how did the staff construct its
2 testimony in the FSA for Pittsburg relative to the
3 fact that the final work wasn't done and that we
4 conditioned the decision?

5 PROJECT MANAGER RICHINS: Well, I guess
6 I'd make a cautionary note. You can do it that
7 way if you'd like. But what we're recommending is
8 that we try to resolve the issues during the FSA.
9 As I said in my introductory remarks, we can
10 produce a final staff assessment early and
11 basically say, well, there's some remaining issues
12 that need to be dealt with by the Committee, such
13 as the detail facility study. And that's how they
14 chose, the Committee chose to do it in the
15 Pittsburg Enron case. We're not recommending
16 that, but that's completely at the discretion of
17 each committee how they want to handle it.

18 MS. PRAUL: So are they not the expert
19 witnesses that provide the testimony on those
20 issues in the actual evidentiary hearings?

21 PROJECT MANAGER RICHINS: Right, and
22 what we would like to do is, if there is changes
23 in the PG&E analysis that is being conducted now,
24 Cal ISO would look at that and review that
25 concurrently with our staff and then we would file

1 -- they would file something, along with us, and
2 we'd like to do that concurrently. So when our
3 final staff assessment goes out, we will also go
4 out with the statement or testimony from Cal ISO
5 at the same time.

6 MS. PRAUL: Okay. Thank you.

7 PROJECT MANAGER RICHINS: Another issue
8 that we'd like to see and we'd like to work
9 towards resolving in the final staff assessment,
10 and that is the biological opinion from U. S. Fish
11 and Wildlife Service. As Susan indicated earlier,
12 that the biological assessment has been completed
13 and now that will be turned over to the U. S. Fish
14 and Wildlife Service for an opinion.

15 We're not sure exactly how they're going
16 to handle that. If a formal consultation is
17 required they have up to 135 days in which to do
18 that. If they do an informal maybe they can do it
19 quicker than that.

20 And so in this situation, ideally we
21 would like it resolved in the FSA. Given the time
22 constraints and so forth, this is information that
23 probably could be received during the hearing, by
24 the hearing dates as opposed by the FSA.

25 And then on the wastewater issues, we

1 would like to also resolve those issues regarding
2 discharge and pretreatment applications and
3 approvals through the regional board and Delta
4 Diablo and have that resolved in the final staff
5 assessment.

6 Then we have also the final
7 determination of compliance in the air district
8 which was mentioned. It's my understanding that
9 the preliminary determination of compliance will
10 be issued at the end of this month. Chris Tooker
11 just talked with the Air District. They indicated
12 around the 30th that the PDOC would be filed.

13 Given their regulations they have two
14 months or 60 days in which to file the final DOC.
15 So, based on that, we're talking about a final DOC
16 around the end of September.

17 Also, the issue of the height variance,
18 that will go to the City of Pittsburg and we're
19 asking them for a recommendation on if they were
20 the permitting agency, what their decision would
21 be. So that could be incorporated into our land
22 use section of the final staff assessment.

23 And then also, as Susan talked about,
24 Calpine-Bechtel is working with the fire district
25 regarding the fire truck issue.

1 MS. PRAUL: I don't know if this is the
2 place to discuss these issues substantively,
3 but --

4 CHAIRMAN KEESE: Well, I'm going to have
5 to leave, so I want to ask just one question.
6 We've heard from the -- I believe all of us in
7 theory would love to expedite these as much as
8 possible. We've heard from the Applicants that
9 they believe that there will not be contested
10 issues in this which allow that to take place
11 here.

12 I have two questions. One, does staff,
13 in general, concur with that analysis? And,
14 secondly, at what point in the process would staff
15 feel that that had been demonstrated?

16 PROJECT MANAGER RICHINS: I don't think
17 the question is whether they're contested or not.
18 I think the question is whether we have resolved
19 the issues to the satisfaction of the Energy
20 Commission staff and any of the intervenors, such
21 as the City of Pittsburg and the City of Antioch.

22 So it may not be issues that are
23 identified as contested, but the coordination with
24 those agencies is a process that takes a certain
25 amount of time.

1 CHAIRMAN KEESE: As we've seen. But my
2 indication is that contesting is going to slow us
3 down. I mean we're more likely to be slowed down
4 if we have contested issues than if we're trying
5 to work something out --

6 PROJECT MANAGER RICHINS: Well, I think
7 there's two ways to be slowed down. One --

8 CHAIRMAN KEESE: Recognizing that we are
9 totally dependent on other agencies, as we see
10 through this process.

11 MR. ELLISON: Mr. Chairman, can I offer
12 a brief comment on this?

13 CHAIRMAN KEESE: Very brief, yes.

14 MR. ELLISON: The reason that mentioned
15 this --

16 CHAIRMAN KEESE: I'm trusting the
17 Governor is going to be late.

18 MR. ELLISON: I'll be extremely brief,
19 then.

20 The reason that we mentioned the lack of
21 what we believe will be contested issues is
22 because we see the significant change that we've
23 made in the schedule as being the Committee's
24 time, the PMPD production time. If you look at
25 our compromise schedule, we have shortened the

1 amount of time for the PSA to be produced by one
2 week and for the FSA by an additional two weeks,
3 for a total of three.

4 I believe all of the issues that Mr.
5 Richins spoke about can be accomplished with
6 respect to the staff, within those times. Those,
7 to my view, are not significant changes,
8 particularly with the understanding that, and
9 there's a lot of contingency time in there, if
10 this happens, we'll need that time. If this
11 happens the Committee can extend the schedule, if
12 there are changes to the project. If the FDOC
13 doesn't come in on time.

14 There are a lot of things that -- I just
15 want to emphasize that our discussion of contested
16 issues was related to the ability of the Committee
17 to do its work and not so much the staff.

18 CHAIRMAN KEESE: We'll continue this.
19 Thank you for your indulgence here.

20 HEARING OFFICER GEFTER: We'll go off
21 the record.

22 (Thereupon a recess was taken.)

23 HEARING OFFICER GEFTER: Thank you.

24 Chairman Keese had to leave. As this is
25 not an evidentiary hearing the conference may

1 continue in the absence of the Chairman and the
2 comments made by the parties will be on the record
3 and a transcript will be available for the
4 Commissioner to review. We will not make any
5 rulings today. We will take all the comments
6 under advisement and the Committee will rule later
7 after we have a chance to deliberate.

8 We would like to continue, though, with
9 the conference and at this point we were still
10 hearing from staff.

11 PROJECT MANAGER RICHINS: Okay, I have a
12 couple more points to make.

13 In Chris Ellison's comments he indicated
14 that he felt it was in the public benefit, in the
15 public interest to expedite the schedule. I guess
16 we have a little bit of different beliefs
17 regarding that. The proposal of bifurcating the
18 process and bifurcating the final staff assessment
19 where we have a final staff assessment that goes
20 out that's sort of complete, but not quite all the
21 way there, with more to come, does not serve the
22 public.

23 We have had experience, I think, in
24 doing this in the past and I know in other siting
25 cases we've been criticized by the public and by

1 agencies for producing a document and then saying
2 well, we have to do a little bit more in air
3 quality, we have to do a little more in
4 alternatives and so forth. So we're a little bit
5 concerned about a bifurcation of the final staff
6 assessment.

7 A bifurcation of the hearings I don't
8 think is necessarily a problem, but for us to
9 produce a document that is part there and not
10 there or will follow later, I don't think serves
11 the public interest as well as it might.

12 Also bifurcating the final staff
13 assessment has workload implications and, as I
14 stated earlier, there's a number of cases, there's
15 nine cases in house. We took a look at the
16 different schedules that we have and we believe
17 that there would be impacts to schedule for the
18 Sunrise Project, Elk Hills, Metcalf, Moss Landing
19 and then data adequacy for projects that haven't
20 yet come in, but are expected to come in in the
21 next couple of months, Otay, Blythe and Morro Bay.

22 So there are workload implications for
23 those projects as well.

24 MS. PRAUL: One of the areas that the
25 Committee certainly, you know, suffers from is

1 lack of any kind of a hands on -- we are sort of
2 -- the Commissioners overall don't have sort of a
3 grand sense of how those things overlap. So I
4 think we need a little more documentation of how
5 the cases domino one another in terms of workload
6 impacts, and, you know, I don't know exactly how
7 we get that information, but obviously we're
8 sympathetic and we realize they do.

9 PROJECT MANAGER RICHINS: Well, during
10 the course of a case there are certain times that
11 are more difficult for staff to deal with and the
12 workload is greater. For instance, during data
13 adequacy in the very beginning of a case, the very
14 first six months of the case, staff are very busy
15 in various stages of a case. Data adequacy is a
16 critical time and then moving into the
17 informational hearing and issues report is a
18 critical time and then moving on into the PSA and
19 then the final staff assessment.

20 So that first six months' block of time,
21 even though a case may take a year or actually a
22 year plus 45 days, depending on how the schedule
23 works out for the, you know, the filing of the AFC
24 to data adequacy, and then when it's deemed data
25 adequate we have one year.

1 So that 45 days of data adequacy prior
2 to acceptance and then six months, the first six
3 months of the project staff are exceedingly busy.
4 Then when it moves into the Committee and to the
5 hearings, the workload drops off for the staff.
6 And so what we have looked at is different cases
7 that are involved in this, either this first 45
8 days of data adequacy or the six months doing the
9 discovery analysis and writing to primary
10 documents, the preliminary staff assessment and
11 final staff assessment.

12 And so, looking at some of the
13 schedules, these projects that I mentioned are in
14 those stages and then the data adequacy for the
15 three that we anticipate coming in. Now maybe
16 they might be delayed a bit, but that's the best
17 information we have right now.

18 And then I'll move to my
19 recommendations. And again my recommendations are
20 just limited to the PSA and the FSA. What we
21 would like to do is move forward as quickly as we
22 can with the preliminary staff assessment. As I
23 said earlier, we don't have the document from the
24 Air District as we had hoped when the initial
25 Committee schedule was adopted, but we believe we

1 can move forward with the preliminary staff
2 assessment, filing it. We're trying to get it out
3 at least a week ahead of the schedule as indicated
4 in the Committee schedule.

5 And then, like I said, ideally we would
6 prefer to have three to four weeks between when
7 the issues, whether it's in air quality, whether
8 it's in socio-economics, whether it's in biology,
9 water, air quality and so forth, we'd like three
10 to four weeks from the time the material comes in
11 for us to be able to get that incorporated into
12 our final staff assessment.

13 So the six items I believe that I talked
14 about, transmission system engineering, biological
15 resources, water, air, land use and then socio-
16 economics for the fire truck are the six areas
17 that potentially, if the information doesn't come
18 in on a timely manner, we could go out with a
19 final staff assessment that is what we call kind
20 of a placeholder section, which says these are
21 issues that are unresolved and the Committee has
22 to work on them. We would prefer that we don't
23 say that but be able to say that these issues have
24 been resolved.

25 So what we would propose is that we --

1 that the schedule not be date certain and maybe it
2 might accommodate what Chris was talking about and
3 that is at least have the opportunity for
4 accelerating the schedule and that is by directing
5 staff to produce a final staff assessment within
6 three to four weeks of the receipt of the critical
7 information in each one of those six areas.

8 And that's our recommendation so that we
9 can incorporate the information from the city on
10 the height, so we can incorporate any information
11 on the final DOC from the Air District biological
12 opinions and so forth.

13 MS. PRAUL: So for the purposes of --
14 one of the things I am trying to understand better
15 is how immediately the Committee needs to provide
16 a written response to the motion. And from a
17 simplistic perspective it looks to me that the
18 staff is going to make every effort, which I have
19 a lot of confidence in, to, in fact, meet the
20 first item of the compromise proposal. And that
21 perhaps at least at that time or -- well, so we
22 have a few days at least. You're not waiting, you
23 know, to make a grand decision for us to write
24 something?

25 PROJECT MANAGER RICHINS: What we're

1 proposing to do is get the preliminary staff
2 assessment filed, like I said, about a week ahead
3 of schedule, and it was called for initially on
4 August 2nd, so a week ahead of that. And then we
5 will immediately schedule workshops in Pittsburg
6 on all the various sections of the preliminary
7 staff assessment.

8 So we'll start the public comment and
9 review period as soon as we can. Where we see
10 there might be some potential areas where it might
11 slow us down is that we'll be waiting for possibly
12 information as it related to these six areas that
13 are -- some of them Calpine can provide us
14 information that will speed it along. In other
15 cases it's like we're relying on another agency to
16 provide this information and so we'll be making
17 phone calls. I'm sure Calpine-Bechtel will be
18 making phone calls trying to get those agencies to
19 speed up on their process, for instance, their
20 biological opinion and information from the Water
21 Resources Board and so forth.

22 MS. PRAUL: So if we were to back up in
23 the compromise schedule from -- and this is all
24 hypothetical, we're just here to experiment or to
25 brainstorm, but if we stuck with Paul's optimistic

1 baseline, which is things that need to be in the
2 record or available -- excuse me, that need to be
3 submitted three weeks before the FSA, then that
4 would be basically August 7th or so. And so the
5 real challenge for the people in the room is to
6 figure out what exactly is essential for this
7 case, you know, as opposed to how we've handled it
8 in the past, to allow Paul to create a complete
9 FSA, with the exception of air.

10 I think those are the kinds of --

11 PROJECT MANAGER RICHINS: Well, see we
12 didn't say with the exception of air, that's your
13 words --

14 MS. PRAUL: Oh, you didn't say with the
15 exception of air.

16 PROJECT MANAGER RICHINS: We didn't say
17 the exception of air, that's Chris' recommendation
18 that we bifurcate the case and put it into two
19 parts. And we've done that before and we've been
20 criticized by the public in the past for having a
21 final staff assessment. And then there's always
22 interest in air quality and they're saying well
23 we're reviewing this document that's incomplete,
24 you know, what gives here.

25 So, we have been criticized for

1 bifurcating the final staff assessment as being
2 suggested. And what I'm also suggesting is that
3 maybe the air is a critical path from a time
4 standpoint, but maybe it's not, maybe there are
5 other items as well. And so just bifurcating it
6 for air it may result in a bifurcation not only
7 just for air, but for three, four, five other
8 items as well.

9 MS. PRAUL: And you prefer to avoid any
10 bifurcation --

11 PROJECT MANAGER RICHINS: Yes.

12 MS. PRAUL: -- but air is one that is at
13 least on the table, not at your suggestion. And
14 if we're not going to bifurcate air and we stick
15 to -- you know, then we're still, you know, at
16 least a month off. If we're talking about an FDOC
17 on the 13th, then we're five weeks off on the FSA
18 on the compromise path.

19 HEARING OFFICER GEFTER: We're also, as
20 I understood it, on -- the preliminary DOC is due
21 to be released around July 30th, the end of the
22 month. Then there is a 60-day turnaround to get a
23 final DOC out. And so if the preliminary DOC is
24 issued on July 30th, the final DOC would not be
25 available until September 30th, unless it's

1 expedited. Is that your understanding?

2 MR. ELLISON: Let me comment on that.
3 The dates that we have in our compromise schedule
4 for the FDOC and the PDOC are based upon
5 conversations that we've had with the District and
6 we believe those are the dates that the District
7 has in mind. I won't quibble over the 28th versus
8 the 30th on the PDOC. But the date for FDOC after
9 that we believe is the date that the District
10 believes that they can make, assuming, again, that
11 things go as they are expected to go. And again,
12 I caveat that, you know, we're going to have
13 prehearing conference.

14 We're going to have lots of
15 opportunities for any party to say that the
16 compromise schedule needs to be slipped because
17 some issue is unresolved. But we have Mr.
18 Rubenstein here, who I believe is still here --
19 yes, who has been involved in discussions with the
20 District. I'm sorry that Mr. Hill is not still on
21 the phone to comment on it, but I do want you to
22 know that that's our best understanding of their
23 schedule.

24 PROJECT MANAGER RICHINS: So I guess
25 just assuming that the Monday, September 13th is

1 when the final DOC is provided, we would propose
2 then three to four weeks from that date that we
3 issue a final staff assessment that would include
4 resolution of all the issues, provided that this
5 was the last date that we were waiting for
6 information. If additional information was still
7 being waited for from the City, say, on the height
8 variance, we would recommend that we go three to
9 four weeks from that date. So whatever the
10 critical path date is is what we would suggest
11 that that be used as the benchmark for setting the
12 date for the final staff assessment.

13 MR. ELLISON: Paul, can I ask a
14 question? My understanding from what you said
15 earlier was that the three to four weeks, and
16 let's just take air quality, but the three to four
17 weeks was to allow time if there were unresolved
18 issues for workshops and that sort of thing to
19 discuss those issues and work them out.

20 Our schedule is predicated on the notion
21 that at least by the time of the FDOC that that
22 will not be the case. And I think everybody
23 understands that if we're wrong about that, we
24 acknowledge that the schedule would have to be
25 amended to allow for those workshops.

1 So it seems to me that the disagreement
2 that we're having here is really one of, in our
3 case we're saying, adopt a schedule that
4 recognizes it can be slipped, but doesn't allow
5 time for contingent events that might not happen,
6 recognizing if they do happen you can change the
7 schedule. Whereas I think the staff position is
8 to say leave the time in for contingent events
9 that may not happen. Is that a fair
10 characterization --

11 PROJECT MANAGER RICHINS: No, I don't
12 think so, because I would say that if the FDOC
13 came in a week ahead of this date that you have
14 down here, I would -- and that is the last missing
15 element of information, I would expect that we
16 would file, based on that expedited final DOC. So
17 it would be triggered to the receipt of whenever
18 it was. So if the item came in early, then we
19 wouldn't say, oh, well, we don't have to do it
20 until six weeks. We would complete our document
21 in three to four weeks from that date.

22 MR. ELLISON: No, my question is a
23 different question. Suppose that the FDOC comes
24 in and because of the workshops on the PDOC and
25 all those things, all the issues have been worked

1 out, you know what that FDOC is going to look like
2 when you get it, there are no surprises in it.
3 There's no -- nobody is asking for workshops,
4 there's no issues. My sense is that the staff
5 could then produce its FSA on air quality more
6 quickly than three to four weeks.

7 PROJECT MANAGER RICHINS: Yeah, I agree
8 with that.

9 MR. ELLISON: Okay. And what I think
10 the difference is, I'm just trying to see if we
11 can at least agree on where we differ, that the
12 difference is you want to leave that three or four
13 weeks in the schedule to allow for the contingency
14 that there may be issues that will require those
15 workshops. And we are saying no, let's adopt a
16 schedule that's more aggressive than that,
17 recognizing that if it turns out there are issues,
18 you can slip the schedule.

19 PROJECT MANAGER RICHINS: I think the
20 major difference is that you're suggesting that we
21 issue a document, a final staff assessment that
22 may not have all the issues dealt with in the
23 document, i.e., the example that you have of
24 bifurcating for air quality. And my point is that
25 air quality, along with some issues, may be

1 bifurcated if we go with a schedule that has a
2 date certain that we have to produce a final staff
3 assessment.

4 MR. ELLISON: Well, let me be clear
5 about what we're proposing. We are not proposing
6 to bifurcate anything other than air quality,
7 first of all. The only reason we propose to
8 bifurcate air quality is to accommodate the
9 District's workload and their schedule for what
10 they've told us when they'll be producing the FDOC
11 and the PDOC. This has nothing to do -- we're not
12 bifurcating issues that we think are controversial
13 versus those that aren't.

14 And with respect to producing a document
15 that doesn't resolve all the issues, our view is
16 that the FSA will resolve all the issues, and it
17 will simply be published, you know, in one piece
18 that has everything but air quality and another
19 piece that has air quality coming somewhat later.
20 And I don't want to suggest that nobody anywhere
21 will criticize that, but I will suggest that
22 that's a very small price to pay for the benefits
23 of having the consumers of California have their
24 electrical liability needs meet in the summer of
25 2002.

1 People can -- you know, intervenors in
2 these cases are smart enough to understand, if
3 it's carefully explained to them, that the
4 document they have does not address air quality
5 and that they're going to get a second document
6 that does. I don't think that's particularly
7 confusing.

8 But the main point I would like to make
9 is that it's very hard for us to respond to staff
10 workload issues and we do recognize that the staff
11 is very busy and we know the number of cases that
12 the staff has, we sympathetic to that. But it's
13 very hard for us to respond to those issues
14 without an awful lot more detail than we've seen
15 about who's working on what and how they would be
16 impacted.

17 But I will say that the reason we
18 proposed a compromise schedule was, in a sense, to
19 take that issue away. In part, because we knew we
20 really weren't equipped to comment on it one way
21 or the other. And if you look at the schedule
22 we've proposed, it essentially has the PSA on the
23 date that staff is intending to meet already. It
24 accelerates the FSA with respect to the non-air
25 quality issues by only two weeks. It actually

1 provides more time for the FSA on air quality than
2 the current schedule.

3 So that's all the constriction of the
4 staff we're talking about here is two weeks to
5 produce the FSA on non-air quality issues. That's
6 the workload, the staff workload issue, that's
7 what we're talking right now, in comparison to the
8 schedule that you're right now.

9 I think the real issues in this case
10 about what we're proposing, where we're really
11 saving time, is not by pressing the staff. We've
12 heard the staff tell us that they can't do this
13 and so we've tried to accommodate that. The real
14 place that we're saving time is eliminating the
15 revision of the PMPD. That's where the big chunk
16 of time comes out and cutting the time for
17 production of the PMPD down from 60 days to, in
18 the case of everything but air quality, five to
19 six weeks.

20 And we recognize that also presents some
21 issues and we've talked about ways that we might
22 be able to help in doing that.

23 HEARING OFFICER GEFTER: I want to ask
24 if Kate Poole is still on the phone?

25 MS. POOLE: Yes, I am.

1 HEARING OFFICER GEFTER: Do you have any
2 comments about the Applicant's proposal to modify
3 the schedule?

4 MS. POOLE: Well, in general, we don't
5 oppose Delta's request to speed the schedule up.
6 We think their approach to retain the PSA is a
7 wise one. That document tends to play a critical
8 role in identifying any potential issues so that
9 the parties have an opportunity to resolve those
10 issues by the time the FSA comes out. And
11 ultimately that does speed things up significantly
12 by reducing the number of issues that have to be
13 resolved at hearing.

14 If there aren't any contested issues
15 following that give and take, we think the
16 Committee can eliminate several steps that Delta
17 has identified here, including rebuttal testimony,
18 the revised PMPD, perhaps briefing altogether,
19 which the La Paloma Committee recently did and
20 probably shortened hearing time. And, as Mr.
21 Ellison noted early on, the Committee can always
22 put those steps back in if contested issues are
23 identified later on.

24 That said, we defer to staff on issues
25 regarding the timing of the PSA and the FSA

1 because we think they're in the best position to
2 determine those questions.

3 And I guess that's all I'd add to the
4 discussion.

5 HEARING OFFICER GEFTER: Thank you. Is
6 the representative from the City of Antioch still
7 on the phone?

8 MR. HALL: Yes. Calpine-Bechtel has
9 worked closely with us and we're agreeable to
10 expediting the schedule.

11 HEARING OFFICER GEFTER: Thank you.
12 Okay, at this point I think that we've heard from
13 all the parties. And the City of Pittsburg, do
14 you have any comments on this?

15 MR. GANGAPURAM: No, not really.

16 HEARING OFFICER GEFTER: Okay. Thank
17 you.

18 MR. GANGAPURAM: If they meet our --
19 basically they have to take the height variance to
20 the City Planning Commission and City Council if
21 we meet those deadlines. And then if we have the
22 public workshops as planned, the City has no
23 problems with it.

24 HEARING OFFICER GEFTER: Okay. Thank
25 you.

1 The Public Adviser, I believe has a
2 comment. Do you?

3 PUBLIC ADVISER MENDONCA: Yes. Roberta
4 Mendonca, the Public Adviser.

5 Basically, I have no position on the
6 motion whatsoever and I would agree with Mr.
7 Ellison that intervenors do follow the process and
8 probably would understand should it be determined
9 that you expedite it and end up with a bifurcated
10 document.

11 But I do agree completely with staff
12 that our process is set up to accommodate the
13 public as well. And it's the people in the public
14 that just pick up the newspaper, learn that this
15 is available, pick up the document and try to jump
16 in that point, who are severely disadvantaged when
17 the document is bifurcated.

18 It's sort of like being told, here's
19 "Gone With The Wind," read the book, but the last
20 chapter you're going to get later on. And it's
21 very confusing from my perspective to try and get
22 people on board to understand where they could fit
23 in when it's not all there.

24 So that's my only comment. I have no
25 position on the motion.

1 HEARING OFFICER GEFTER: Thank you.

2 Okay.

3 If there are any other comments, let's
4 do it now and we're going to wind up this
5 conference. Are there any more comments from the
6 Applicant? Not to repeat what you've already told
7 us, but anything else that you would like to add?

8 (Laughter.)

9 MR. ELLISON: Do I look like I was going
10 to repeat myself?

11 I would just say that we do have a
12 prehearing conference coming up that most of the
13 dates between -- in the compromise schedule
14 between now and that prehearing conference are
15 ones that I think we're going to meet anyway. I
16 hope so, anyway. And so we would, again, urge the
17 Committee to adopt an expedited schedule with the
18 understanding that if there are problems, we can
19 revisit them.

20 HEARING OFFICER GEFTER: Thank you.

21 Does staff have any final comments?

22 PROJECT MANAGER RICHINS: Well, I can
23 only repeat what I said, I think, earlier. And
24 that is just in summary if we did -- if the
25 Committee did adopt a bifurcated process and did

1 require the final staff assessment on September
2 3rd as proposed, there may be issues outside of
3 air quality that will not be adequately addressed.
4 And the items that I went over, including the
5 transmission system engineering issues, the height
6 variance from the City, the air quality, those
7 issues may or may not be resolved. And if they're
8 not resolved, our FSA would be bifurcated and we
9 would have more than one chapter, more than air
10 quality, that would be incomplete.

11 MR. ELLISON: You know, I really do have
12 to respond to that.

13 HEARING OFFICER GEFTER: I think we're
14 about ready to wind down.

15 MR. ELLISON: Well, I did not --

16 HEARING OFFICER GEFTER: Just one more
17 comment and then --

18 MR. ELLISON: All right, I'll make one
19 more comment. The specter of an incomplete FSA, I
20 think, is unfair. And I say that because what
21 Paul is saying is if these things happen, we might
22 have an incomplete document. We have responded in
23 writing to each one of those issues as to why we
24 think they're either going to happen or why we
25 think they're not issues in the first place and

1 they're things that haven't been required in other
2 cases.

3 But, if there is, in fact, an issue that
4 is a real issue, that cannot be resolved within
5 the schedule, I would emphasize again, the outcome
6 is not going to be an incomplete document or some
7 subjugation of public notice. The outcome will be
8 that this Committee will be informed of that and
9 will slip the schedule. That's what we're
10 talking.

11 HEARING OFFICER GEFTER: I understand.
12 Okay, I think that's clear.

13 Thank you very much everyone. We are
14 going to adjourn this conference now and a ruling
15 from the Committee will be forthcoming after some
16 deliberation.

17 Thank you. The meeting is closed.

18 (Thereupon the Delta Energy
19 Center Committee Status
20 Conference was concluded at
21 3:40 p.m.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of July, 1999.

DEBI BAKER

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