

INFORMATIONAL HEARING, SITE VISIT and  
ENVIRONMENTAL SCOPING MEETING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Certification for ) Docket No.  
the Genesis Solar Energy Project ) 09-AFC-8  
Genesis Solar, LLC )  
\_\_\_\_\_ )

BLYTHE CITY HALL COUNCIL CHAMBERS

235 N. BROADWAY

BLYTHE, CALIFORNIA 92225

THURSDAY, DECEMBER 10, 2009

2:00 p.m.

Reported: Martha L. Nelson, CERT\*  
Transcribed: Margo D. Hewitt, CET\*\*00480  
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Julia Levin, Presiding Member

James Boyd, Associate Member

HEARING OFFICER AND ADVISORS

Kenneth Celli, Hearing Officer

James Davis, Advisor

STAFF AND CONSULTANTS PRESENT

Caryn Holmes, Staff Attorney

J. Mike Monasmith, Project Manager

PUBLIC ADVISER

Loreen McMahan

James M. Davis

APPLICANT

Scott Galati, Attorney  
Robert Gladden, Attorney  
Galati/Blek, LLP

Scott Busa, Project Manager  
Meg Russell  
Kenneth Stein  
Matthew S. Handel  
P. Duane McCloud  
Diane Fellman  
Frank Chetalo  
Nextera Energy Resources

Tricia Bernhardt  
Tetra Tech EC, Inc.

APPLICANT

Robert Holt  
Charles Hull  
The Holt Group

Michael Tietze  
Jared Foster  
Worley Parsons

INTERVENORS

Loulena A. Miles, Attorney  
Adams, Broadwell, Joseph and Cardozo  
representing California Unions for Reliable Energy

ALSO PRESENT

Allison Shaffer, Project Manager  
Holly Roberts, Associate Field Manager  
Bureau of Land Management

Joey De Coninck, Mayor  
City of Blythe

Greg Cervantes, District Director  
Office of Assemblyperson Perez

Chuck McDaniel  
International Brotherhood of Electrical Workers

Lee Haven  
Granite Construction Company

Alfredo Figueroa

David Kehl

Bob Jensen

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P R O C E E D I N G S

2:00 p.m.

PRESIDING MEMBER LEVIN: Good afternoon, everyone, and welcome to our first site visit and informational hearing on the Genesis Solar Thermal proposed project west of Blythe.

Were most of you on the site visit a little while ago? Or were any of you not on the site visit? All right. Well, we thank the applicant for organizing it and offering it to the public.

We are going to begin the hearing which is our first informational hearing on this proposed application for a solar thermal plant, 250 megawatt plant.

The Energy Commission has a number of renewable energy applications before us, and we are very excited about that. Renewable energy is a very high priority for the State of California, for our renewable energy climate security, climate emission reduction goals, for economic development reasons, for energy security, for all sorts of reasons it's a very high priority for us.

We will do everything we can to stay on schedule both today for the hearing, we're going

1 to try to move quickly through the presentations  
2 so we can have full public comment and a  
3 conversation between the applicant and the staff  
4 on the record. Which from here on out we need to  
5 do. All of our conversations need to be on the  
6 record. We don't want there to be any possibility  
7 of off-the-record, confidential communications  
8 that could taint the process.

9 There's another important component of  
10 moving quickly to getting to a decisionmaking  
11 point, potentially in time for stimulus dollars,  
12 which is a very high priority for the Energy  
13 Commission, for the Governor and for the State of  
14 California. There's a lot at stake here, so we  
15 are looking to everyone to help us.

16 I'd like to introduce my fellow  
17 Commissioner, Commissioner Jim Boyd, who's also  
18 the Vice Chairman of the California Energy  
19 Commission. And the two of us are the siting  
20 Committee for this project. We're not the final  
21 decisionmaker, but we will oversee the hearings  
22 and the process. And then take a final decision  
23 to the full five-member California Energy  
24 Commission for a final decision on the proposed  
25 project hopefully in about a year from now, or a

1 bit less, even, in time for stimulus dollars.

2 To my immediate right is our Hearing  
3 Officer, Mr. Ken Celli, who will be running most  
4 of the proceeding today. And to my left is my  
5 Advisor, Jim Bartridge.

6 I'd like to hand it over to our staff,  
7 starting with Mr. Mike Monasmith, who is the  
8 Project Manager on this. And I'll let him  
9 introduce the rest of the Energy Commission Staff  
10 working on this project.

11 MR. MONASMITH: Thank you, Commissioner.  
12 Mike Monasmith, Project Manager, Energy  
13 Commission. To my left is Allison Shaffer, who's  
14 the Project Manager with the Bureau of Land  
15 Management and my counterpart on the fed side.

16 To her left is Caryn Holmes, Staff  
17 Counsel. We also have Robin Nayer, Staff Counsel,  
18 with us. And a number of other staff from the  
19 Energy Commission and the Bureau of Land  
20 Management.

21 PRESIDING MEMBER LEVIN: Thank you. I'd  
22 also like to introduce in the back of the room, if  
23 you'll wave your hand, Loreen McMahon, who is our  
24 Public Adviser. And she's going to tell you how  
25 you can participate in this process, how you can

1 find out more about the proposed project, what the  
2 issues are that the Commission and others are  
3 looking into, and the different ways to  
4 participate, formal or informal.

5 And now I'd like to ask Mr. Scott  
6 Galati, attorney for the applicant, to introduce  
7 the applicant.

8 MR. GALATI: Scott Galati, representing  
9 Nextera.

10 MR. BUSA: I'm going to stand up for a  
11 second. I'm sorry I was rude to the folks on my  
12 bus. I'm Scott Busa, I forgot to introduce myself  
13 on the bus, but will do it here in front of the  
14 whole room.

15 I'm a Project Director with Nextera  
16 Energy Resources, and we're the applicant  
17 proposing to build this project right here in  
18 Blythe. I'm going to ask my team members to sort  
19 of stand up and introduce themselves so you can  
20 see who they are. Real quick we'll run through  
21 that, and if you've got any questions afterwards,  
22 feel free to call on one of these guys that stand  
23 up and introduce themselves.

24 MS. RUSSELL: Meg Russell, Business  
25 Development for Nextera.

1 HEARING OFFICER CELLI: Please use the  
2 microphone.

3 MR. STEIN: I'm Kenneth Stein,  
4 Environmental Permitting Manager with Nextera.

5 MS. BERNHARDT: Tricia Bernhardt,  
6 Project Manager with Tetra Tech, working for  
7 Nextera.

8 MR. HANDEL: Matt Handel, Vice President  
9 of Development, Nextera.

10 MR. McCLOUD: Duane McCloud, Lead  
11 Engineer for Solar Development, Nextera.

12 MS. FELLMAN: Hi, I'm Diane Fellman and  
13 I'm Director of Regulatory and Governmental  
14 Affairs for Nextera in the west region, and I live  
15 in San Luis Obispo.

16 PRESIDING MEMBER LEVIN: All right,  
17 anyone else?

18 MR. CHETALO: Frank Chetalo, Project  
19 Manager of Nextera Energy.

20 MR. MONASMITH: Commissioner, can I also  
21 introduce Holly Roberts who is the Associate Field  
22 Manager for the Palm Springs Office and whom I've  
23 also been working, the entire team has been  
24 working closely with BLM. So I wanted to make  
25 sure she --

1                   PRESIDING MEMBER LEVIN: I'm going to  
2                   come -- thank you, and I am going to come to  
3                   government officials.

4                   MR. HOLT: Okay, Rob Holt with The Holt  
5                   Group, consultant to Nextera doing survey work.

6                   PRESIDING MEMBER LEVIN: And I neglected  
7                   to mention Jim Davis, who's also with the  
8                   California Energy Commission's Public Adviser's  
9                   Office. Jim, can you raise your hand.

10                  And as Ken said earlier, if anyone would  
11                  like to make public comments after the formal  
12                  presentations, we welcome that. It's critical in  
13                  this process. Please do fill out a blue card in  
14                  the back and give them either to Jim or to Loreen  
15                  in the back. And then we will call you in the  
16                  order in which we receive the blue cards.

17                  Mike, or Commissioner, or Hearing  
18                  Officer, have I missed anyone else from our staff?

19                  HEARING OFFICER CELLI: I don't believe  
20                  so.

21                  PRESIDING MEMBER LEVIN: Okay. Then I  
22                  would like to ask if there are any elected  
23                  officials present, anyone from the City of Blythe.  
24                  And, by the way, thank you very much to the City  
25                  of Blythe for allowing us to hold the hearing

1 here.

2 Sir, would you like to introduce  
3 yourself?

4 HEARING OFFICER CELLI: Please come  
5 forward to the podium because otherwise -- folks,  
6 this whole event is going to be taken down, and  
7 it's being taken down by a court reporter and  
8 being recorded. So, when you speak we need you to  
9 come to the podium and speak into the microphone  
10 so it makes the record. Thank you.

11 MAYOR De CONINCK: My name is Joey De  
12 Coninck. I've just been -- just got re-elected to  
13 be the Mayor, so --

14 PRESIDING MEMBER LEVIN: Well, thank you  
15 and congratulations.

16 (Applause.)

17 PRESIDING MEMBER LEVIN: Mr. Mayor,  
18 please thank the city for allowing us to hold the  
19 hearing here. We appreciate it very much.

20 MAYOR De CONINCK: No problem, glad to  
21 see you here.

22 PRESIDING MEMBER LEVIN: And then I'd  
23 also like to introduce Mr. Greg Cervantes, who is  
24 the District Director for Assemblyman Manuel  
25 Perez. And welcome him, and welcome the

1 Assemblyman's interests.

2 MR. CERVANTES: Thank you so much for  
3 coming in and being a part of this in our  
4 communities of the Assembly District. We  
5 certainly welcome you and thank you for taking a  
6 special interest.

7 These projects are so crucial to bring  
8 jobs and economic development in our community, so  
9 we thank you for coming in and issuing the tour to  
10 all of us in our communities.

11 Jobs are crucial and we're pushing hard  
12 to make certain that these types of projects,  
13 solar projects, are at the front end, at this  
14 corridor, as you come into California through  
15 Arizona and all these western states.

16 We're working directly with the  
17 President and the White House as we continue to  
18 bring opportunities and jobs in California and  
19 throughout the nation.

20 So, we thank you again for coming in. I  
21 do want to recognize the IBEW representative,  
22 Chuck McDaniel. Chuck, would you stand?  
23 Representing the IBEW.

24 I want to recognize Lee Haven who  
25 represents Granite Construction. Lee, would you

1 stand.

2 So this creates great opportunities in  
3 our communities in the 80th southern district. So  
4 I really want to thank you.

5 I also want to recognize the Figuerosas,  
6 great community leaders and supporters of the  
7 community. Figuerosas, would you please stand.

8 Thank you, again. Thank you for coming  
9 out to the 80th, and we're here to be of service  
10 to all of you. Thank you, again.

11 PRESIDING MEMBER LEVIN: Thank you very  
12 much.

13 ASSOCIATE MEMBER BOYD: Thank you.

14 PRESIDING MEMBER LEVIN: So I guess I  
15 neglected to introduce myself. My name is Julia  
16 Levin and I'm the Presiding Commissioner on the  
17 proposed project. And as I said, along with  
18 Commissioner Boyd, we are the Siting Committee who  
19 will be overseeing this process.

20 Finally, before I hand it over to our  
21 Hearing Officer, I just want to underscore what  
22 the purposes are of today's hearing.

23 We are not going to be making any  
24 decisions here today. We are here to introduce  
25 the project, mostly through the applicant's

1 presentation to the public, to tell you how you  
2 can participate, how to get more information, what  
3 our permitting process -- we call it a siting  
4 project -- what that looks like. How you can  
5 participate. And what to expect over the next  
6 year.

7                   There will be a conversation between,  
8 sometimes we will have questions, as the  
9 Commissioners or the Hearing Officer, or staff.  
10 The applicant can raise issues or questions. And,  
11 as I said, we will talk about all of this on the  
12 record, so it becomes part of the record for our  
13 final decision.

14                   And public comment will be on the  
15 record, as well, but we will not make any  
16 decisions today. We will welcome public comments  
17 at the end, but if you could please fill out a  
18 blue card and hold off until then, that would be  
19 great.

20                   And so, with that, I'm going to hand it  
21 over to our Hearing Officer, Mr. Celli.

22                   HEARING OFFICER CELLI: Thank you,  
23 Commissioner. Can you all hear me okay? If you  
24 wanted to make a comment today we're going to have  
25 an opportunity later. But in order to make a

1 comment, we're asking that you fill out a blue  
2 card, which you can get in the back of the room.  
3 Jim Davis, if you would hold up a blue card so  
4 that we know you're here, we know that you want to  
5 make a comment. We'll call you when we receive  
6 the blue card.

7 The California Energy Commission is a  
8 state agency with exclusive jurisdiction to  
9 license, or as we say, certify new power plants  
10 that generate 50 megawatts of electricity or more.

11 On November 4, 2009 the Energy  
12 Commission accepted as complete the application  
13 for certification for the Genesis Solar Energy  
14 Project, the 250 megawatt solar electric  
15 generating plant, that you, if you came with us on  
16 the site visit this morning, saw where that would  
17 be sited, in eastern Riverside County outside the  
18 City of Blythe.

19 Notice of today's hearing was mailed to  
20 all parties, adjoining landowners, interested  
21 governmental agencies and other individuals. The  
22 Public Adviser's Office will explain their  
23 outreach efforts later.

24 Today's hearing is the first in a series  
25 of formal Committee events that will extend over

1 the next year. The Commissioners conducting this  
2 proceeding will eventually issue what we call a  
3 proposed decision, or a Presiding Member's  
4 Proposed Decision, PMPD, which contains  
5 recommendations on the proposed project. And that  
6 goes to the full five-member Commission.

7 To be clear, the Genesis Solar Energy  
8 Project AFC Committee, and an AFC stands for  
9 application for certification, is made up of the  
10 two Commissioners, Commissioner Boyd and  
11 Commissioner Levin, their Advisors and me.

12 It is important to emphasize that the  
13 law requires that the Committee's proposed  
14 decision be based solely on the evidence contained  
15 in a public record.

16 To insure that this happens and to  
17 preserve the integrity and impartiality of the  
18 Commission's licensing process, the Commission's  
19 regulations and the California Administrative  
20 Procedure Act expressly prohibit private, off-the-  
21 record contacts concerning substantive matters  
22 between the participants in this proceeding and  
23 the Commissioners, the Committee, their Advisors  
24 and me.

25 This prohibition against the off-the-

1 record communications between parties and the  
2 Committee is known as the ex parte rule. This  
3 means that all contacts between the parties and  
4 the Committee regarding any substantive matter  
5 must occur in the context of a public discussion,  
6 such as today's event, or in the form of written  
7 communication that will be distributed to all  
8 parties.

9 The purpose of the ex parte rule is to  
10 provide a full disclosure to all participants of  
11 any information that may be used as a basis for  
12 the Committee's future decision on this project.

13 The Energy Commission Staff is a party  
14 to these proceedings in the same way that the  
15 applicant or an intervenor is a party. So even  
16 though the staff and the Committee are both  
17 members of the Energy Commission, we are  
18 completely separate entities for purposes of these  
19 proceedings. So the ex parte rule applies to  
20 Commission Staff, as it would with any other  
21 party.

22 Additional opportunities for the parties  
23 and governmental agencies to discuss substantive  
24 matters with the public will occur in public  
25 workshops to be held by the Commission Staff at

1 locations near the site, or at the Energy  
2 Commission in Sacramento.

3 The parties have requested an  
4 opportunity to discuss some technical issues  
5 today. We're going to give them that opportunity  
6 at the end of today's proceedings. So they will  
7 be able to discuss, in a workshop mode, without  
8 the presence of the Committee later on whatever  
9 issues need to be worked out.

10 The reports and letters -- or let me put  
11 it this way, regarding other communications may  
12 occur between parties and governmental agencies,  
13 and they are contained in written reports or  
14 letters that summarize these communications.

15 The reports and letters are distributed  
16 to the parties and made available for the public.  
17 And information regarding hearing dates and other  
18 events in this proceeding will be posted on the  
19 Commission's website.

20 Mr. Monasmith's going to talk about the  
21 website. The website is amazingly over-full of  
22 information. It's a great place to go. If you  
23 need information, you want to know about this  
24 project, go to the California Energy website.

25 PRESIDING MEMBER LEVIN: Or if you have

1 insomnia.

2 HEARING OFFICER CELLI: The application  
3 for certification process, or what we call the AFC  
4 process, is a public proceeding which members of  
5 the public and interested organizations are  
6 encouraged to actively participate and express  
7 their views on matters relevant to the proposed  
8 project. The Committee is interested in hearing  
9 from the community on any aspect of this project.

10 Members of the public are also eligible  
11 to intervene in the proceeding, and there are  
12 potential intervenors, which means you can file  
13 and become a party to these proceedings, a formal  
14 party. We encourage you to do so sooner than  
15 later. So if you want to do that, if you're  
16 thinking about it, do it soon, please.

17 In a moment we're going to ask the  
18 Public Adviser's representative explain the public  
19 participation process, and to provide an update on  
20 their efforts to contact local residents and other  
21 interested groups and organizations regarding this  
22 proceeding.

23 Following this we will then ask the  
24 applicant and staff to make their respective  
25 presentations. This will, in turn, be followed by

1 general comments -- well, before we get to general  
2 comments today we're going to have discussion  
3 about what are called issues identification. And  
4 then we're going to discuss scheduling. And that  
5 will be a pretty in-depth detailed discussion.  
6 After which we will then have public comment.

7 So, again, if you want to make a public  
8 comment we need you to fill out one of these blue  
9 cards that Jim Davis has in the back of the room  
10 so we know you're here, and we will call upon you.

11 We're going to now ask the parties to  
12 make their presentations, again first we're going  
13 to hear from the Public Adviser. Genesis Solar  
14 will go next. They'll describe their project.  
15 Followed by staff. And then we will discuss the  
16 issues and the schedule.

17 Jim Davis, if you wouldn't mind.

18 PRESIDING MEMBER LEVIN: Is it -- does  
19 anyone know whether it's possible to turn off the  
20 lights, some of the lights. Because I don't know  
21 if anyone -- if you can see the screen very well.

22 MR. DAVIS: Good afternoon. My name is  
23 Jim Davis, and I'm with the Public Adviser's  
24 Officer for the California Energy Commission. And  
25 today I'm here to give you a brief presentation on

1 the Public Adviser's Office, what we do. And also  
2 how the public can participate in the site  
3 process.

4 Actually, before I go any further, if  
5 the public does have any comments they want to  
6 make today, please fill out a blue card; give it  
7 to me; I'll make sure it gets to the appropriate  
8 person.

9 And we also have copies of this  
10 presentation in the back on the table over there,  
11 as well as the applicant's presentation, as well.

12 Public participation is an integral part  
13 of the process in siting. We want the public to  
14 get involved. We think it improves the process,  
15 as well as improving the outcome.

16 Public outreach is a concerted effort at  
17 the Energy Commission. We do that through the  
18 Executive Director, the Siting Division, the  
19 Hearing Office, the Media Office and the Public  
20 Adviser's Office.

21 What's a Public Adviser? We help the  
22 public understand the process. We make  
23 recommendations for the best way to be involved.  
24 And we also assist the public in successful  
25 participation in proceedings like today. Once

1           again, brochures are available for more  
2           information in the back.

3                       The notice to the public. We send out a  
4           notice of informational hearing and site visit,  
5           which is what this is, in both English and  
6           Spanish, to city and county officials. In this  
7           case, Blythe, Riverside and Ripley. We simply do  
8           our outreach with broad categories.

9                       We also do media outreach. Website  
10          public service announcement requested of the City  
11          of Blythe, Blythe Chamber of Commerce and Desert  
12          Independent. We also did outreach to local tv and  
13          radio stations.

14                      Again, with notice to the public, we do  
15          other notices, as well. The notice of the  
16          California Energy Commission's receipt of the AFC  
17          was sent out by the Siting Division. And that was  
18          done by U.S. Postal Service mailing to residents  
19          within 1000 feet of the project, and 500 feet of  
20          project linears. Linears meaning a transmission  
21          line or a pipeline or something of that sort.

22                      Libraries with copies of the AFC. Agencies,  
23          local, state and federal.

24                      A notice announcing this site visit,  
25          informational hearing was also sent out by the

1       Hearing Office, by U.S. Postal Service mailing, to  
2       everybody on the project mailing list, which would  
3       include residents, libraries and agencies. Also  
4       the people on the proof of service list, which  
5       would be the Committee, applicant, staff,  
6       interested agencies and intervenors.

7                Other types of outreach. We have  
8       Executive Director correspondence which is sent  
9       out to elected officials. We have press release,  
10      media advisories, by the California Energy  
11      Commission Media and Communications Office. And  
12      these were the various entities that were sent  
13      information.

14              Where to get information on siting  
15      cases. There are various sources you can get  
16      information from. The Energy Commission website  
17      has a lot of information on it. You can also go  
18      to the Energy Commission Library. You can also  
19      send an email to dockets email and request  
20      additional information.

21              There's various tools you can use, such  
22      as listservers. You can get on an email  
23      notification list by going to the website and  
24      signing up. You can also receive information by  
25      mail if you wish. And you can also always contact

1 the Public Adviser's Office. We're always here to  
2 help you understand the process. And if you need  
3 to get involved, we can help you along the way.

4 Where to get information. In your  
5 community you can get it at the libraries of the  
6 Palo Verde Valley District Library, the Riverside  
7 Main Library. Also, once again, electronic access  
8 to the AFC, itself, can be gotten at the Energy  
9 Commission website.

10 There are two levels of public  
11 participation in the siting process. The first  
12 one is informal participation, and that's done by  
13 comments. And, once again, you can fill out a  
14 blue card and make your comments at a site visit/  
15 informational hearing such as this one.

16 These comments are considered by the  
17 Commissioners. They are part of the record, but  
18 they're not considered evidence. Making your  
19 voice heard is very easy; verbal comments at  
20 public meetings via blue cards. And then written  
21 comments or statements to the Commission can be  
22 done through the dockets unit. But you need to  
23 make sure that you put the correct AFC number when  
24 making a comment.

25 The other form of public participation

1 is known as formal participation. And that's an  
2 intervenor. Who can become an intervenor? Anyone  
3 may file a petition to intervene in a proceeding.  
4 You do not have to be an attorney to intervene.

5 The petition is considered by the  
6 assigned committee, and if approved, you actually  
7 become a party to the proceeding.

8 How you can formally participate. You  
9 can contact the Public Adviser's Office and speak  
10 to anybody there. Or you can go to the website.  
11 You actually have to file a petition to intervene,  
12 which is a very short form to fill out.

13 It's very important to intervene as  
14 early as you can in a case, to make sure that you  
15 don't miss anything and that your information that  
16 you have to provide gets out early.

17 Benefits and responsibilities to  
18 intervening. You have the same rights and  
19 responsibilities as other parties. To receive,  
20 you receive all filings in the case, including the  
21 AFC. You receive notices of hearings and  
22 workshops the proof of service list. You can  
23 fully participate in the process of obtaining  
24 information.

25 And you can file documents and serve

1           them on all parties. And that would include  
2           motions, petitions, objections and briefs.

3                        You can also present evidence and  
4           witnesses and you can cross-examine witnesses  
5           provided by other parties.

6                        Things to keep in mind on how to  
7           participate. You can sign up to receive notices  
8           of upcoming events. You can submit written  
9           comments. You can attend publicly noticed project  
10          events.

11                      The public is really encouraged to limit  
12          comments to noticed-agenda topics. That really  
13          helps along with the process.

14                      NonEnglish-speaking is welcome, in fact  
15          we have an interpreter. That's Sylvia who came  
16          here today. And special accommodations can be  
17          made for persons with disabilities. And that's  
18          the person to contact.

19                      And, once again, my name is Jim Davis.  
20          And if you have any questions during this  
21          presentation feel free to just find me over there  
22          in the back of the room by the Public Adviser's  
23          desk, and I can give you all the information you  
24          need.

25                      Thank you.

1 HEARING OFFICER CELLI: Thank you, Jim.  
2 Ladies and gentlemen, next we're going to hear  
3 from the applicant, who will describe the project  
4 at this time. Is it Scott or -- Scott Busa.

5 MR. BUSA: Again, thanks. I'm going to  
6 sit down so I can be close to the microphone.  
7 I'll describe a little bit about our company and  
8 who we are. And also about the project, itself.  
9 Thank you for the clicker, it works.

10 Our lawyers asked us to put up this  
11 statement here because we're a publicly traded  
12 company, and I think it's an important point to  
13 make that anything I say may be speculative and  
14 you shouldn't run out and buy our stock based on  
15 anything I say today.

16 But I think it's an important point to  
17 make, is we're one of the first projects that's  
18 coming in the public forum here in the Blythe  
19 area. There's been a lot of talk in the paper, a  
20 lot of things are out there and proposed.

21 We've got kind of a long road to hoe  
22 before we actually build something. And so this  
23 truly is speculative. And I think it's important  
24 for the public to hear that if you guys are really  
25 interested in, you know, having these projects,

1       you know, out along the I-10 corridor between  
2       Blythe and Desert Center, in bringing in the  
3       revenues and the employment opportunities, it's  
4       important for you to speak up, sign a blue card,  
5       leave your comments. And you're the ones that are  
6       actually going to make this happen.

7                 So it is speculative today, but a year  
8       from now hopefully we'll be starting construction  
9       on this project, and make it a real opportunity  
10      for the community.

11                A little bit about who Nextera Energy  
12      Resources are. We are the leading U.S. renewable  
13      energy generator, and we actually operate in 25  
14      states around the U.S. and in Canada.

15                Folks here in the room may have known us  
16      by our former name, which was called FPL Energy.  
17      We are related to a sister company is a utility in  
18      Florida called Florida Power and Light. It's  
19      actually one of the largest electric utilities in  
20      the United States, with over 4.5 million  
21      customers.

22                I mention that because we're also here  
23      in the Blythe community. And spread around  
24      California. This is a pictorial of just the kind  
25      of plants that we operate around the United

1 States. Wind plants, solar plants here in  
2 California. We do operate natural gas plants,  
3 hydroelectric plants and nuclear plants.

4 And wanted to point out that, and we'll  
5 get to this in a little bit more detail, but we  
6 are the owner/operator of a facility already here  
7 and operating in town. That's the Blythe Energy  
8 Center, which is the 500 megawatt natural gas  
9 fired facility that's right here at the edge of  
10 town as you're heading west on I-10.

11 That's our project, and there's a lot of  
12 synergies and benefits that we see between already  
13 being here and operating in Blythe, and this solar  
14 plant that will be sited just outside of town.

15 Again, I mentioned not only here in  
16 Blythe, but we are spread around California. Most  
17 of our operations are with windfarms. Up in the  
18 Altamont Pass. The windfarms that you pass  
19 between here and Palm Springs, we actually own and  
20 operate some of those. The Tehachapi Pass and up  
21 in the Montezuma Windfarm areas. So we're not new  
22 to California. And again, we're not new to  
23 Blythe.

24 We're also not new to solar. We are the  
25 largest operator of commercial solar plants in the

1 United States. And, again, they're all located  
2 here in - or our collection is located here in  
3 California. There are nine commercial -- large-  
4 scale commercial power plants, solar plants, in  
5 California. All of those up in San Bernardino  
6 County. And we are the owner/operator of seven of  
7 those nine plants.

8 So we have 310 megawatts of operation up  
9 in San Bernardino County for projects that were  
10 built between 1984 and 1991. The projects that we  
11 have up there and all the experience that we've  
12 learned from owning and operating those plants  
13 over the years, we hope to duplicate with a  
14 similar project here in Blythe. And that is  
15 project Genesis.

16 Just real quick I wanted to make a  
17 distinguishing factor between the kinds of solar  
18 that folks hear about.

19 Here in town, up by the airport, and  
20 here close to City Hall, I notice there are a lot  
21 of photovoltaic panels. That's the same kind of  
22 panel that you might put up on your rooftop for a  
23 residential neighborhood.

24 Those panels generate electricity  
25 directly, and are a different technology than what

1 we're proposing for this facility called Genesis.

2 The facility that we're actually  
3 proposing, again, is similar to the technology  
4 we're already operating up in San Bernardino  
5 County. And it's based on a parabolic mirror  
6 concentrated solar power technology.

7 Essentially -- for those, I do  
8 apologize, who can't see, but we've got big  
9 mirrors that concentrate the sunlight onto a tube  
10 that runs down long rows of these mirrors. And we  
11 actually heat up a fluid in that tube. That  
12 fluid's taken back to a central power generation  
13 facility where it's used to make steam. And the  
14 steam is used to drive a turbine, which produces  
15 electricity. That part's all very similar to a  
16 traditional power plant, very similar to what the  
17 Blythe facility, the Blythe fossil facility does  
18 already.

19 So the only difference is instead of  
20 burning a fossil fuel to make steam, we're  
21 actually using the sunlight concentrated to make  
22 steam out of.

23 Specifically for the Genesis project.  
24 First of all, it's location is on about 1800 of  
25 4600 acres that we're currently looking at on

1 Bureau of Land Management property. We will  
2 actually lease this property from the Bureau of  
3 Land Management.

4 It's located, for those of you who  
5 weren't on the bus tours, just outside of town  
6 about 20 miles out at Ford Dry Lake. It's on the  
7 north side of I-10, and actually on the north side  
8 of Ford Dry Lake. So it's say four miles from the  
9 interstate highway.

10 It's going to consist of two units; two  
11 125-megawatt units. And, again, for those of you  
12 who weren't on my bus, that's about half the size  
13 of the fossil plant that's already existing here  
14 in Blythe.

15 So what we do on 50 acres with natural  
16 gas, it will actually take us about 1800 acres to  
17 do with -- twice as much to do with solar.

18 In addition to that we will be  
19 connecting the project to the transmission grid so  
20 we can sell our power to Californians in the  
21 California transmission system. And that's going  
22 to take about a 15-mile tieline between the  
23 project, itself, and the new substation that  
24 they're going to be building, and I'll have a map  
25 of that in a second, called Colorado River.

1                   And, again, I wanted to mention, too,  
2                   that one thing about this project is if we can  
3                   make it through this permitting phase, we're  
4                   pretty much good to go. We've got one other major  
5                   hurdle, and that's finding a customer. The good  
6                   news is we've already found a customer and signed  
7                   an agreement with them. And that agreement just  
8                   needs to be approved in the Public Utilities  
9                   Commission. And once that's done, and we receive  
10                  our permits, we'll be ready to go on this project.

11                  So, we've got a customer lined up. And  
12                  they need to get their power purchase agreement  
13                  approved at the Public Utilities Commission.  
14                  We've got our application in with the Energy  
15                  Commission, and with BLM. And once those permits  
16                  are issued we'd be ready to start construction,  
17                  which hopefully will happen in about a year's  
18                  time.

19                  Again, this is a map, this is the same  
20                  map that we passed out on the bus, pointing out  
21                  the project location is in the green box. About  
22                  20 miles outside of town, north of I-10, and north  
23                  of Ford Dry Lake.

24                  You see there's a lot more property up  
25                  there than we're actually going to use. We're

1           actually going to turn some of that back into BLM.  
2           We started by looking at probably an area all  
3           around Ford Dry Lake of about 15,000 acres. And  
4           narrowed that down to approximately 1800 acres,  
5           which we're looking at to actually put the solar  
6           fields on today.

7                         Just wanted to point out, too, one other  
8           important thing. I got a pointer --

9                         (Laughter.)

10                        MR. BUSA: The transmission line that I  
11           mentioned that actually ties into and will go over  
12           to the Colorado River Station, and a roadway will  
13           be built. This is the Wiley's Well Road exit  
14           right here.

15                        So we're going to build a new road from  
16           Wiley's Well Road up to the project. And that  
17           road, there'll be a transmission line run along  
18           that road.

19                        And one other advantage that we have is  
20           we actually own, just have built an existing  
21           transmission line, this yellow-and-black one here,  
22           that runs from the Blythe project, which is our  
23           project just outside of town, the fossil project.  
24           And we'll be utilizing those same poles for a  
25           portion of the route, actually this portion right

1 here, to get the Genesis Project over to the  
2 Colorado River Substation, which is yet to be  
3 built.

4 So we have an advantage there, and we  
5 don't have to put in as many poles as we otherwise  
6 might have to if we didn't already own a  
7 transmission line right outside of town here.

8 One of the main reasons that we're here,  
9 it's all that sun, that hot sun that you've got  
10 here in Blythe and in Riverside County. Excellent  
11 solar resource, fantastic place to build solar  
12 power plants out here in the desert, the Colorado  
13 Desert and also the Mojave Desert.

14 The property that we've chosen is all  
15 together; very important. It's pretty flat, not a  
16 lot of groundwork to do. As I mentioned, we're  
17 close to the existing transmission lines.

18 We will be using a little bit of natural  
19 gas, but not for power production. Only to keep  
20 some of the fluids hot in the solar field. So all  
21 of the solar projects, a lot of the solar  
22 projects, the solar-thermal projects need some  
23 sort of fuel supply to actually keep their kind of  
24 equipment warm.

25 And so when we're looking for a project

1 site it's important to be able to be close to a  
2 natural gas pipeline, also.

3 The project site, itself, is a very odd  
4 shape. It really drives the engineers crazy.  
5 They typically like a big square to put a solar  
6 project on. We started with a big square and  
7 based on our work with BLM and the Energy  
8 Commission, looking at all the biological,  
9 cultural impacts that we might have on the project  
10 site, we kind of narrowed that down and shaped the  
11 project so that we could have minimal impact on  
12 the environment out there. And that's why we  
13 ended up with such a bizarre project shape as you  
14 see today.

15 Another important aspect of our  
16 technology and our type of power generation is  
17 using water for cooling purposes. And it's the  
18 same thing the Blythe plant uses. As I was  
19 driving in today I could see the kind of the vapor  
20 plume which is just water that's rising off the  
21 cooling towers of the Blythe natural gas fired  
22 plant. And we're using the same type of cooling  
23 technology proposed in the solar plant, too.

24 And one of the things we're very  
25 concerned about is water use, especially in this

1 area. We are away from the Colorado River, being  
2 outside of town that far. And we also are sitting  
3 above a large reservoir of very poor quality  
4 saltish, brackish water that otherwise wouldn't be  
5 used. So we are proposing to use that to help  
6 farm our solar resource out there. And I know  
7 there's a lot of questions on the use of that, and  
8 hopefully we're going to be able to answer all of  
9 those.

10 Another important part, the fact that  
11 we're here close to Blythe. You could be way out  
12 in the desert somewhere where you're 50 miles from  
13 the nearest town, and that doesn't help much when  
14 you're looking for a large construction workforce  
15 and a large operating workforce. So we're kind of  
16 excited to be close enough to town, and close to  
17 where our existing operations here in Blythe  
18 already. And this, of course, will also help the  
19 state meet it's renewable portfolio standards.

20 Okay, I know some of you are here just  
21 for this information only. So this is kind of  
22 important if you work here in town or live here  
23 locally. What does this project mean to you.

24 And this is one of several proposed  
25 projects. We will be generating upwards of 1100

1 construction jobs over about a three-year period,  
2 significant amount of time.

3 So from when we get our license  
4 hopefully in December 2010, until mid 2013, we'll  
5 be doing initial construction of the project,  
6 averaging about 600 people over that time with a  
7 peak workforce of 1100 folks.

8 Just to give you an idea of what that  
9 means, the payroll alone, the direct construction  
10 payroll, is estimated at \$165 million over that  
11 three, three-and-a-half year period. So think  
12 about all that extra money floating around and  
13 where that might go, and all the other spending  
14 that that creates.

15 One thing about this large solar  
16 facility, it actually takes more people to operate  
17 it than we have operating our Blythe natural gas  
18 plant right now. And that's because it does have  
19 a similar power block to the Blythe plant, and  
20 it's got hundreds or thousands of acres of solar  
21 fields, which also need to be maintained, too.

22 So when all's said and done, we actually  
23 will have more people working at the solar  
24 facility than we have at the natural gas facility  
25 which produces twice as much power. But 40 to 50

1 full-time employees will be employed at the solar  
2 facility with a payroll estimated at about \$6  
3 million annually there.

4 So, again, a lot of roll-down and other  
5 opportunities that creates. Especially if, you  
6 know, we get approved and other projects get  
7 approved, this is a huge -- and may make a huge  
8 difference to this community. And we understand  
9 that, and we're real excited about it.

10 Timeline. We've been working on this  
11 for a long period of time already. We started  
12 back in 2007 with a big square, as I mentioned,  
13 about 15,000 acres of BLM land that we were  
14 looking at.

15 Have narrowed that down by looking at  
16 the solar resources. We looked at the critters  
17 that are running around out there. Cultural  
18 resources like old -- I mentioned this was at Ford  
19 Dry Lake. Ford Dry Lake wasn't always dry. Five  
20 hundred years ago it was actually wet. There were  
21 trees growing around it, and the Indians used that  
22 for, you know, hunting grounds. And so there are  
23 actually old fire hearths and other things all  
24 around Ford Dry Lake out there. And we positioned  
25 the project back up off the lake to avoid as many

1 of the cultural resources that we found out there.

2 Let's see, what's moving ahead, going  
3 forward. Some of you may have noticed, too, we  
4 talked about this on my bus, we have been testing  
5 the water out there to make sure that there's  
6 really a lot of this poor quality water.

7 We've just finished a second test well  
8 drilling. And if you've noticed, as you're  
9 passing Wiley's Well Road, if you're heading west  
10 out of town, there's been a large group of people  
11 working out there, with lights up at night doing  
12 this well drilling.

13 And that was because we're doing testing  
14 out there on the water resources to make sure  
15 we're having no impacts going on out there.

16 Hopefully we can move through the  
17 permitting process over the next, you know,  
18 approximately 12 months. And by this time next  
19 year I hope to be standing up here saying we've  
20 got our golden shovel in hand, and we're ready to  
21 start construction.

22 And that construction period, again,  
23 lasts between 30 and 42 months. Because we are  
24 going to bring the two power units on staggered.  
25 So the first one to come on in 2013, and the

1 second one follows in 2014.

2 Now, again, one of the purposes that  
3 we're here today is because we want and need your  
4 input. So if you want this project to happen, if  
5 you've got questions about the project, we really  
6 do need to hear from the public. Very important.

7 We want to give you that information to  
8 the best of our ability. We brought a number of  
9 our team members in today to do that. So, you  
10 know, we're really here to listen to you, our  
11 neighbors.

12 I wanted to mention that, you know, our  
13 goal here is to be a long-term owner/operator of  
14 this power plant. We're not here to get a license  
15 and sell it to somebody else. Similar to what we  
16 did with the Blythe Energy Facility currently, we  
17 plan on owning and operating the solar plant for  
18 30 years or more.

19 And so it's important to be part of and  
20 to listen to you folks out there in the community,  
21 because we are going to be part, and are already  
22 part of the community.

23 And I just wanted to point out, this is  
24 a little test for those of you, again, who can see  
25 the screen. We had a real hard time when we went

1 out to the site, since it's so far north of the  
2 interstate, we had some balloons out, and they got  
3 lost in the vastness of the desert out there.

4 But that's actually a picture near Ford  
5 Dry Lake, right along the interstate. You can see  
6 we're parked along the interstate there. And  
7 that's a visual simulation of what the project  
8 will look like when it's built.

9 And you can kind of see, that's the  
10 administration building, I believe; the cooling  
11 towers right there. The solar field runs from  
12 here all the way over to about there. And I don't  
13 even know if I can make it out from here, but from  
14 a visual impact, this will be a very very hard  
15 project to see. And we'll have almost as much  
16 difficulty as we did today on our bus tour, of  
17 actually seeing the facility.

18 So, it's certainly not going to be a big  
19 impact on the visual resources as you're driving  
20 out of town.

21 That's all I have.

22 PRESIDING MEMBER LEVIN: Mr. Busa, one  
23 follow-up question. You talked about the golden  
24 shovel, and that's sort of the image of the  
25 federal stimulus money, the American -- can't

1 remember, ARRA -- recovery and Reinvestment Act.

2 Can you tell us what the total project  
3 costs are likely to be and what portion of that  
4 federal stimulus money could provide if we permit  
5 the project and do so in time?

6 And, again, being very careful not to  
7 prejudge anything, but we would like to get at  
8 least to a decisionmaking point in time. We're  
9 trying to understand what the impact of that  
10 deadline is for you and for the community.

11 MR. BUSA: Certainly. The federal  
12 stimulus dollars that are available in the project  
13 actually come in two potential buckets.

14 First of all, you asked about the  
15 project cost. The capital investment of this  
16 project is roughly \$1 billion. So it's a  
17 significant investment that our company would be  
18 making.

19 We would be actually credited back with  
20 a roughly \$300 million from the Recovery Act, as  
21 you've mentioned. So, that's a significant impact  
22 to our company.

23 But I just wanted to say, it's actually  
24 not an impact directly to our company, because  
25 we've actually priced our power reflective of

1 getting this stimulus dollars. So really, we're  
2 rolling that into the cost of the power, reducing  
3 that cost. So it's very important for our company  
4 and for our off-taker, Pacific Gas and Electric  
5 Company.

6 And in the end, to all the ratepayers in  
7 California, that we move through this process  
8 quickly and qualify for these stimulus dollars of  
9 roughly \$300 million worth.

10 In addition to that we also are applying  
11 for a financial guarantee for financing the  
12 project. And if we are able to get that, that'll  
13 actually help in the end, instead of actually  
14 borrowing the money directly from a bank, and  
15 finding a bank to loan you the money these days is  
16 a pretty tough thing to do.

17 So the federal government is offering up  
18 a loan guarantee program that will backstop any  
19 loans that we would take out. While there's no  
20 direct dollar benefit to that, that will make  
21 access to money much easier for us. So there  
22 won't be really any question of us not being able  
23 to finance the project and be able to move forward  
24 timely.

25 PRESIDING MEMBER LEVIN: So just to

1 understand, the federal loan guarantee doesn't  
2 bring down the cost of the loan, it just makes it  
3 more likely you'll get it?

4 MR. BUSA: It actually does guarantee --  
5 we would be qualified for a lower interest rate  
6 actually, too, because of the guarantee. So there  
7 is some specific associated money with that. But  
8 the fact that we can get the money is really the  
9 important point I wanted to make.

10 PRESIDING MEMBER LEVIN: Okay, thank you  
11 very much. Commissioner Boyd, or Hearing Officer,  
12 do you have any questions for applicant?

13 ASSOCIATE MEMBER BOYD: I don't have a  
14 question at the moment, but I have some comments  
15 later on.

16 PRESIDING MEMBER LEVIN: Okay.

17 HEARING OFFICER CELLI: Thank you,  
18 Commissioner. And, thank you, Mr. Busa, for that  
19 presentation.

20 And, folks, I noticed some people came  
21 in a little later. If you wish to make a comment  
22 or have any questions we're going to have a period  
23 after the presentations for you to ask questions  
24 of the parties or make comments to the Committee.

25 And if you did come in late and would

1           like to make a comment, we need you to fill out  
2           one of these blue cards so that we can call your  
3           name when it comes time to make comments. And if  
4           you want to fill out a blue card you can get one.

5                         Jim Davis is in the back of the room.  
6           He's holding up a blue card. Go back there; fill  
7           one out, and we will call you in the order that we  
8           receive them. Thank you.

9                         With that we will now hear from the  
10          California Energy Commission Staff, Mr. Monasmith.

11                        MR. MONASMITH: Thank you, Hearing  
12          Officer Celli, Commissioner Levin, Vice Chairman  
13          Boyd. My name is Mike Monasmith. I am the  
14          Project Manager for the Genesis Project at the  
15          Energy Commission.

16                        I'm being joined today by Allison  
17          Shaffer, who is the Bureau of Land Management  
18          Project Manager.

19                        We're going to go through some slides  
20          for everybody; discuss both the state and federal  
21          components of this joint review for this project.

22                        MS. SHAFFER: Again, my name is Allison  
23          Shaffer. I work for the Bureau of Land  
24          Management, Palm Springs South Coast Field Office.  
25          And I'm a Realty Specialist/Project Manager.

1                   PRESIDING MEMBER LEVIN: Ms. Shaffer,  
2                   can you speak much more closely to the microphone,  
3                   please.

4                   MS. SHAFFER: Well, I guess that was a  
5                   good -- okay.

6                   HEARING OFFICER CELLI: Please speak  
7                   right into it, thank you.

8                   MS. SHAFFER: Okay. The BLM has a wide  
9                   variety of authorities that dictate how we manage  
10                  public lands. Our primary authority for managing  
11                  public lands, as well as the authorizing and  
12                  administering of right-of-ways comes from the  
13                  Federal Land Policy and Management Act of 1976,  
14                  otherwise known as FLPMA.

15                  FLPMA requires that we insure that all  
16                  activities authorized on public lands conform to  
17                  current land use plans and requires that  
18                  authorized activities are consistent with other  
19                  local, state and federal programs, plans, policies  
20                  to the extent practical.

21                  The BLM's current land use plan covering  
22                  eastern Riverside County, where the majority of  
23                  solar projects are being proposed, is the  
24                  California Desert Conservation Plan of 1980, as  
25                  amended, as well as the Northern and Eastern

1 Colorado Desert Land Use Plan, also known as NECO,  
2 as plan, as I mentioned, the CDCA will be  
3 considered for these projects.

4 MR. MONASMITH: The Energy Commission,  
5 state law dictates that the California Energy  
6 Commission review and license any thermal power  
7 plants of 50 megawatts or larger. And also  
8 relates to any linears we call them. That would  
9 be roads, natural gas pipelines, transmission  
10 lines, all the related linear facilities. We are  
11 the lead agency under the California Environmental  
12 Quality Act.

13 Together, BLM and Energy Staff have been  
14 working jointly and cooperatively through a number  
15 of meetings, both pre-filing and since the  
16 application came in. We also worked with local  
17 and regional governments, other state and federal  
18 agencies, particularly California Department of  
19 Fish and Game, and U.S. Fish and Wildlife Service.

20 Our licensing process begins with data  
21 adequacy, which is determination if the  
22 application for certification contains enough  
23 information for our staff to begin the licensing  
24 process.

25 The application was filed on August

1 31st. It took about seven weeks for the data  
2 adequacy, through supplemental information to come  
3 in. It was deemed data adequate by the full five-  
4 member Commission on November 4th. And the  
5 Committee was assigned, Vice Chairman Boyd and  
6 Commissioner Levin.

7 And then the next week we filed data  
8 requests. Data request analysis entails questions  
9 that our staff has of the applicant for  
10 clarification purposes on a number of different  
11 issues. Those we're going to get into a little  
12 bit later.

13 We facilitate workshops. We work with  
14 the public and other agencies. And we produce a  
15 staff assessment, which is our testimony, as to  
16 the project and our recommendations to the  
17 Committee, the Commissioners, on whether it should  
18 be approved and under what conditions.

19 The actual process that the Committee  
20 then undertakes, once they receive our testimony,  
21 entails hearings and formal proceedings we'll go  
22 over, as well.

23 This is just a flow chart to kind of  
24 describes, on the left column, the principal  
25 parties to the proceeding. And includes our

1 staff, the BLM Staff and Nextera Solar. Also  
2 other agencies, intervenors. To this date we have  
3 one intervenor, CURE. And other interested  
4 parties and the public.

5 You can see the flow of events as they  
6 come in. We did a number of pre-filing meetings  
7 with this applicant, over six that occurred in  
8 late 2008 and the first part of 2009, which is a  
9 high number.

10 We also had the petition accepted on  
11 August 31st. We started the discovery with our  
12 first round of data requests that came on November  
13 13th, which we'll talk about a little bit later.  
14 And we put out an IIR, stands for issues  
15 identification report. There are copies of the  
16 issues identification report in the back.

17 Talk a bit about what that entails,  
18 primarily it flags issues at an early stage in  
19 terms of issues that staff feel could potentially  
20 be complicated, might cause schedule delays and  
21 other complicating factors. We want to make sure  
22 we alert the Committee early on to what we're  
23 facing.

24 Ultimately we'll be done with our  
25 analysis, will produce the final staff assessment,

1 EIS, environmental impact statement. That's a  
2 joint document from both the state and federal  
3 perspectives, CEC and BLM being the two, the lead  
4 agencies.

5 We'll then have hearings -- we won't,  
6 the Committee will have hearings. They'll have a  
7 proposed decision. That proposed decision then  
8 goes to the full five-member Commission for final  
9 consideration and vote.

10 And the schedule on the side, we'll hear  
11 a little bit later about that. It's very  
12 compressed, quick schedule, as you'll see, which  
13 has put extraordinary pressure on our staff, but  
14 we'll meet the challenge.

15 Primarily we're looking at, when we make  
16 determination on the project complies with all  
17 laws, ordinances, regulations and standards, or we  
18 call them LORS. We identify issues. We look at  
19 alternatives. We look at mitigation measures and  
20 proposed conditions of certification that we  
21 recommend to the Committee in our testimony.

22 We facilitate agency and public  
23 participation in our process; produce our staff  
24 assessments; and make recommendations to the  
25 Committee.

1                   Once the Committee then has those  
2                   recommendations they will then receive information  
3                   from the applicant, intervenors and the public and  
4                   other parties, in a full-blown hearing much like  
5                   we are here today, on the record. In a setting,  
6                   we'll probably be back down here when we get to  
7                   that part of the summer.

8                   And they will then ultimately issue  
9                   what's called a PMPD, or Presiding Member's, which  
10                  is Commissioner Levin, Presiding Member's Proposed  
11                  Decision. And that will include all  
12                  considerations from staff's testimony from our  
13                  staff assessment; it will include mitigation  
14                  measures. They make their own determinations,  
15                  using their own judgment. We are separate  
16                  entities.

17                  We recommend. We give our testimony to  
18                  the Committee, but it's their decision to make.  
19                  They are objective and separate from us.

20                  Ultimately the full five-member  
21                  Commission for consideration. And then final  
22                  vote, which will happen before the end of next  
23                  year.

24                  Want to talk a bit about these?

25                  MS. SHAFFER: Sure. There are numerous

1 mandates that require the Department of the  
2 Interior and the BLM to focus and prioritize  
3 environmentally sound renewable energy  
4 development, such as the Energy Policy Act of  
5 2005, American Recovery and Reinvestment Act of  
6 2009, and executive order, secretarial orders and  
7 governor's orders.

8           Secretarial Order 3283 continues to  
9 facilitate section 211 of the Energy Policy Act of  
10 2005, to approve non-hydropower renewable energy  
11 projects on the public lands with a generation  
12 capacity of at least 10,000 megawatts of  
13 electricity by 2015.

14           Secretarial Order 3285 establishes the  
15 development of renewable energy as a priority for  
16 the Department of the Interior. And establishes a  
17 departmental task force for energy and climate  
18 change.

19           In addition to current executive,  
20 secretarial and governors' orders, BLM has  
21 implemented a new policy in order to facilitate  
22 sound renewable energy development. That policy  
23 requires right-of-way applications are processed  
24 in a timely manner, and that they are high-  
25 priority projects. Will be authorized under Title

1 V of FLPMA; will establish a rent schedule through  
2 an appraisal process, or under other direction  
3 from --

4 PRESIDING MEMBER LEVIN: Ms. Shaffer, --

5 MS. SHAFFER: -- our Washington Office.

6 PRESIDING MEMBER LEVIN: -- excuse me.

7 FLPMA is the Federal Land Policy Management Act.  
8 If you could try to say the words instead of the  
9 acronyms. I'm not sure everyone in the audience  
10 knows all of them yet.

11 MS. SHAFFER: Oh, I apologize, I --

12 PRESIDING MEMBER LEVIN: That's all  
13 right.

14 MS. SHAFFER: -- thought I said it  
15 already. I will --

16 ASSOCIATE MEMBER BOYD: It's not just  
17 the audience.

18 (Laughter.)

19 MS. SHAFFER: I will continue to say it  
20 out.

21 PRESIDING MEMBER LEVIN: Thank you.

22 MS. SHAFFER: For further information on  
23 solar energy technology you can view either one of  
24 the following websites on the slide.

25 MR. MONASMITH: And copies of the slides

1 are in the back.

2 MS. SHAFFER: Thank you. BLM  
3 regulations under 43CFR, also known as Code of  
4 Federal Regulations, 2800 provide direction on the  
5 processing and management of right-of-ways. There  
6 are a variety of BLM websites that provide  
7 information on the right-of-way process. Those  
8 links are on the slide, which are available in the  
9 back of the room.

10 When the BLM receives an application,  
11 the BLM-authorized officer's role is to respond to  
12 the proposal. We undergo a thorough  
13 preapplication screening processes through an  
14 internal BLM interdisciplinary team. A review of  
15 resources and conformance with current land use  
16 plans.

17 After an interdisciplinary team review  
18 of the proposal, it is at the discretion of the  
19 authorized officer to accept or reject the  
20 proposal.

21 If the proposal is accepted BLM will  
22 process the application. And in the cases of  
23 solar, propose a plan amendment, or a land use  
24 plan amendment, which may or may not be approved.

25 With the Genesis Project the notice of

1 intent to plan and prepare an EIS was published in  
2 the Federal Register on November 23, 2009, which  
3 initiated a 30-day public scoping period. And  
4 that public scoping period ends December 23rd.

5 The slide outlines the land use plan  
6 amendment and NEPA process, NEPA being National  
7 Environmental Policy Act. If this project  
8 requires a land use plan amendment, the BLM will  
9 publish a notice of intent which initiates a 30-  
10 day scoping period.

11 And as I mentioned before, that scoping  
12 period has already begun for the Genesis Project.  
13 Once the scoping period closes, which will be  
14 December 23, 2009, BLM will prepare a scoping  
15 report for the public to review. And that report  
16 is available for a 30-day comment period.

17 As a result of public scoping BLM and  
18 its partners formulate alternatives that are  
19 generally designed to mitigate environmental  
20 issues. Once the draft environmental impact  
21 statement is ready for publication, the BLM will  
22 publish a notice of availability initiating a 90-  
23 day comment period on the document.

24 The BLM and the California Energy  
25 Commission will consider all relevant comments,

1 and then will prepare a joint final environmental  
2 impact statement, land use plan amendment staff  
3 assessment.

4 Once the final is published the public  
5 is afforded a 30-day protest period that is run  
6 concurrently with a 60-day governor's consistency  
7 review. If this process runs smoothly, the BLM  
8 and the CEC will sign a record of decision land  
9 use plan amendment. And both agencies may  
10 authorize the project.

11 The BLM will issue a right-of-way grant  
12 pursuant to 43CFR, also known as Code of Federal  
13 Regulations, 2800. And the CEC a site  
14 certification.

15 MR. MONASMITH: There'll be a test on  
16 that afterwards.

17 (Laughter.)

18 MR. MONASMITH: Actually, it's been a  
19 challenge for the, I must say, the Energy  
20 Commission to have worked, at least for me, under  
21 the California Environmental Quality Act, or CEQA,  
22 for us then to join with a federal agency. And at  
23 the outset it did seem a bit daunting.

24 But as it turns out, it's actually been  
25 a pretty seamless project. We've complemented

1 each other quite well, and we're working together  
2 as a team, I think, in a way that I've never seen  
3 before. Especially in terms of the wildlife  
4 agencies like Fish and Game, U.S. Fish and  
5 Wildlife Service, BLM, ourselves and other  
6 resource agencies, Bureau of Reclamation and  
7 others.

8 And it's been -- for those of us who  
9 believe in government and governmental service, to  
10 see this happening.

11 These are the contacts, and the Genesis  
12 Committee, which you've obviously been introduced  
13 to already. And as well as myself and the Public  
14 Adviser's Office. Information in the back.  
15 Information for Allison and others from the BLM,  
16 contact information, website information also  
17 there for you guys.

18 Public participation, we already went  
19 through many of these things before. So I'm just  
20 going to kind of click right through them. The  
21 Public Adviser's Office did an excellent job  
22 outlining that for you earlier.

23 Right now I want to talk a bit about the  
24 staff. Our issues identification report, which  
25 will form the basis for some back-and-forth

1 discussion with the applicant that will follow  
2 this.

3 The issues identification report was  
4 written soon after the AFC was deemed data  
5 adequate. And we engaged in the first round of  
6 data requests, or official questions to the  
7 applicant, which they will be responding in their  
8 data responses or answers this coming Monday, 30  
9 days after they received them.

10 And based on that, based on initial feel  
11 for the project we issued this report. It talks  
12 about the main issues, about potential conflicts,  
13 if the project's going to be in compliance with  
14 LORS, if there's going to be schedule delays. And  
15 we talked about that; we detail it. And we give  
16 it to the Committee so they can have an updated  
17 status on this, which they're always interested to  
18 receive.

19 Potential issue areas for this project  
20 that staff determined. And we have an excellent  
21 staff of engineers and scientists, analysts and  
22 planners. We look at over 21 technical areas for  
23 any given project. Everything from air quality  
24 and biological resources to waste management and  
25 worker safety. We're very thorough. We have a

1 very professional staff. And we've been working  
2 quite hard on this project and others.

3 Biology, cultural, soil and water,  
4 multiple use resources and cumulative impacts, and  
5 alternatives were those that we highlighted of the  
6 21 that we looked at for the points of the project  
7 that we wanted to alert the Committee to.

8 Under biological resources, this is a  
9 large project, 1800 acres, the solar field, and  
10 linears. There's many federal, state species  
11 involved. There's going to be implementation of  
12 sophisticated and intricate mitigation plans that  
13 deal with plants and species and land that will be  
14 used. And we've been meeting on that, and  
15 discussing those issues.

16 The cumulative impacts are something we  
17 have to look at, as well. And it was something  
18 that we're actually going to talk about later with  
19 our staff.

20 Same with cultural resources. A high  
21 number of cultural resources. Ken talked a bit  
22 earlier about the location, next to the Ford Dry  
23 Lake. Former area of Native Americans. So we are  
24 obviously interested in that. And the large size  
25 of the project and not knowing exactly what's

1 under the ground, we had to make sure to look at  
2 that closely.

3 So, a lot of resources with the large  
4 area that's going to be graded, in terms of soil  
5 erosion and surface water impacts. We need to  
6 look at that. They will be pumping groundwater  
7 for purposes of wet cooling, as well as the  
8 industrial needs that they need in order to  
9 generate electricity. Not a lot of information on  
10 the groundwater in this area in terms of past  
11 analysis and modeling that's been done. So  
12 obviously we're curious about that.

13 We've been working a lot on both biology  
14 and water already with the applicant. We had over  
15 227 data requests, or specific questions that were  
16 issued back on November 14th.

17 And since then we've had three data  
18 request workshops which involved specific  
19 questions back and forth between staff, our agency  
20 partners and the applicant, making suer they  
21 understand the questions that we've asked and the  
22 answers that we're expecting in order for us to  
23 write the staff assessment, our analysis, and for  
24 thorough discovery to occur in a relatively short  
25 time period, compared to in the past we had more

1 time for discovery. It's been very truncated, and  
2 therefore very intense.

3 In terms of an issue that's of  
4 importance for the BLM, the multiple use  
5 limitations on the resources. This is something  
6 that's important because once this area is  
7 developed, it then precludes the other source of  
8 public use aspects that are important to the  
9 Bureau and its mission.

10 And then obviously the cumulative  
11 impacts that would affect any given technical area  
12 we need to look at for this and other projects,  
13 any reasonably foreseeable project. And then the  
14 alternatives.

15 Here is a listing of the proposed  
16 schedule, all events that have occurred to date.  
17 We're right now on December 10th, the fifth item  
18 down. Informational hearing and scoping meeting.  
19 We'll be scoping tomorrow, again. Applicant gives  
20 us the data responses on Monday. So we're going  
21 to have a data response issues resolution workshop  
22 the following Friday, the 18th.

23 We've already had three data request  
24 workshops. You can see we had one on the 23rd of  
25 November, one on the 24th of November, and one

1 last Friday, December 4th. So we've already been  
2 working quite hard. We never had the data request  
3 workshop. We usually never meet with an applicant  
4 until we receive the responses back. But because  
5 of the schedule, and the demands on us to produce  
6 a staff assessment analysis, our testimony, by  
7 February, we needed to do this. We've been  
8 working quite hard.

9 The dates that follow we can talk about  
10 later. Key dates to look at are the 18th of  
11 February, that's when we have to file our staff  
12 assessment. It goes in then for a 90-day review,  
13 under the Federal Register. And then a number of  
14 other happenings that will come this summer.

15 The schedule and its timeliness has a  
16 number of factors, including the applicant  
17 responses that they give us. If they're thorough,  
18 if they're complete. If determinations by other  
19 local, state and federal agencies come in in a  
20 timely manner, and we have collaboration. If  
21 we're able to deal with the very complex issues  
22 that we're doing under two. Regulatory,  
23 environmental laws, state CEQA, California  
24 Environmental Quality Act, the feds, NEPA,  
25 National Environmental Policy Act join together

1 doing a complete and thorough analysis in a  
2 reactively short time period.

3 It's very challenging, but like I say,  
4 we're up to the challenge. We have some great  
5 people on the team. And we look forward to  
6 answering any questions that anyone might have, or  
7 the Committee, at this time.

8 Thank you.

9 HEARING OFFICER CELLI: Thank you, Mr.  
10 Monasmith. Commissioner Levin, you have any  
11 question or comment, please?

12 PRESIDING MEMBER LEVIN: Well, I would  
13 just like to underscore for the public, the  
14 incredible workload that the Energy Commission  
15 Staff has at this moment.

16 We have an unprecedented number of  
17 proposed energy projects before us, not just the  
18 renewable projects, but other projects, as well.  
19 At a time when our staff has taken pay cuts and  
20 are working under very challenging circumstances.  
21 A lot of constraints. And they are doing a  
22 phenomenal job. They are bending over backwards.  
23 They're working on furlough days, weekends.

24 And I'm telling you this not because  
25 we're going to slow down one bit. Mr. Monasmith

1 and his team are incredibly dedicated and  
2 talented, and will do everything humanly possible  
3 to keep this on track.

4 So we ask that anyone who's interested  
5 in intervening, and the applicant, any other  
6 participant, formal or informal, help us keep  
7 things on track. We know that the Bureau of Land  
8 Management is also doing everything it its power.  
9 And it's also, you know, operating under, I think,  
10 incredible circumstances, unprecedented  
11 circumstances, to try to move projects forward to  
12 a decisionmaking point in time for stimulus  
13 dollars and beyond.

14 I mean, as we said, the renewable energy  
15 projects are very very important to California's  
16 future.

17 So I really want to thank staff for an  
18 incredible job under very very challenging  
19 circumstances. And the Bureau of Land Management,  
20 as well. We really appreciate your participation  
21 here. This is the first hearing I've presided  
22 over or participated in where our staff and the  
23 Bureau of Land Management Staff, right from the  
24 get-go, are presenting schedules and information  
25 together. I think this is a great precedent for

1 future projects, as well.

2 And that reminds me that I actually  
3 failed to finish the introductions earlier. Mr.  
4 Monasmith or Ms. Shaffer, -- Mr. Monasmith, sorry  
5 -- are there other folks here that you would like  
6 to introduce from the Bureau of Land Management or  
7 any other state or federal agencies that are  
8 present that I should have given the opportunity  
9 to introduce earlier?

10 MS. SHAFFER: Sure. I think I believe I  
11 saw Greg Miller in the back of the room. He's our  
12 Renewable Energy Program Manager for the  
13 California Desert District Office.

14 And I believe I also saw Janet Eubanks.  
15 She's a Project Manager for one of the Solar  
16 Millennium Projects up in the Ridgecrest Field  
17 Office.

18 PRESIDING MEMBER LEVIN: Welcome to all  
19 of you, and thank you for your help on this.

20 Are there any other state, federal or  
21 local agency representatives present that --

22 MR. MONASMITH: Commissioner, maybe I  
23 can introduce some of the folks on our team.  
24 Susan Sanders, who is our lead biologist, and who  
25 I'm going to have come behind me a little bit here

1 so we can talk about the issues identification  
2 report.

3 Susan Lee, who stands behind her, is  
4 doing the alternatives analysis, very difficult  
5 and complex study and undertaking in terms of the  
6 technical reports. It's important.

7 Joey Hughes is doing air quality, an  
8 analysis that typically is the primary one on a  
9 fossil fuel plant. It's important for the solars,  
10 as well, but it's taken second chair to water, bio  
11 and cultural, and alternatives.

12 And I don't know if I'm -- is anyone  
13 else here -- oh, and Ron Yancy, who will be the  
14 compliance project manager. It's important that  
15 we note that once a project comes through, it is  
16 approved and starts construction. The Energy  
17 Commission does not abandon. We then have a full  
18 compliance staff. Ron would then be responsible  
19 for making sure that all conditions of  
20 certification that are placed on the construction  
21 and operation of this facility are met.

22 He'll be working with the applicant.  
23 It's a cradle-to-grave situation when it comes to  
24 power facilities in this state. We monitor them  
25 all. And we continue to work with the applicant

1 and local communities way beyond the time that we  
2 permit. So, thank you, Ron, for being here, too.

3 PRESIDING MEMBER LEVIN: Finally, I'd  
4 like to ask, we have one formal intervenor in this  
5 process, who is a formal party now, I believe.  
6 And that is CURE, California Unions for Reliable  
7 Energy. Would you like to introduce yourself,  
8 please?

9 MS. MILES: Hi, my name is Loulena  
10 Miles, and I'm here representing the California  
11 Unions for Reliable Energy. And we intervene in  
12 many power plant proceedings; and we look at the  
13 environmental and economic impacts of the power  
14 plant, and often we improve projects through our  
15 intervention.

16 Thank you.

17 HEARING OFFICER CELLI: Thank you. And,  
18 Commissioner Boyd, did you have a comment or  
19 question?

20 ASSOCIATE MEMBER BOYD: Well, a comment.  
21 Commissioner Levin and I were thinking alike,  
22 because she pretty well covered most of what I was  
23 going to say. Let me add a couple of points.

24 Mr. Monasmith, in his presentation, and  
25 the joint presentation, itself, reminded me of

1           some of the very same things that Commissioner  
2           Levin has said.

3                       I was -- I am a Commissioner on another,  
4           perhaps the first solar power plant study case.  
5           And BLM and the Energy Commission Staff were there  
6           working together, but they've come a long way  
7           since that first hearing.

8                       And I just wanted to add my thanks to  
9           BLM. And I just want to make a couple comments  
10          here.

11                      I think it's pretty evident that  
12          Commissioner Levin and I are very interested in  
13          getting these type plants approved and built.  
14          Approved, though, means they meet all the criteria  
15          and pass all the tests that the staffs of all the  
16          various federal and state agencies to be involved  
17          in these, that all those needs are met.

18                      And we're hopeful that they will be,  
19          because as indicated at the beginning of this  
20          hearing, this type of electricity is very  
21          important to California.

22                      It's very important because we have the  
23          renewable portfolio standard, the RPS, as you  
24          heard referenced earlier. It was 20 percent by  
25          2010, based upon a recommendation of this agency.

1                   That ultimately was codified and joined,  
2                   we were joined by the other energy agencies in  
3                   California. And ultimately the energy agencies  
4                   recommended a 33 percent RPS by 2020, which the  
5                   Governor has endorsed and the Legislature is  
6                   trying to endorse. But it is our policy and it is  
7                   driving us.

8                   It started out as a diversification of  
9                   our energy supply, in order to get both  
10                  diversification for energy security, and a clean  
11                  energy source. And it was just referenced a  
12                  moment ago that clean, earlier in this state --  
13                  the biggest driver in the state, per my long  
14                  career, has been air quality.

15                  But it's been trumped by climate change  
16                  now, because of AB-32 and all the other policies  
17                  in the state have almost been subsumed by our need  
18                  to address climate change and their similar and  
19                  parallel needs.

20                  So, the importance of this kind of power  
21                  to California is just even more evident than it  
22                  was when we started recommending renewables. And  
23                  California actually pioneered renewables quite  
24                  some time ago.

25                  Now, there are a few people in this room

1       who were with me earlier this week in an interview  
2       conference where, quite frankly, I felt the Energy  
3       Commission was somewhat a dart-board for criticism  
4       about the permitting process as it relates to  
5       renewables. And another Commissioner and I pretty  
6       well just sat there and took it. And that's just  
7       a fact of life.

8                 But, I would say to this audience, and  
9       some people, it's obvious we're trying to push  
10      this as hard as possible. Solar is a whole new  
11      business, and you've heard the reasons why.

12                The footprint of the typical fossil fuel  
13      plant is tiny, as compared to the footprint of  
14      these solar facilities, you know. A few acres, so  
15      to speak, versus thousands of acres. That  
16      introduces all kinds of new problems, all kinds of  
17      new problems.

18                And secondly, we have a new partnership  
19      with the federal agency BLM. The Energy  
20      Commission has been honing its permitting process  
21      for 30 years, and have got it down pretty good.

22                The BLM has had to jump onto this  
23      process in very short order, and I would commend  
24      them for what they've done. And we have joined  
25      league, worked to merge this as much as possible.

1 And probably continue to do that to move these  
2 processes along rapidly, because we want the  
3 power.

4 A new element you've heard about is  
5 economic stimulus money. To help companies, to  
6 help states get these facilities done. To  
7 stimulate jobs, jobs shovel-ready and jobs where  
8 the key factors of this early in the process. And  
9 we'd still like to see that happen. And many  
10 folks have or will address the economic impacts.

11 So, I just wanted everybody here to kind  
12 of understand all of this, and why you may read  
13 about criticism, and you may hear that expeditors  
14 are employed to try to move this process along.  
15 And all Commissioners probably stay awake at night  
16 trying to figure out how to do this process even  
17 more efficiently. Meaning, perhaps, more quickly.

18 So, we are not governed by old-state  
19 bureaucratic processes. We are encumbered  
20 tremendously by what Commissioner Levin  
21 referenced, and that is the country's in a  
22 recession, the state's in a recession, most  
23 governments everywhere are really hurting for  
24 revenue.

25 The State of California has had, and

1 continues to have, a terrific budget crisis and  
2 budget deficiency. It's the general fund, it's  
3 taxpayer money. Actually our agency is a special  
4 fund agency. It's not taxpayer money. But all  
5 government agencies are going through the cutbacks  
6 and the furloughs and what-have-you.

7 And our staff has had their pay, all of  
8 us a pay cut roughly of 15 percent. And are  
9 furloughed three days a week (sic). And the  
10 siting staff is in there most Fridays. And we're  
11 trying to figure out how to give them more time  
12 off at a future point in time in order to get this  
13 work done.

14 So, rest assured, it's pedal to the  
15 metal. We're doing everything in our power. But  
16 I want folks to understand the total complexity of  
17 the seemingly simple and clean and benign solar  
18 plants. It has really turned over a new leaf in  
19 siting in California. And I've been doing this  
20 for a few days short of eight years now. So this  
21 is somewhat of a new era.

22 So, pardon my lengthy explanation, but I  
23 think citizens pay us so they understand a lot of  
24 what the process in government is about. And, in  
25 particular, make the point for the applicant of

1           how critical we see their concerns about speed.

2                         And also just add my compliments to the  
3           staff for the good work they're doing. And I have  
4           seen, in the past year, an incredible amount of  
5           work and incredible amount of progress made on  
6           doing this type of work.

7                         I really feel for BLM, having to come in  
8           the door suddenly and get engaged in this  
9           electricity business. And they've learned quick.  
10          And I thank our staff for helping them learn the  
11          process. And I look forward to us moving projects  
12          along quickly, again, as I say, as long as they  
13          meet all the goals and the criteria.

14                        I guess, -- well, I'll stop; there.  
15          I've got comments for later on.

16                        HEARING OFFICER CELLI: Thank you,  
17          Commissioner.

18                        Before we proceed, I'm just going to ask  
19          the parties to please docket your PowerPoints with  
20          the California Energy Commission, all of the  
21          PowerPoints, so that's part of the public record.

22                        We are going to allow the parties to  
23          have further data response, data requests and data  
24          response discussions after immediately following  
25          today's informational hearing. And that will come

1 after the public comment. So I just want to let  
2 everybody know that there is going to be more  
3 sleeves rolled up and work being done after we  
4 complete these proceedings.

5 At this time we're talking about issues  
6 identification and scheduling. Is there anything  
7 further from staff on those points?

8 MR. MONASMITH: No.

9 HEARING OFFICER CELLI: We'd now like to  
10 hear from applicant with regard to issues  
11 identification. The issues are soil and water,  
12 cultural -- cultural resources, soil and water  
13 resource, transmission systems engineering and  
14 biological resources.

15 MR. GALATI: Thank you very much. Scott  
16 Galati representing Nextera. First of all I think  
17 I'd also like to, I think, on behalf of the  
18 applicant, extend our thanks to the staff of both  
19 agencies, as well, that are present here, as well  
20 as the wildlife and resource agencies. We  
21 certainly have met with them for quite some time,  
22 and certainly been meeting with them often in this  
23 short period of time since we filed. And I think  
24 we've been working very cooperatively together.

25 I wanted to turn your attention to we

1 proposed a particular, some changes to the  
2 schedule. And let me tell you why we did this,  
3 okay.

4 We do not believe in any way, shape or  
5 form that any agency or member of staff wishes the  
6 project ill. In fact, we think that the staff and  
7 the agencies are working very very hard to  
8 understand the project, understand the impacts,  
9 get their arms around something that's unique and  
10 larger than the things that they've seen before.

11 What we do think, though, is that the  
12 schedule can, if not protected, the schedule can  
13 die a death of a thousand cuts, none of which are  
14 intentional.

15 And so we tried to define a schedule  
16 here that would allow the opportunity to address  
17 things early, and to get resolution and direction  
18 from the Committee.

19 In my opinion projects can often get off  
20 track is different parties, the staff or the  
21 applicant or intervenors all are guessing what the  
22 Committee might need to make a decision.

23 And so what generally happens is that  
24 sometimes what is elected is more information when  
25 maybe not as much information is needed for the

1 Committee to make a decision.

2 And so we've identified in our schedule,  
3 and again I'll apologize in advance, requires the  
4 Commissioners to be more active in the case than  
5 they would normally be.

6 Normally, we see you today and then we  
7 don't see you again until we're ready to go to  
8 hearing. And what I'm asking in this particular  
9 schedule on behalf of the applicant is that you  
10 make yourselves available in a status conference  
11 routinely, so that if there are issues that come  
12 up, and the issues could be as simple as how much  
13 information is enough to policy and direction that  
14 is specifically related to how does one treat the  
15 water use on a project such as this.

16 So, the first one that we identified was  
17 in January. And the purpose that it was  
18 identified so soon was to give both parties an  
19 opportunity to tell the Committee what they think  
20 the scope of this analysis should be.

21 And a couple of the issues that --

22 HEARING OFFICER CELLI: Just if I --  
23 excuse me for a minute, I was just wondering,  
24 could we put up the schedule so the public can  
25 participate. So we're all on the same page quite

1           literally.

2                       MR. MONASMITH:  The schedule that's  
3           going to go up is the one that's on the issues  
4           identification report.  Scott, I don't have the  
5           one that you submitted, so you can talk about the  
6           additions that you wanted to when we get it up  
7           online here.

8                       HEARING OFFICER CELLI:  So what we've  
9           received, as a Committee, is we've received an  
10          issues identification document, which is available  
11          in the back of the room, from staff, that has a  
12          proposed schedule.

13                      Then we received a proposed schedule  
14          from the applicant that had some changes in red.  
15          And so that's -- just so everyone understands what  
16          we're talking about, that's what we're discussing  
17          now, is how to really schedule this whole process  
18          so that we can come in, hopefully finalize the  
19          whole process by December.

20                      MR. MONASMITH:  The projector is warming  
21          up, so give it a second.

22                      HEARING OFFICER CELLI:  So, I'm sorry,  
23          Mr. Galati, but I just thought it would be more  
24          useful if everybody could see what you're talking  
25          about.

1                   MR. GALATI: Thank you, and if you'd  
2                   give me a moment, I have it here electronically.  
3                   We can save it and get it up on the screen.

4                   (Pause.)

5                   MR. MONASMITH: Would you like me to go  
6                   to the schedule, Commissioners, or --

7                   MR. GALATI: As soon as I save this I  
8                   can go ahead and speak to it.

9                   HEARING OFFICER CELLI: It's clear  
10                  enough. We really are mostly interested in the  
11                  differences between applicant and staff.

12                  MR. GALATI: The first difference is,  
13                  while it comes up on the screen, is we have added  
14                  a scoping order status conference on January 11th.  
15                  And, of course, we just picked that date hoping  
16                  the Commissioners would be available, just to show  
17                  you our concept.

18                  We tried to pick a date that was early  
19                  enough so that staff, if the scoping order set a  
20                  direction for staff's review, that that would be  
21                  enough time to affect what staff's working on.  
22                  But not so early that staff would not have an  
23                  opportunity to tell the Committee, in a written  
24                  form, what they believe the scope should be, as  
25                  well.

1                   We have a pretty good understanding of  
2                   what we believe the scope of review should be.  
3                   And I didn't think it was fair to actually bring  
4                   that up today without staff having an opportunity  
5                   to tell you what they think, as well.

6                   I certainly will --

7                   HEARING OFFICER CELLI: Let me just ask,  
8                   staff, do you have any problem with a scoping  
9                   meeting in early -- or sometime in January?

10                  MS. HOLMES: I guess my -- I would have  
11                  a question back to Mr. Galati about what the --  
12                  what sort of resolution he's looking for in the  
13                  scoping order. I have been involved in Commission  
14                  proceedings in the past where there have been  
15                  scoping issues pulled out and addressed.

16                  Typically what happens is a party files  
17                  a motion and the issues are briefed. And then  
18                  there is oral argument and the Committee makes a  
19                  decision.

20                  If what Mr. Galati is asking for is for  
21                  staff and BLM, presumably, to list the technical  
22                  aspects of the analysis for each technical area,  
23                  that's something we can do.

24                  If there's something more that's  
25                  involved than that, I'm not certain that I

1 understand what he's referring to.

2 HEARING OFFICER CELLI: And the record  
3 should reflect that that's Caryn Holmes, who is  
4 staff counsel for the California Energy  
5 Commission.

6 Mr. Galati, please.

7 MR. GALATI: Sure. That's why I put in  
8 a briefing schedule for briefs to be filed in  
9 January a little over three and a half weeks from  
10 today, to allow staff to brief whatever issues  
11 they believe should be in the scoping order. I  
12 identified a few.

13 I think the big one is in the room, and  
14 we ought to talk about it. And it is this project  
15 is proposing wet cool in a fashion which we  
16 believe is entirely consistent with the Energy  
17 Commission's 2003 IEPR policy.

18 We have been getting messages from  
19 staff, although not clear, that they may not  
20 agree. And in the issues identification report it  
21 is written in such a way where they're not sure  
22 that we comply with the policy, as well.

23 Now, I think that the issue isn't  
24 necessarily whether the project complies. The  
25 issue for the Committee is what is your policy,

1           could you articulate it clearly for us and staff.  
2           Because there clearly is already a difference of  
3           opinion about what the Energy Commission's water  
4           policy is, and the laws that they apply.

5                         There are two areas that I see. One,  
6           the 2003 IEPR policy, and very specifically, what  
7           does fresh water mean for purposes of that policy.

8                         And second is there is an issue  
9           regarding something called the accounting surface  
10          and the use of Colorado River water. That is  
11          something that we would like an opportunity to  
12          tell the Committee about, and get a very clear  
13          direction from the Committee. Because staff and  
14          applicant can spend a lot of time heading to a  
15          position for a very long period of time, if that  
16          issue is not -- if we're not on the same page.

17                        So that is an opportunity that we think  
18          we need Committee direction on. Because, quite  
19          frankly, it doesn't matter what staff thinks and  
20          it doesn't matter what we think. It matters what  
21          you think about those issues.

22                        They're not factual determinations.  
23          They are very specifically interpretations of law  
24          and policy, how they would apply. You tell us how  
25          they'll apply; we'll apply them.

1 HEARING OFFICER CELLI: And, staff?

2 MS. HOLMES: Thank you. The Commission  
3 Staff appreciates the concern that Mr. Galati has  
4 expressed. We have formulated the issues slightly  
5 differently, because we also included the issue of  
6 the environmental impacts associated with the  
7 water use. That's a third issue, in addition to  
8 the issue of the Bureau of Reclamation management  
9 of Colorado River water and the IEPR water policy.

10 In our attempt to resolve or to begin  
11 the resolution process on some of these issues,  
12 one of the things that we did was ask our  
13 Executive Director to send a letter to the State  
14 Water Resources Control Board on the water quality  
15 issue.

16 We do not have the written response yet.  
17 We have verbal communication indicating that the  
18 counsel for the Regional Board does believe that  
19 the Energy Commission should treat this water as  
20 though it's potable water.

21 That is different than what is reflected  
22 in our status report. We don't have that in  
23 writing, that is the verbal communication that we  
24 have so far.

25 If that is the case, obviously that

1 implies that the IEPR water policy which prohibits  
2 use of fresh water for cooling, unless there is --  
3 unless it's infeasible, comes into play more than  
4 we thought it would when this application was  
5 filed.

6 So that's an issue that's going to be  
7 complicated as we proceed through this process.  
8 We have not had in-depth discussions yet with the  
9 Bureau of Reclamation. We would like to do that.  
10 We are also just in the initial stages of  
11 evaluating the modeling that the applicant  
12 provided.

13 Their data responses are due to us next  
14 week. We've got some preliminary responses from  
15 them, which was very helpful. Most preliminary  
16 responses indicated that there may be some effects  
17 on water resources, also on biological resources.  
18 We haven't reached any final conclusions yet.

19 But both that fact, and the fact that  
20 the counsel for the Regional Water Quality Control  
21 Board indicated that this is fresh water,  
22 indicates that water is going to be a very very  
23 difficult issue for us to address as we go  
24 forward, keeping the schedule that we have  
25 proposed.

1                   PRESIDING MEMBER LEVIN: I'm sorry, just  
2                   so I understand. When you say fresh water, or the  
3                   Regional Water Quality Control Board says fresh  
4                   water, meaning not brackish, or meaning not  
5                   reclaimed?

6                   MS. HOLMES: Not brackish. No one has  
7                   proposed to use reclaimed water for this project.

8                   PRESIDING MEMBER LEVIN: So they mean  
9                   not brackish, not salty?

10                  MS. HOLMES: Yeah, unfortunately there  
11                  are multiple policies at the State Board -- that  
12                  are not entirely complementary, shall I say. And  
13                  so we asked for some guidance.

14                  There was also -- there's a basin plan  
15                  that's been adopted for this basin. That also has  
16                  designations for various water sources in the  
17                  area. And so we asked the State Board to try to  
18                  help us pull this together and understand what it  
19                  means for this project. And the verbal response  
20                  that we received is that this should be treated as  
21                  potable, or what I would call fresh, not brackish,  
22                  water.

23                  HEARING OFFICER CELLI: And in that  
24                  regard, if I may, -- do you have anything further?  
25                  In that regard my question would be when do you

1 expect to get an answer, because, I mean, we know  
2 that water's an issue. And it's the 900-pound  
3 gorilla, as they say.

4 What we really need to do is solve these  
5 kinds of issues upfront as quickly as we can so  
6 the applicant knows what direction to move in,  
7 hands down.

8 And I'm not interested in having a  
9 status conference scheduled for the 11th of  
10 January if you're not going to get a response from  
11 the Board until sometime after.

12 MS. HOLMES: I apologize for looking at  
13 my Blackberry during this hearing, but what I've  
14 been doing is checking the messages that I have,  
15 and they say that there is a -- this is an email  
16 from late yesterday, saying that a response is  
17 being prepared right now. Now, when that will be  
18 sent is anybody's guess.

19 I agree with you that the issue is not  
20 ripe to address right now. As I said, I think  
21 there are three components to this one, is the  
22 impacts analysis. And that includes impacts both  
23 to other users as well as to biology.

24 There is the IEPR water policy analysis,  
25 and then there is the issue of whether there are

1 long-term reliability concerns associated with the  
2 Bureau of Reclamation's policies that prohibit  
3 pumping of Colorado River water under certain  
4 circumstances.

5 I believe that we will have a letter --  
6 I'm hopeful that we'll have a letter from the  
7 State Board very very quickly.

8 I believe that we will have had the  
9 opportunity to examine the data responses in more  
10 detail when they come in next week. We already  
11 have a data response workshop, I believe,  
12 scheduled for next Friday.

13 So I think that there is going to be  
14 much more information coming on this issue very  
15 very quickly.

16 HEARING OFFICER CELLI: And just so I'm  
17 clear, because I read the AFC and my understanding  
18 was all of the water was going to be groundwater.  
19 And I've not seen where the Colorado River water  
20 affects --

21 MR. GALATI: Mr. Hearing Officer, first  
22 of all, I would like to agree with Ms. Holmes.  
23 Absolutely, I'm not talking about in any way shape  
24 or form on the 11th for you to decide whether  
25 there are impacts or not, absolutely.

1           The environmental impacts under NEPA and  
2           under CEQA, we're continuing to work on those  
3           issues. Those are factual determinations. Those  
4           determinations should be worked through between  
5           staff and us. It could help us identify  
6           significant structural.

7           But I want to go back and this is, if I  
8           sound a little frustrated, I don't mean to be, but  
9           I sat in this very room in 2001, I sat in this  
10          very room in 2005, and had the exact discussion  
11          about Blythe I and Blythe II's groundwater use,  
12          with the exact laws and policies.

13          The policy that they're talking about  
14          now using and applying was adopted in 1988. It  
15          was amended in 2006 unrelated to this particular  
16          issue.

17          So a policy that was available to this  
18          Committee in 2003 -- or the Commission in 2003  
19          when it adopted it's IEPR policy, a policy in  
20          which it relied on policy 7558. And so my  
21          frustration is how many times must we have this  
22          discussion, both about Colorado River water being  
23          groundwater, and TDS being fresh -- fresh water,  
24          in a time when staff is over-burdened, in a time  
25          when we're trying to get ARRA funding.

1                   We have very good examples on the policy  
2                   and on the law, not at all on impacts, but on the  
3                   policy and the law that we can rely on. And we  
4                   don't have to reinvent that wheel. That is why I  
5                   want your hearing. I want an opportunity, if we  
6                   have to reinvent the wheel, I want to do it that  
7                   day.

8                   Staff asked the Regional Board; this is  
9                   probably the tenth time that staff has asked the  
10                  Regional Board these particular questions in the  
11                  last ten years.

12                  This Commission adopted a policy in  
13                  2003, and has applied it in a project 15 to 20  
14                  miles from the project we're proposing here today.  
15                  If you would read that decision, I would ask you  
16                  if we need to be spending time on this exercise.

17                  I don't believe that staff is trying to  
18                  make it difficult for us. But unfortunately, they  
19                  are. And I'm asking you to give us an opportunity  
20                  so parties can be heard; Ms. Holmes can come on  
21                  the 11th. She can describe to you entirely what  
22                  the law is, and from her perspective. So can I  
23                  and other intervenors, and we can do it one more  
24                  time. But let's do it early, because if we do  
25                  this later, we're done. We cannot get ARRA

1 funding and have the kind of hearings we had on  
2 Blythe I and Blythe II. I know we cannot do it.

3 HEARING OFFICER CELLI: Well, we want to  
4 have a productive hearing. And so that's what --  
5 basically we're just talking about what date are  
6 we going to pick. And what I'm interested in is  
7 the kind of information that the staff needs so  
8 that everybody can come in and we don't have to  
9 hear about, well, we don't know today, but we're  
10 going to know next week.

11 If we can come in fully armed with all  
12 the information on a date certain, then we --  
13 mission accomplished.

14 So, that's my question to staff, really,  
15 is --

16 MS. HOLMES: Well, did you want an  
17 answer to your question as to why Colorado River  
18 water is involved?

19 HEARING OFFICER CELLI: Yes, please.

20 MS. HOLMES: I'll do --

21 HEARING OFFICER CELLI: I wasn't here  
22 ten years ago, sorry.

23 MS. HOLMES: -- I'll do a very very  
24 brief overview. And I apologize if I over-  
25 simplify. Basically, of course, groundwater at

1           some level provides -- there's connection to the  
2           Colorado River water.  If you start pumping a  
3           whole bunch of groundwater eventually you start  
4           either intercepting return flow, or you start  
5           inducing flow out of the river.

6                        There's a fairly extensive scheme that  
7           has been developed.  You'll hear the term  
8           accounting surface that has to do with pumping  
9           that is used by the Bureau of Reclamation to  
10          identify where groundwater can impact Colorado  
11          River water.

12                       There's a set of rules that are in place  
13          that say if you pump groundwater at certain levels  
14          within that accounting surface, that's considered  
15          Colorado River water.  There has to be a contract  
16          or the Bureau has the ability to say, sorry, you  
17          can't pump any more, that's over.

18                       So that's why I raised that.  I hope  
19          that answers your question and --

20                       HEARING OFFICER CELLI:  It does.

21                       MS. HOLMES:  -- explains why we raised  
22          the liability issue --

23                       HEARING OFFICER CELLI:  Very clearly.

24                       MS. HOLMES:  -- that if they were forced  
25          to shut down 15 years from now because their well

1 was below that level.

2 We don't know that. We're trying to  
3 discuss this with the Bureau of Reclamation in  
4 more detail.

5 In terms of Mr. Galati's comments about  
6 the Blythe project, I can't speak for the State  
7 Board. It was the State Board that we talked to.  
8 I do know that the Energy Commission Staff is  
9 increasingly concerned about the number of solar  
10 projects that are out here. We, too, would like  
11 to see solar development happen in an area where  
12 it makes a lot of sense.

13 And frankly, it may be that using water  
14 for cooling prohibits or prevents or discourages  
15 more solar development in the area than it would  
16 if a project were using dry cooling. Other  
17 projects that are currently under consideration by  
18 the Commission on this I-10 corridor use dry  
19 cooling.

20 That means that they're not using water  
21 that is available for additional solar development  
22 for their other industrial processes, in addition  
23 to cooling.

24 So, we can hold a hearing. I would  
25 encourage the Commission to take into account any

1 concerns with the Bureau of Land Management --  
2 certainly would be helpful to have in writing the  
3 response from the State Board before we address  
4 the question of the IEPR policy.

5 I don't know that we can address the  
6 question of the Bureau of Reclamation by January  
7 11th.

8 HEARING OFFICER CELLI: And when do you  
9 suspect that you could?

10 MS. HOLMES: Well, I think, to a certain  
11 extent some of that depends on some of the  
12 modeling that we've been doing for impact  
13 analysis. We're trying to understand how many  
14 projects are proposed. We're trying to understand  
15 what the cumulative effect is on the groundwater  
16 level, and whether it's likely to drop enough to  
17 the point where there would be some impact on  
18 Colorado River water.

19 We need to complete that analytical  
20 process, we need to review the analytical process  
21 that the applicant is doing on this. And then we  
22 need to consult with the Bureau of Reclamation.

23 HEARING OFFICER CELLI: So at the end of  
24 January are we looking at?

25 MR. MONASMITH: Before then. I think

1 before then. I know that in talking with the BLM  
2 and working with them, we have, in fact, done a  
3 conference call with folks from the Boulder Canyon  
4 Office, Regional Office with the Bureau of  
5 Reclamation. Others have been talking directly  
6 with the Bureau of Reclamation.

7 And a determination on this project, I  
8 think, will be reflective of what kind of data  
9 responses come in from this numerical model. That  
10 we've actually been collaborating with, our staff  
11 has, in terms of the sensitivity parameters and  
12 what this model will tell us.

13 And I think that will be insightful. It  
14 speaks to potential impacts in terms of  
15 groundwater drawdown and the connectivity  
16 hydraulically to the Colorado River.

17 But I certainly don't think we'll be  
18 waiting till January. We're trying to push the  
19 envelop here, but -- so --

20 HEARING OFFICER CELLI: Well, I  
21 appreciate that, especially since this is a high  
22 priority case. This being the highest priority,  
23 right, at the Energy Commission's solar cases.

24 So I'm just wondering whether the  
25 applicant's suggestion of the 5th for briefing and

1 the 11th, is that too soon? We would like to do  
2 this. I think that it's appropriate for the  
3 Committee to really do everything we can to give  
4 guidance early on.

5 PRESIDING MEMBER LEVIN: Let me --  
6 excuse me. Let me elaborate a little bit on that.  
7 I mean, clearly for those of you who are new to  
8 the process, and I'm not that old a timer, myself,  
9 there's tension here between we've got all these  
10 different laws and environmental issues, other  
11 issues we have to address, by law, if we're going  
12 to agree to permit this project.

13 And we're not prejudging it now, but we  
14 have to do this according to all these different  
15 laws, and yet we're trying to do it very very fast  
16 and in full public view.

17 We're not going to make a final decision  
18 about the scheduling order at this hearing today.  
19 As I said at the beginning, we're not here to make  
20 decisions; just to take in information and give  
21 all of you information.

22 But I, in my own sense, I don't know  
23 exactly what are the right dates and the right  
24 order of things. We'll need to confer on that  
25 separately. But I do think the more that the

1 staff and the applicant and our fellow agencies,  
2 Bureau of Reclamation, get in a room together, the  
3 more quickly we'll be able to keep this moving  
4 through the process.

5 And so even if we don't have all the  
6 answers on any particular day I think it's better  
7 to keep things moving to provide more  
8 opportunities to get everyone in a room rather  
9 than fewer.

10 This may not be exactly what the  
11 applicant has proposed, but that will help us keep  
12 things moving. And I do think it will be critical  
13 to hear from the Bureau of Reclamation, as well as  
14 the Regional Water Quality Control Board.

15 I don't, in any way, want to dismiss  
16 issues they raise or questions or concerns. I  
17 want to get everyone together as early and often  
18 as possible in this process.

19 MS. HOLMES: Well, I think that once we  
20 receive something in writing from the State Board  
21 counsel, I think that staff will be prepared to  
22 address what his position, we'll be prepared to  
23 identify what his position on the IEPR water  
24 policy is.

25 With respect to what I'm calling the

1 long-term reliability associated with the Bureau  
2 of Reclamation's requirements, I think that not  
3 only involves their participation and our  
4 cooperation with them, but we need an analysis to  
5 take to them.

6 And we are working with the Bureau of  
7 Land Management right now. We met this morning.  
8 We're meeting later today. We're meeting tomorrow  
9 morning. We're trying to pull together a list of  
10 reasonably foreseeable future projects.

11 We need to assess what amount of water  
12 usage is going to be associated with those. We  
13 need to correlate that information with the  
14 modeling results that they're planning to provide  
15 us.

16 Once we have some sort of a rough idea  
17 of what the reasonably foreseeable future water  
18 impacts are, at that point we can go to the Bureau  
19 and say, does this look like it's reasonable; do  
20 you see anything in here that stands out as  
21 erroneous or as a red flag, and discuss with them.

22 And we don't have anything to take to  
23 them right now, because we don't have the  
24 analysis.

25 PRESIDING MEMBER LEVIN: And I

1 appreciate that, and certainly no decision will be  
2 made until there is a final analysis. But I think  
3 at the same time the more we can start raising  
4 questions quickly, even if it's a preliminary  
5 analysis or a sense of how things might go, the  
6 more quickly the applicant can respond with  
7 potential alternatives and data about those.

8 It just seems like the more tracks we  
9 can work on simultaneously the better and more  
10 likely it is that we will be able to keep this on  
11 schedule overall.

12 MS. HOLMES: I agree. And so the staff  
13 position is when we get a letter from the State  
14 Board that would trigger for us a need to present  
15 something in writing to the Committee about what  
16 the staff position is on the IEPR water policy  
17 with respect to cooling water.

18 And we will continue to -- we are  
19 continuing to work and we are continuing to bring  
20 in the other agencies on the analytical portion of  
21 it. But it is more difficult for us to say what  
22 our -- we cannot say, at this point, what the  
23 results are going to be, because the analytical  
24 process isn't complete.

25 HEARING OFFICER CELLI: Commissioner

1 Boyd, you had a question?

2 ASSOCIATE MEMBER BOYD: Yeah, I have a  
3 question of the applicant on, per se, though, that  
4 this is an intriguing discussion for a site visit  
5 in --

6 (Laughter.)

7 ASSOCIATE MEMBER BOYD: We're getting  
8 down into the nitty-gritty. I'm extremely  
9 concerned since the 2003 IEPR is the first one we  
10 ever did. I chaired the effort. It was the first  
11 time we pointed out the State of California's  
12 water/energy nexus. And we ultimately put forth  
13 this water policy,.

14 That stated, that's just indicating I'm  
15 interested in the outcome here. But let me change  
16 the subject and ask Mr. Galati a question, since  
17 he was trying desperately to not be frustrated,  
18 but admit he was on this subject.

19 I'm just wondering if you could help me,  
20 as a policy person more than as just a piece of  
21 this siting case. Is this issue that has led to  
22 your frustration perhaps an example of the kinds  
23 of things that people in your community talk to  
24 people about the siting process, have labeled as  
25 regulatory creep or regulation creep?

1                   MR. GALATI: I wouldn't call it  
2 regulatory creep. Here's what I would call it.  
3 It would be, I guess the best analogy I would make  
4 for you, Commissioner Boyd, is one of air quality.

5                   Our project's not in the South Coast Air  
6 Quality Management District. And so we would not  
7 have to comply with the South Coast Air Quality  
8 Management District's rules, for example.

9                   Or we were in a district and the  
10 district proposed a rule; it was voted on; and not  
11 passed. Yet, then applied.

12                   That is what's happened here with the  
13 Colorado River policy. And I've had this same  
14 discussion twice. And the last two times I had  
15 the discussion with policy pending. And today the  
16 policy's been rejected.

17                   So, the whole Colorado River issue  
18 should not enter. So staff shouldn't call up the  
19 Bureau and say, here's our analysis, what do you  
20 think. Staff should simply call up and say, do  
21 you have a legal policy that extends the use of  
22 Colorado River to the accounting surface into our  
23 basin. That's the simple question. And they will  
24 get a simple answer.

25                   That policy does apply, you get close to

1 the river and you're in the flood plane. That is  
2 the law of the river. We're not.

3 So, if that question were asked, we  
4 would not be talking about Colorado River water  
5 ever again.

6 On the issue of the 2003 IEPR policy, it  
7 is difficult for an applicant when they go and  
8 they read the policy, they see how it has been  
9 applied, and it has been applied consistently,  
10 where brackish water was 1000 TDS or worse. And  
11 now being told it might be 3000 or 5000 or 10,000.  
12 That is something that's very difficult to hit as  
13 a target.

14 And so I'm not calling that regulatory  
15 creep. I believe staff absolutely is concerned  
16 about water use, but they should be focused on the  
17 impacts. And if we have an impact, I agree, we  
18 should have to do something about it.

19 But policy is your job. And you should  
20 tell them, I think, what is the TDS, what is the  
21 policy, and what did you intend. And if you need  
22 input from the State Water Resources Control  
23 Board, I understand.

24 But that's where my frustration comes  
25 from. And I do not call this regulatory creep. I

1 don't call it that.

2 PRESIDING MEMBER LEVIN: For the  
3 audience, TDS is total dissolved solids. It's a  
4 measure of water quality. Sorry, we all live and  
5 breathe acronyms so much, we forget that the rest  
6 of the world might not know all of them. Or did I  
7 get it wrong?

8 (Laughter.)

9 HEARING OFFICER CELLI: Well, at this  
10 point what we're doing is I want to, first of all,  
11 thank the parties for this discussion. It's been  
12 really enlightening.

13 What I'm trying to do because by  
14 regulation I have to get a scheduling order out in  
15 15 days. So, I'm looking to create a scheduling  
16 order that actually gets things done instead of  
17 showing up at hearings and creating conferences  
18 where everybody shrugs and says, well, we just  
19 don't have what we need in order to make this a  
20 productive session.

21 So, I have the information I need, I  
22 think, for that part. I did want to just ask  
23 about applicant putting a prehearing conference  
24 and the evidentiary hearings way down at the  
25 bottom, versus the staff having a prehearing

1 conference and evidentiary hearings in April.

2 So it would be clear -- you have, okay,  
3 so what's on the wall right now, for the record,  
4 is the applicant's proposed dates within the  
5 scheduling order, and then staff had proposed  
6 somewhere between the end of April and May  
7 prehearing conference and evidentiary hearings.  
8 Just want to hear about that. What was your  
9 thinking?

10 MR. GALATI: I was concerned if there  
11 was additional work, like staff assessment  
12 addendums, and biological opinions and response to  
13 comments that might have a bearing on what the  
14 applicant might do with their project, that we  
15 would like to be able -- the opportunity to  
16 present those to you.

17 So if we wanted to do the prehearing  
18 conference and evidentiary hearings and leave the  
19 record open so we have an opportunity -- let's say  
20 a comment came in, or the biological opinion  
21 finally came in with something that proposed  
22 something different. We want the ability to be  
23 able to handle that in an evidentiary manner.  
24 Somehow it must be in the evidentiary record.  
25 That was the purpose.

1                   If staff did an addendum, found some new  
2 information out, and came up with something  
3 different, we want an opportunity to respond to  
4 that. And that's why I put it there.

5                   HEARING OFFICER CELLI: Staff, any  
6 thoughts on that?

7                   MS. HOLMES: I think Mr. Galati is  
8 correct in that if there are some changes to the  
9 project description, changes to mitigation,  
10 changes to the impact analysis that come about as  
11 a result of the addendum, if the Committee wants  
12 to consider those in their decision there does  
13 need to be a hearing.

14                   You can do it one of two ways. You can  
15 hold most of the hearings earlier on, as you have  
16 proposed in your schedule, and schedule a short  
17 hearing later on to pick up anything that comes in  
18 in the addendum. Or you can schedule one single  
19 hearing at the end.

20                   I don't know whether or not this has an  
21 impact on BLM's schedule or their process. It may  
22 not, I don't know.

23                   MS. ROBERTS: Well, we're going to work  
24 hand-in-hand --

25                   HEARING OFFICER CELLI: I'm sorry --

1 everyone needs to speak into the microphone.

2 Thank you.

3 MS. ROBERTS: Okay. We're going to work  
4 hand-in-hand anyway, --

5 PRESIDING MEMBER LEVIN: Could you  
6 please identify yourself --

7 MS. ROBERTS: -- and this is one --

8 PRESIDING MEMBER LEVIN: I'm sorry,  
9 could you please identify yourself again for the  
10 record?

11 MS. ROBERTS: Oh, I'm Holly Roberts; I'm  
12 the Associate Field Manager for Palm Springs South  
13 Coast.

14 And 17 of these projects are proposed on  
15 BLM land, mostly along the I-10 corridor. And  
16 it's been a thrill working with the CEC Staff, as  
17 well as the companies, now for god knows how many  
18 months. If we work any closer --

19 (Laughter.)

20 MS. ROBERTS: To answer that question,  
21 this is one of the challenges of bringing the  
22 processes forward. BLM process clearly allows --  
23 this is a draft for us. This is why we allow  
24 another 90 days to get the public involved to see  
25 where did we miss a piece of mitigation. Did we

1 miss some form of project tweak that maybe could  
2 have made it a little bit better.

3           Whereas your process is definitely a  
4 little bit different, you know, everything needs  
5 to be said upfront, and get it into the document.

6           But this is one of the challenges we'll  
7 work with, as well as the rest of the staff. But  
8 clearly, I'd like to see whatever these guys need,  
9 if there is a policy question, let's get it  
10 together. If BLM can facilitate getting the  
11 Bureau of Rec, we don't care. Just to answer  
12 these policy questions upfront so we can move  
13 forward.

14           And I'm not saying that this project's  
15 going to be approved. But let's get through the  
16 process, because if it's going to be approved,  
17 there's a billion dollars at stake. And we would  
18 stand behind that. And like I say, I'm almost a  
19 tick on his side right now. So is our staff.

20           So, you tell us what you need and we'll  
21 be glad to facilitate it with the other agencies  
22 in any way shape or form to keep this going.

23           HEARING OFFICER CELLI: Thank you, Ms.  
24 Roberts.

25           It seems to me, Mr. Galati, hands down

1           that we could go with a date somewhere in April or  
2           May as proposed by staff, and leave the record  
3           open.

4                         MR. GALATI:   That would be fine.  
5           Another reason why I moved it is I just asked for  
6           like three or four more hearings from you.  And so  
7           I wanted to be at least --

8                         (Laughter.)

9                         MR. GALATI:  -- at least give you one  
10          back.

11                        HEARING OFFICER CELLI:  Okay, well, we  
12          can -- I'm sure that the Committee can work this  
13          out.  And I do -- but it's important we deal with  
14          your input.  Like I said, we want to get these  
15          done upfront, and we want to have productive time.  
16          So that's really what we're about.

17                        With that, I'm going to ask the  
18          Presiding Member if you have questions or comment?

19                        PRESIDING MEMBER LEVIN:  Well, only I  
20          think what goes without saying, is we do want to  
21          get to a decisionmaking point if at all possible  
22          in time for stimulus money, if it goes that way.

23                        And I think that we need to leave a  
24          margin of error in the schedule.  My concern,  
25          looking at the staff's proposed schedule, is there

1           may not be any margin for error.

2                       And as amazing as you all are, I really  
3           really truly think you are, tick or not, I would  
4           -- there's got to be some more positive image than  
5           that -- you are only human. And there are other  
6           agencies that aren't even here today that have to  
7           be involved and weigh in.

8                       We will confer afterwards, and the  
9           Committee will issue the order well within the 15  
10          days, hopefully much sooner. But I would be more  
11          comfortable if we built in a little bit more  
12          margin for error, particularly given the couple  
13          I've seen. This is one of the first of these  
14          sorts of cases that we've done for a long time.

15                      So, that's sort of my initial reaction  
16          after this conversation. I think it has been a  
17          very helpful conversation. And continuing in the  
18          spirit of doing as much upfront as possible, and  
19          airing things, you know, every step of the way. I  
20          think this was very helpful to all of us.

21                      Commissioner Boyd, do you have anything  
22          else on the schedule?

23                      ASSOCIATE MEMBER BOYD: Well, early on  
24          when I saw this I saw the three Committee status  
25          conferences, and quite frankly, we've discussed

1 the subject in other siting cases. I've become a  
2 fan of fine, that's good, if we need three or  
3 maybe we'll only need two as we go along. I'm  
4 agreeable to that.

5 I didn't know what was involved in the  
6 scoping order issue that we just debated for so  
7 long. So that kind of rattled my thinking about  
8 the whole schedule. And, you know, as you just  
9 said, we're going to have to -- this is a work in  
10 progress, we're going to have to move it along.  
11 We may or may not need that. We may or may not  
12 resolve the issue that seems to have predicated  
13 the feeling we needed it.

14 And I think you and I in a side  
15 discussion, the placement of the prehearing  
16 conference and evidentiary hearings is still, I  
17 guess, a question to be addressed before we close  
18 down the schedule discussion. I don't think we're  
19 going to close down the schedule today. It's just  
20 a discussion of the schedule.

21 HEARING OFFICER CELLI: Yes,  
22 Commissioner, thanks. What my aim is, is that we  
23 are as efficient as possible. And it seems to me  
24 that since the state, in our system we have a 30-  
25 day comment period on the Presiding Member's

1 Proposed Decision, what we call the PMPD, which is  
2 the final decision.

3 In the federal system there's a 90-day  
4 comment period. That's 90 days of what could be  
5 productive time, which is why I'm thinking we have  
6 those hearings upfront and leave them open in the  
7 event that the biological opinion or something  
8 comes back with something that we have to make  
9 some change. We need to reopen the record, fix  
10 whatever we have to.

11 But the point I'm trying to do -- what  
12 I'm trying to do is be as efficient as possible.  
13 And that's time that we could be reading the staff  
14 assessment, formulating the PMPD, aware that there  
15 may be some further pending issues that need  
16 resolution. So that's really where I was coming  
17 from with that.

18 MR. GALATI: And we certainly would  
19 support that. As long as we can leave the record  
20 open, we'll revise our request to leave the  
21 prehearing conference, evidentiary hearings where  
22 they are. Maybe schedule in another place-holder,  
23 if we need it, after the staff assessment addendum  
24 and response to comments. We'd very much  
25 appreciate that. Our concern was that we can

1 handle something without having to scrabble at the  
2 end.

3 HEARING OFFICER CELLI: Thank you. What  
4 I'd like to do at this time is I have to get the  
5 Commissioners on a plane, so I think what I'm  
6 going to do is sort of change the order of things.  
7 And call for public comment now, while we have  
8 Commissioners here, because they are very  
9 interested in hearing from you.

10 I have one -- I want the record to  
11 reflect that there's probably 50, 60 people here.  
12 And I know a lot of them are affiliated with  
13 agencies, staff, the applicant. But I only have  
14 one, two, three, four, five, six blue cards.

15 If you want to communicate with the  
16 Committee, make your comments known, ask any  
17 questions of the parties, we're going to ask you  
18 to fill out one of these blue cards with Jim Davis  
19 in the back of the room, so that we can call your  
20 name and hear your comment.

21 This is valuable time. You don't get to  
22 be with the Committee every day. The  
23 probabilities are that we may not be meeting again  
24 until, you know, June, later on --

25 ASSOCIATE MEMBER BOYD: I heard that

1 reference to summer in Blythe, I'm sorry --

2 (Laughter.)

3 ASSOCIATE MEMBER BOYD: I'm from  
4 northern California, that's tough.

5 HEARING OFFICER CELLI: And some of our  
6 hearings and your opportunities to communicate  
7 with the Committee will be by telephone, because a  
8 lot of the time we have hearings in Sacramento,  
9 and open up the phone lines. And we do that to  
10 save taxpayer money on travel.

11 So, with that, Joey De Coninck, who is  
12 the Mayor. If you'd like to speak, please come  
13 forward. Identify yourselves and speak directly  
14 into the mic. And please forgive me if I blow the  
15 pronunciation of your name.

16 MAYOR De CONINCK: My name is Joey De  
17 Coninck. I'm the Mayor of the town, just got  
18 elected. And I'm new at this, and I just wanted  
19 to put my stamp of approval on this. I think it's  
20 a great project going on.

21 I'm a local farmer, business owner,  
22 also. And I think it's unique, new way of  
23 farming, you know, utilize some other stuff.

24 And I heard this water issue right now.  
25 I think there's, you know, a way around this.

1 Right now we're selling water to MWD from this  
2 town. There's 40 percent of our valley, because  
3 water's leaving here. So this issue about the  
4 water is not a problem. There's deals been made,  
5 35-year contract.

6 Our town here, our valley has the first  
7 water rights to the river. And that water's  
8 unquantified. There's no number set on it.

9 So there was a 35-year deal made. We're  
10 at the fifth year in right now. MWD came to us a  
11 year ago and asked for another 15 percent, which  
12 was sold to them. So a water transfer can be made  
13 here, can simplify this deal very easily, if they  
14 want to make it happen.

15 ASSOCIATE MEMBER BOYD: Let me  
16 understand. You're selling some of your Colorado  
17 River water rights to MWD?

18 MAYOR De CONINCK: Yeah, we're not  
19 selling the water rights; we're selling water.

20 ASSOCIATE MEMBER BOYD: You're selling  
21 water.

22 MAYOR De CONINCK: Yes.

23 HEARING OFFICER CELLI: You've held onto  
24 the rights?

25 MAYOR De CONINCK: Yes. And that's

1 through PVID, our irrigation district.

2 ASSOCIATE MEMBER BOYD: I've spent a lot  
3 of years in the water business, too.

4 MAYOR De CONINCK: Okay. I want to  
5 apologize, I'm a little nervous, but I got to get  
6 over this because --

7 (Laughter.)

8 MAYOR De CONINCK: So, once I get wound  
9 up a little bit, maybe it'll go away, but one good  
10 examples right now, as I've said, they did a two-  
11 year trial, and that was probably ten years ago,  
12 MWD. And worked out a water thing for two years.

13 Then it was about, I'm going to say  
14 about six years ago we did a six-month deal with  
15 Coachella. They were short of water. The water  
16 got transferred to them.

17 ASSOCIATE MEMBER BOYD: Colorado River  
18 water may or may not end up being relevant here.  
19 I would be curious to know your thoughts, the  
20 community thoughts about, you know, the  
21 groundwater resources.

22 MAYOR De CONINCK: Okay, well, the  
23 groundwater, they've been having this issue for  
24 years and years. And like there's talk that this  
25 water's brackish, if that's the same water getting

1 the Colorado River, we've got problems.

2 So, they've been trying to prove that  
3 some of this water's here, some of it's there,  
4 that could be just its own aquifer under there.  
5 Different wells. Different areas have been proven  
6 out there, some places have water, some places  
7 don't have water.

8 But the point is, if they're needing  
9 some water out there, I think it could be some way  
10 of water transfer could be, the Colorado River  
11 water coming from this valley, to make that  
12 happen.

13 So I think we can get around it, because  
14 right now we just had Fish and Game in the past  
15 few years buy 2000 acres here; they're buying this  
16 for the water. They're wanting to make it, turn  
17 it back into habitat. They're still farming it,  
18 but they're making ponds and lakes, they're using  
19 water.

20 Another thing is Sabola (phonetic) down  
21 there. They just sold for the water rights. The  
22 deal with Arizona. So there are deals being made  
23 on this Colorado River --

24 ASSOCIATE MEMBER BOYD: Okay, I don't  
25 want to interrupt you, but you heard the

1 discussion about the 2003 water policy at the  
2 Commission, as well as the water policy of the  
3 State Water Resources Control Board.

4 And that basically is that potable water  
5 shall not be used for power plant purposes.

6 MAYOR De CONINCK: Okay.

7 ASSOCIATE MEMBER BOYD: It's too  
8 valuable. So that's why I say it may not be  
9 relevant to get too excited to talk too much  
10 about --

11 MAYOR De CONINCK: Well, I'm going to  
12 say right now, if you take that Colorado River  
13 water, it's not potable.

14 (Laughter.)

15 MAYOR De CONINCK: Okay. They take it  
16 over there and run it through all their filter  
17 systems to make it work, so --

18 ASSOCIATE MEMBER BOYD: Touch, .

19 (Laughter.)

20 ASSOCIATE MEMBER BOYD: However, some  
21 people say you can pump the groundwater up here  
22 and clean it up and suddenly it's potable water.  
23 And I think that's part of what the dilemma is.

24 MAYOR De CONINCK: Okay, and then they  
25 might have --

1                   ASSOCIATE MEMBER BOYD: The other  
2 dilemma is just, you know, when you play the game  
3 what were the rules of the game when you entered  
4 the game. And I realize that's a dilemma for us.

5                   MAYOR De CONINCK: But another thing,  
6 this power plant running out here is using the  
7 water, you know. It was approved. I think the  
8 second one is approved for being able to use  
9 water. So, I mean, what's wrong with something  
10 else or something else being used.

11                   But the other thing, if that's the  
12 situation what about using the reclaimed water  
13 from the prison, the prison just across the  
14 street. They're pumping water out of the same  
15 aquifer to run a prison.

16                   So, I mean, there is water. How come  
17 they're getting a way to be able to use that  
18 water? So.

19                   PRESIDING MEMBER LEVIN: Mr. De Coninck,  
20 we really appreciate your being here, sticking it  
21 out for this long. And your comments. And  
22 actually, you raise exactly the question I had.  
23 And this goes back to the comment I made to our  
24 staff counsel about trying to get as many trains  
25 out of the station as early in the process as

1 possible, if we need to look at alternatives to  
2 fresh water.

3 If it turns out to be the analysis or  
4 the recommendation from the Bureau of Reclamation,  
5 does the city retreat, reclaim the water, or are  
6 there other opportunities for reclaimed water that  
7 could recharge the aquifers, if the applicant's  
8 going to use pumped water.

9 And it may be a longer discussion than  
10 we have time for today, but those are the sorts of  
11 things I think the sooner we know what other  
12 potential options are, the better, if we need to  
13 go there. We may not. But if we do, it's helpful  
14 to know about the prison; it would be helpful to  
15 know what the city is doing with its wastewater;  
16 whether that may be another source of water,  
17 either for aquifer recharge, groundwater recharge,  
18 or for the project.

19 That's all helpful information to us,  
20 and I think to the applicant.

21 MAYOR De CONINCK: So actually Blythe is  
22 number one on the Colorado River, it's number one  
23 water rights to the river. (inaudible) is number  
24 two. The third is Coachella and --

25 PRESIDING MEMBER LEVIN: But just to

1 clarify, our policy says that we shouldn't use  
2 that water when there's a feasible alternative  
3 that would involve reclaimed water.

4 And so what would be helpful to know is  
5 what are the opportunities for using reclaimed  
6 water in place of fresh water.

7 MAYOR De CONINCK: Okay. Well, a good  
8 example here is our valley here, we don't waste no  
9 water. Because any drainage water, any water that  
10 goes through our ground level -- for example, we  
11 can bring in eight -- feet of water. We might, on  
12 an average, use five. There's probably three that  
13 gets back in the river, you know, between the  
14 underground.

15 What we actually use here of our water  
16 is what takes to grow it, and evaporation. So in  
17 turn, like through our drainage ditches and all  
18 that, we actually can use that water, because once  
19 upon a time there was another power plant that was  
20 going to go here, the (inaudible) nuker plant.  
21 And they made a deal with MWD to use drainage  
22 water from us. In turn they were going to buy the  
23 water from us.

24 So, I mean -- not us, but to make the  
25 power plant work. We're talking, I don't know, 20

1 years ago that this power plant was proposed. And  
2 then when they did away with the nuker, they built  
3 that sign, no more nuker power. So that water was  
4 sitting there.

5 HEARING OFFICER CELLI: And what is the  
6 status of that now?

7 MAYOR De CONINCK: Well, what happened,  
8 MWD came here eight years ago and bought 10,000  
9 acres of ground. And when they bought that, that  
10 ground included that property that San Diego Gas  
11 and Electric had.

12 So they, in turn, bought their own water  
13 rights back. You know, I mean from San Diego Gas  
14 and Electric, and so that proposed project was  
15 going through.

16 So they, in turn now, MWD has 10,000  
17 acres that they own themselves of this valley.

18 HEARING OFFICER CELLI: Well, I want to  
19 thank you for your comments. Did you have  
20 anything further, --

21 MAYOR De CONINCK: No. If they have any  
22 questions, or if I can help, I imagine we could  
23 all meet -- I don't know if they talked to PVID,  
24 you know. If I could be as helpful as I can to  
25 make this happen.

1 I know what they're going through. I  
2 tried to get a dam built for ten years.

3 (Laughter.)

4 MAYOR De CONINCK: You know, it's just  
5 one hurdle after another. We do one project,  
6 somebody changes in command, they make new rules.  
7 So, I mean, it's difficult.

8 HEARING OFFICER CELLI: Well, I want to  
9 thank you for your comments. I just have to say  
10 that when we come to different towns and present  
11 informational hearings on power plants, it's the  
12 local people who know what's going on here. And  
13 that's why it's so important to get public  
14 comment. So I greatly thank you.

15 MAYOR De CONINCK: Well, thank you. And  
16 when I first seen everybody in town I thought I  
17 missed the boat or something.

18 (Laughter.)

19 HEARING OFFICER CELLI: Is Lee Haven  
20 still here? Please come forward, introduce  
21 yourself --

22 MR. HAVEN: I'm hanging in.

23 HEARING OFFICER CELLI: Thanks.

24 MR. HAVEN: Members of the Commission,  
25 good afternoon. My name is Lee Haven; I'm the

1 Business Development Manager for Granite  
2 Construction Company, Southern California Region.  
3 We do quite a bit of roadwork out here in the  
4 Blythe area.

5 As many of you, I'm sure without even  
6 asking, you all wear many hats. I wear them, as  
7 well. I'm involved in the Coachella Valley  
8 Economic Partnership and Valley Action Group, all  
9 having to do with various economic issues that we  
10 deal with, really from the Palm Springs area out  
11 here to Blythe.

12 However, today I'm wearing a different  
13 hat. I'm also the Vice Chair for the Riverside  
14 County Workforce Investment Board, and also the  
15 Chair of the Eastern Regional Committee, which  
16 basically covers the area from Palm Springs out  
17 here to Blythe.

18 So, it should not come as any surprise  
19 we're just concerned with jobs, jobs and more  
20 jobs. And we're advocates of the project. And  
21 certainly would like to see that happen.

22 Particularly in the sense that it's in  
23 one of our targeted cluster areas that we've  
24 identified, which, of course, is renewable energy.  
25 And, in fact, the Riverside County Workforce

1 Investment Board just approved a \$500,000 grant to  
2 train electrical workers on these kinds of  
3 projects.

4 So, Scott also mentioned a particular  
5 issue that it's nice to be relatively close to an  
6 area that had employees that, Scott, I can assure  
7 you, will travel.

8 Thank you very much.

9 HEARING OFFICER CELLI: Thank you, Mr.  
10 Haven. Thank you for your comments.

11 PRESIDING MEMBER LEVIN: And just to let  
12 the audience know, Mr. Haven -- the Energy  
13 Commission is helping to fund workforce  
14 investment, local workforce investment boards  
15 around the state, to train workers to do clean  
16 energy projects, among other things. To really  
17 stimulate the new green economy.

18 So, thank you for your work in  
19 administering that. And we absolutely support  
20 what you're doing, literally, financially as well  
21 as in other ways. This is very very important and  
22 very exciting for California.

23 HEARING OFFICER CELLI: Alfredo  
24 Figueroa.

25 MR. FIGUEROA: Hello. My name's Alfredo

1           Figuroa and I'm from Blythe, California. And I'm  
2           here representing the (inaudible) Tribe  
3           (inaudible) Protection Circle.

4                         We been here before, as the gentleman  
5           just mentioned, 2001. Who can forget that date?  
6           When 500 of our employees were laid off because  
7           they sold the water rights to the Florida Power  
8           and Electric Power Plant.

9                         Now, which is more important? Some to  
10          the power plant over there, or 500 workers from  
11          Blythe, California, that had to leave the  
12          community. And we had been involved all our lives  
13          producing these farmworkers, trying to get them  
14          more jobs. And all of a sudden, at the split of a  
15          second, our (inaudible).

16                        So, no. And I'm glad people have this  
17          Commission meeting here, because we have to take  
18          busloads to Sacramento before. And you know how  
19          long it takes to take a busload to Sacramento.  
20          You probably -- but we had to take vans.

21                        It is, when you have a tribe. There are  
22          citizens in the Mission here. The (inaudible)  
23          Indian Tribe, as well as many other tribes in the  
24          area, share ancestral homeland, cultural resources  
25          and cultural landscapes throughout the proposed

1 project areas. For many publicly known sites,  
2 many adjacent and outside the perimeter of the  
3 project sites. There are also many unknown sacred  
4 sites and resources that fall within the proposed  
5 area.

6 And many of these sites may be adversely  
7 affected by the immense amount of land being  
8 developed. We urge the various agencies to reach  
9 out and consult with the many tribes, including  
10 us, the (inaudible) Tribe.

11 Please bear in mind the bigger picture.  
12 They are not the only massive projects encroaching  
13 upon our ancestral territory, there are, in fact,  
14 hundreds being applied for that might not be  
15 identified right now by installing a massive solar  
16 project. But effects of massive developments  
17 throughout the sacred Mojave Desert are  
18 irreversible.

19 These projects are on a fast track. And  
20 a major national priority. It is so important  
21 that we protect these many sacred sites, cultural  
22 and environmental resources, to the fullest extent  
23 possible.

24 Thank you for this opportunity for this  
25 comment. Sincerely, (inaudible) McCoy, Director

1 Councilwoman, (inaudible) Cultural Center.

2 So, the last time the team over here was  
3 here in Blythe, it was the most -- one of the most  
4 -- is the trail that goes all the way north and  
5 south from (inaudible), the most sacred mountain  
6 there is. And the (inaudible) trail that goes  
7 east and west, which we call it (inaudible).

8 I know some of these people that we talk  
9 hocus-pocus with, see this, this is Aztec  
10 calendar. This Aztec calendar was all based here.  
11 It's new for you, for people that came, but not  
12 for us. We know, that's why we would work long  
13 time trying to get the BLM to make this the  
14 guidance of the sacred sites, which is the  
15 (inaudible). And over 300 others. We are now --  
16 we have a BLM MOU with the BLM. Our tribe and our  
17 sacred site protection.

18 So we are here saying that fast track is  
19 nice, but thanks to the staff that says, you know,  
20 we wait a long long time. You know how it's  
21 always been since -- in 1948, February the 2nd.  
22 Everything was denied to us. And we have been  
23 just totally ignored. But the thing is coming  
24 now.

25 I know you heard a lot about the

1 (inaudible), but we going to get back and track  
2 why Mother Earth has us here.

3 So part of our committee, they don't  
4 live here, they live in the other town, they live  
5 in the other states, but these are our  
6 archaeologists that are going to work with us for  
7 a lot of times, a long time.

8 So the way that that schedule is should  
9 continue with the schedule. It's nice, sure.  
10 Boom, boom, boom, now and then, you know, what I  
11 mean. We are here for a purpose, to maintain  
12 this. I'm not going to make a big long, long  
13 speech, but you know the truth. You know that  
14 things -- and thanks to Al Gore and people like  
15 that that are helping us to maintain this  
16 understanding of people that came from Europe and  
17 came with -- and they brought other information.  
18 But we know the truth here. So you have to have  
19 the proper procedures to go about it.

20 If you have any questions, more than  
21 glad to answer the questions. I'm here, I'm  
22 available (inaudible). Take it the way you want  
23 to, but we're going to be in touch, and they're  
24 going to send you the official --

25 Any questions from the Committee? Thank

1       you for coming down, you know, Sacramento -- I was  
2       in Sacramento, San Francisco, but man, it just  
3       takes for us to be going back and forth. I'm 76  
4       years old, so, you know what I mean. And  
5       sometimes we win, sometimes we lose.

6                   I know with the Sun Desert Power Plant,  
7       the nuclear power plant, thanks to Jerry Brown.  
8       And they have the California State Energy  
9       Commission, oooh, the Energy Commission. Those  
10      were the days. That's why we were -- yes, ma'am?

11                   PRESIDING MEMBER LEVIN: We want to be  
12      sure to allow time for other speakers. So, if you  
13      could keep your comments to this project, just to  
14      be --

15                   MR. FIGUEROA: Yes, ma'am.

16                   PRESIDING MEMBER LEVIN: -- sure to  
17      allow time for other speakers --

18                   MR. FIGUEROA: I'm through, ma'am.  
19      Thank you very much.

20                   PRESIDING MEMBER LEVIN: And also, for  
21      any of the speakers, if you could please leave  
22      your business card with the court reporter, and/or  
23      sign up for our listserve, so that you will stay  
24      informed about the project.

25                   We really encourage everyone to sign up

1 for the listserve. That's the easiest way to stay  
2 in touch with what's going on and get more  
3 information, and to provide comments to us.

4 HEARING OFFICER CELLI: And the court  
5 reporter is sitting right in front of me, so  
6 that's who we're talking about.

7 Thank you for your comments, Mr.  
8 Figueroa.

9 Davis Kehl.

10 MR. KEHL: Hi. I'm David Kehl and I  
11 live here in Blythe, and I'm a member of the  
12 chamber of commerce. And what a room full of  
13 passion and intelligence.

14 And as I stand before the Energy  
15 Commission, this is my first time, I really am  
16 encouraged by what I hear, you know, that you  
17 really want to get things done. You know, and I'm  
18 just taking a look at government, I'm taking a  
19 look at business.

20 And it just seems like you guys really  
21 want to make sure that all the regulations are  
22 complied with. And when they are, let's move  
23 forward.

24 You know, I see just that, and I heard  
25 the first time the stumbling block on water. And

1 I'm from this area, and I've seen this community  
2 really suffer, this economy really suffer. Our  
3 biggest employer is the prisons.

4 So you know what's going on with all the  
5 state employees, you know, the pay cuts, the  
6 furlough days. We've really been impacted.

7 Plus, selling the water to MWD hasn't  
8 helped this community. A 50-year-old business  
9 that sells farm implements is on the verge of  
10 bankruptcy. We are hurting.

11 And as a layperson I hear about pumping  
12 groundwater, and it's going to affect the Colorado  
13 River 15 miles away. And I think, oh, I hope that  
14 doesn't hold up this project.

15 I've heard this presentation twice. I  
16 heard it when you guys did it at Rotary. Seems  
17 like a great project for Blythe, renewable energy.  
18 I want to make an impassioned plea that Blythe,  
19 California gets selected for this project.

20 If you determine that the project meets  
21 the rules and regulations, and this is the right  
22 time in history for this kind of a project, then  
23 I'm pleading with you that Blythe, California gets  
24 this project. Because the ripple effects through  
25 this community with motels, purchasing gas,

1 restaurants, people renting property, houses that  
2 are for rent. The financial impact on this  
3 community couldn't be better anywhere in  
4 California. You cannot pick the Imperial Valley  
5 or anywhere else that needs a project more than  
6 Blythe.

7 Thank you.

8 HEARING OFFICER CELLI: Thank you very  
9 much for your comments.

10 I have Bob Jensen. Oh, actually, I'm  
11 sorry. Bob Jensen came, and I suppose he had to  
12 leave, but he wrote down that the site lies just  
13 outside the boundaries of the local school  
14 district. Was this intended so as to avoid  
15 commission development fees?

16 And then there's something I can't read,  
17 I'm sorry to say. Is that a citation on the  
18 bottom, I don't know what that is.

19 So, in any event, Mr. Jensen, your  
20 information is in the record. And I'm sorry, it  
21 looks like a C:N7D P/square foot.

22 MS. HOLMES: How many dollars per square  
23 foot.

24 MR. GALATI: Yeah, I think what he's  
25 talking about is the school impacts --

1 MS. HOLMES: School impact fees.

2 MR. GALATI: Yes, and we can address  
3 that question, or we'd be more than happy to file  
4 something to put in the record for Mr. Jensen.

5 HEARING OFFICER CELLI: That would be  
6 great. Thank you.

7 And lastly, Charles Hull representing  
8 himself. If there's anyone else who'd like to  
9 make a comment, please fill out a blue card and  
10 get it up to us. Jim Davis will get it up to us,  
11 so that we can -- you can address the Committee  
12 while they're here.

13 Please, Mr. Hull.

14 MR. HULL: Good afternoon,  
15 Commissioners, staff and members of the public.  
16 My name is Charles Hull, and I reside at 431 Alice  
17 Lane in Blythe.

18 I'm recently retired as the Assistant  
19 City Manager, and spent many years in this  
20 building. I sat right there through numerous  
21 staff reports, and the Commission's hearings on  
22 Blythe I.

23 I was the Project Manager and shepherded  
24 that project through its evidentiary process here,  
25 the workshops, and I learned a lot in that

1 process.

2 You are in the same boat and much more  
3 efficient, as I've seen, this afternoon than when  
4 that project went through, But you're dealing  
5 with exactly the same issues.

6 And I want to assure you that you're  
7 doing it right, number one. That David and  
8 Alfredo are both correct, we need this project  
9 here. But as I work with the whole group,  
10 subsequent to my city retirement, on the Blythe  
11 transmission line, which was the concrete poles  
12 going west of town, that this project will tie  
13 into, there are environmental stewards,  
14 archeological employees and Native Americans  
15 employed daily to make sure that any kind of  
16 environmental concerns are addressed on the  
17 project site minute by minute.

18 Your staff is doing an admirable job of  
19 conditioning the project. And the Ford Dry Lake  
20 was a lake at one time, and there are  
21 environmental sites around it that have  
22 archeological interest, but whether or not they're  
23 valid, nobody will know that till we get out  
24 there. And right now it's a long walk around that  
25 project.

1                   On the bus tour this afternoon I was  
2                   asked -- or this morning -- why the project goes  
3                   out there. It's a perfect fit from the  
4                   environmental concepts of and the logistics of  
5                   siting a project like this, this size. It's the  
6                   perfect fit.

7                   Desert tortoise impacts, the small  
8                   wildlife that are out there, it's nothing but  
9                   greasewood, sand dunes and vast area that has  
10                  minimal significance in the overall scheme of  
11                  things.

12                  The project will, of course, boost the  
13                  local economy during its construction. There's  
14                  upwards of 1000 jobs over that that will be  
15                  employed during the course of the three-year  
16                  project. We need those jobs here, as you've  
17                  heard.

18                  One of the comments about the water, if  
19                  I can, going back to the Blythe Energy Project  
20                  Number I, the project was conditioned that if they  
21                  drew down on the local well adjacent to the Blythe  
22                  Plant, as they drew down 3300 acrefeet in a year,  
23                  if they impacted over five feet on the local well,  
24                  they had to mitigate that.

25                  That I know of, no wells have been

1           impacted, and no mitigation has been required. So  
2           there is a standard there now that if you went  
3           back and looked at that, it would also give you  
4           elevations for the accounting surface and how that  
5           would reflect further west.

6                        I did make an observation for the city  
7           back in the late '80s or '90s, when the Eagle  
8           Mountain Mine was proposed to be used for a  
9           dumping site for the Los Angeles Basin trash. And  
10          the city had to take a position on that project.

11                      I did discover in wells state laws that  
12          there was 988 feet of groundwater difference in  
13          groundwater elevation between Desert Center, Eagle  
14          Mountain and the Colorado River. Meaning that the  
15          groundwater flows this direction.

16                      I'm not sure that's germane to this  
17          conversation, but it certainly says that  
18          groundwater's coming this way, in the bigger  
19          scheme of things.

20                      But we'd like to officially go on the  
21          record in support of the project. And we hope  
22          that the Commission find so. Thank you.

23                      PRESIDING MEMBER LEVIN: Mr. Hull, the  
24          study that you mentioned, the water study, I  
25          believe from Blythe water, do we have that

1 already?

2 MS. HOLMES: Well, we certainly have the  
3 staff assessment. We have the applicant's  
4 testimony, and we have the conditions of  
5 certification. He's correct that in the past the  
6 Commission has, particularly where there are  
7 potential wells being affected, we use the  
8 threshold of five feet at the level at which an  
9 applicant or project developer must provide  
10 mitigation. That's not just the Blythe projects,  
11 it's several other projects, as well.

12 PRESIDING MEMBER LEVIN: I just want to  
13 make sure that we have the information and  
14 analysis already. Or if there's additional  
15 information and analysis from that study, it could  
16 be submitted into the record as soon as possible  
17 so that, again, in the spirit of not wanting to  
18 reinvent or recreate wheels.

19 MS. HOLMES: I think your point is a  
20 good one, Commissioner Levin. We will ask the  
21 compliance project manager for the Blythe projects  
22 to ascertain whether there is any monitoring data  
23 in the compliance record that could be of use in  
24 this project.

25 MR. HULL: They should be reported

1 monthly.

2 PRESIDING MEMBER LEVIN: Thank you very  
3 much, Mr. Hull.

4 MR. HULL: I'm sorry, I didn't mean to  
5 walk away from the microphone. If you have any  
6 other questions I'd be happy to --

7 HEARING OFFICER CELLI: Commissioner?  
8 Thank you, Mr. Hull.

9 MR. HULL: Have a safe trip home. Thank  
10 you.

11 HEARING OFFICER CELLI: Mr. Jensen, did  
12 you want to speak? We actually -- I'm glad that  
13 you're here because I couldn't read the bottom of  
14 the note that you made.

15 (Laughter.)

16 HEARING OFFICER CELLI: Please come  
17 forward --

18 MR. JENSEN: I should have been a doctor  
19 and write prescriptions.

20 (Laughter.)

21 MR. JENSEN: My name is Bob Jensen; I'm  
22 a resident of Blythe; been here since 1986. I  
23 definitely do favor this project. It's a very  
24 welcome stimulus for our local economy.

25 Where I come from, I'm a retired school

1 teacher, administrator. And I was taking a look  
2 at the map today, and I noticed that the boundary  
3 lines of the school district end just a mile or  
4 two on the other side of Wiley's Well Road. And  
5 the project seems to be just over that line.

6 Now, the school can create or gain  
7 developer fees, and that pertains to power plants,  
8 as well. I was wondering if you just  
9 intentionally -- the school district boundary to  
10 avoid those fees?

11 HEARING OFFICER CELLI: That would be a  
12 question for the applicant.

13 MR. BUSA: For me to answer. The answer  
14 is very simple. It's an unequivocal no. That  
15 certainly the school district boundaries had no  
16 play into our site selection whatsoever. So that  
17 is coincidence, at best.

18 MR. JENSEN: Well, would you consider  
19 mitigating the cost of all the children the  
20 workers are going to be bringing to town by  
21 perhaps giving an in-kind contribution to our  
22 school district?

23 MR. BUSA: I think we would certainly be  
24 willing to talk about what that actually means to  
25 me and us -- so we'd like to have some more

1 information before I could answer that.

2 MR. JENSEN: Okay. For the school board  
3 it --

4 MR. BUSA: Okay, no, that's fine.  
5 (Laughter.)

6 HEARING OFFICER CELLI: Thank you, Mr.  
7 Jensen. Is there anyone else who would like to  
8 make a comment or ask a question of the applicant  
9 or staff or anyone about the process, or this  
10 project in particular?

11 Seeing none, at this time I'm going  
12 to -- now, folks, there will be a continued  
13 workshop immediately following this informational  
14 hearing between the parties. But workshops  
15 usually do not include the Committee. And so,  
16 with that, I'm going to hand it back to the  
17 Presiding Member, Commissioner Levin, to adjourn.

18 PRESIDING MEMBER LEVIN: Well, I'd like  
19 to thank you all. I know this has been a long  
20 hearing. It is very very helpful to us. I would  
21 say it's critical to a successful process.

22 I know you've heard this ten times  
23 before, but just to repeat, we really do need  
24 stakeholder public input early and often. And all  
25 of us in the room need to approach it in a

1           problem-solving mode. It would be great to  
2           involve the city and other stakeholders in  
3           addressing the issues of concern, so that we can  
4           resolve issues, hopefully, and really keep this on  
5           schedule.

6                         So, thank you all very very much for  
7           taking up really your entire afternoon. But I  
8           think we all agree it's very important.

9                         And unless Commissioner Boyd, would you  
10          like to add any comments?

11                        ASSOCIATE MEMBER BOYD: Well, I'd just  
12          thank everybody. I think you've said it all for  
13          us. Thank you, all, for your interest and for  
14          being here. It's been interesting, really fun to  
15          be here.

16                        I'm a fourth generation native  
17          Californian, but I don't get this far southeast  
18          very often in my lifetime. I did buy gas in -- in  
19          your community --

20                        (Laughter.)

21                        PRESIDING MEMBER LEVIN: So, with that,  
22          thank you again. And the meeting's adjourned, or  
23          the hearing is adjourned.

24                        (Whereupon, at 4:29 p.m., the hearing  
25          was adjourned.)

## CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of January, 2010.

MARTHA L. NELSON

AAERT CER\*\*

## CERTIFICATE OF TRANSCRIBER

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

January 4, 2010

Margo D. Hewitt,

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