

EVIDENTIARY HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification) Docket No.
for the Humboldt Bay) 06-AFC-7
Repowering Project by Pacific)
Gas and Electric Company)
)

EUREKA PUBLIC MARINA
WHARFINGER BUILDING
#1 MARINA WAY
EUREKA, CALIFORNIA

TUESDAY, JUNE 17, 2008

10:00 a.m.

Reported by:
Peter Petty
Contract No. 170-07-001

COMMITTEE MEMBERS PRESENT

Jeffrey Byron, Commissioner and Presiding Member

HEARING OFFICER, ADVISORS PRESENT

Gary Fay, Hearing Officer

Kristy Chew, Advisor to Commissioner Byron

STAFF AND CONSULTANTS PRESENT

Amanda Blosser

Lisa De Carlo, Staff Counsel

Alvin J. Greenberg, PhD, REA, QEP,
Risk Science Associates

Robert Worl

APPLICANT

Scott Galati, Attorney
Galati|Blek

Greg Lamberg
Pacific Gas and Electric Company

Douglas M. Davy, PhD
CH2MHILL

ALSO PRESENT

Richard Martin
North Coast Unified Air Quality Management
District

Eugene Schnell

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

2 2:07 p.m.

3 PRESIDING MEMBER BYRON: Good morning,
4 everyone. I am Commissioner Jeff Byron with the
5 California Energy Commission. I would like to, on
6 the one hand, welcome you this morning to our
7 evidentiary hearing for the Humboldt Bay
8 Repowering Project. But I would also like to
9 thank the City for having us here. It is a very
10 nice facility to be meeting in.

11 With me is our Hearing Officer to my
12 right, Mr. Gary Fay, and to my left, my advisor,
13 Kristy Chew.

14 I apologize that Commissioner Douglas
15 was not able to attend this morning but she had
16 other conflicts going on in Sacramento. I just
17 got off the phone with her, actually, a few
18 minutes ago.

19 You know, I just want to make a few
20 remarks before I turn this over to our Hearing
21 Officer who will be conducting the hearing. It is
22 really more of, by way of introduction, describing
23 a little bit of our process for those of you that
24 may not be familiar with it.

25 There's been a number of workshops that

1 have been held here. And in fact I understand
2 that the staff and the applicant worked late into
3 the evening last night to try and resolve a number
4 of key issues.

5 Public involvement is extremely
6 important in the way we do things at the Energy
7 Commission. The staff works independently of the
8 decision-making that the Commission does and they
9 work with the public and the applicant in trying
10 to resolve issues. We will be hearing how they
11 did in that regard, you and I, for the first time
12 here this morning. And hopefully that will be
13 good.

14 We are going to stay here today as long
15 as is necessary to make sure we get through all of
16 the key issues that are still on the table. I
17 want to build as complete an evidentiary record as
18 possible so that I can draft what we can a
19 Presiding Member's Proposed Decision. And that
20 will be my recommendation to the full Commission,
21 who will in the not-to-distant future be making a
22 determination on this project.

23 So once again thank you for being here.
24 I am going to turn it over to our Hearing Officer,
25 Mr. Gary Fay, and he will be conducting the

1 proceeding from this point forward.

2 HEARING OFFICER FAY: Thank you,
3 Commissioner Byron. Good morning, everybody. As
4 the Commissioner said, this is the opportunity for
5 the Energy Commission to take formal evidence on
6 the Application For Certification for the Humboldt
7 Bay Repowering Project.

8 Some of this process might seem odd
9 because there is a bit of formality. Much of that
10 is because the parties have done such a good job
11 working over the many months in workshops and
12 conferences to settle many of the potential
13 disputes and to be sure that the project is as
14 efficient and well-designed and environmentally
15 friendly as is possible. It also has to meet all
16 the laws, ordinances and regulations at the city's
17 -- the local and state level.

18 That has been going on before this and
19 this is really just sort of the opportunity to get
20 it all into the formal record. But we will offer
21 everybody a chance to ask questions or make
22 comments. And I will ask that after each of the
23 subject areas. We will go through subject by
24 subject.

25 I have sent out a proposed witness list

1 for the applicant and the staff to use. We had a
2 few copies left over. They are very limited. But
3 really this is just for the parties to know what
4 order we are going to discuss topics in.

5 There's about 22 topic areas in our
6 decisions and it is much like an Environmental
7 Impact Report. All these areas were covered in
8 the Final Staff Assessment. The Final Staff
9 Assessment was the second draft of the staff's
10 analysis. After that was completed the parties
11 continued to work out differences and bring us to
12 today.

13 So what I would like to do now is take
14 appearances. Mr. Galati, on behalf of the
15 applicant.

16 MR. GALATI: Scott Galati representing
17 PG&E. To my right is Greg Lamberg. I'll let him
18 do the rest of the introductions.

19 MR. LAMBERG: Thank you, Scott, and
20 thank you Hearing Officer Fay. To our far left
21 here is Susan Strachan of Strachan Consulting.
22 Susan has worked as the environmental project
23 manager on the project and now will be working in
24 earnest on the compliance side of the project as
25 we move to the next phase of the project.

1 Scott Galati to my left, who is our
2 project counsel, of Galati|Blek in Sacramento,
3 California, a law firm specializing in these CEC
4 proceedings.

5 My name is Greg Lamberg. I have been
6 the project manager for PG&E since the inception
7 of the project.

8 To my right here is Doug Davy of
9 CH2MHILL, a nationally leading environmental firm
10 who has been doing all of the environmental work
11 for us on this project.

12 We have a number of folks in the
13 audience I would like to introduce to the
14 Committee as well, if I may. To my right here, if
15 you could raise your hand, Dave Wiseman of
16 Galati|Blek assisting us on many of the legal
17 issues associated with the project.

18 Jerry Salamy of CH2MHILL. He has been
19 our assistant project manager and has helped us
20 out greatly in the areas of air quality and public
21 health. He was also kind enough to let Mr. Davy
22 get away for a couple of weeks vacation so Jerry,
23 thank you for that.

24 To Jerry's right is Jessica Feldman.
25 Jessica Feldman is a cultural resources and

1 historic preservation specialist.

2 To her right is Ken Horn. Ken Horn has
3 been our project development engineer and has
4 worked with this team since the inception of this
5 project, helping us to define the project and
6 providing us with the details and the evaluations
7 on many of the technical aspects of the project.

8 Going behind that row, Joe Sutton, if
9 you could raise your hand. Joe Sutton is PG&E's
10 project manager. He will be responsible for all
11 the on-site construction activities for PG&E.

12 To Joe's left is John Maring. John is
13 the director of fossil construction for PG&E. And
14 John, I submit to you, may just be one of the
15 busiest gentlemen in this room right now as PG&E
16 is getting back into the generation business and
17 starting to construct a new fleet of clean, gas-
18 fired generation.

19 To John's left is Dale Love. Dale Love
20 is the project manager from W,,rtsil,. W,,rtsil, is
21 a world-renown manufacturer of reciprocating
22 engines based in Finland. Dale works out of their
23 Houston Office, W,,rtsil,, North America. W,,rtsil
24 will be the EPC contractor responsible for
25 delivering this plant on-time and within all of

1 its guaranteed performances.

2 Looking around through the audience I am
3 going to go towards the back row in the orange
4 shirt there. Always thinking about safety so we
5 can see him brightly is Roy Willis. Roy Willis is
6 the plant manager at the Humboldt Bay power plant
7 for PG&E. He oversees all the activities on-site.
8 We have a number of projects going on on-site
9 right now and Roy is working hard with the team
10 on-site to make sure that all those activities are
11 coordinated and proceeding seamlessly.

12 To Roy's left is Ian Caliendo. Ian is
13 our government relations person here on the North
14 Coast. And Ian has done just a tremendous job of
15 assisting this project and reaching out to the
16 community, addressing the community's concerns and
17 making sure that there was continual and ongoing
18 dialogue in public with regards to what we were
19 doing at the Humboldt Bay power plant. I believe
20 that's about it from our team.

21 If I may I would also like to introduce
22 Rick Martin from the North Coast Unified Air
23 Quality Management District and Jason and Brian.
24 The North Coast Air Quality Management District,
25 in the applicant's opinion, did just an

1 outstanding job of dealing with a tremendous
2 number of complex issues and bringing us all
3 together and creating a forum whereby we could
4 reach agreement. So I just want to acknowledge
5 Rick and his staff and thank them for the
6 outstanding job they did.

7 And that's the conclusions of my
8 introductions.

9 PRESIDING MEMBER BYRON: Now we know why
10 we needed such a large room.

11 (Laughter)

12 HEARING OFFICER FAY: Ms. De Carlo, for
13 the staff.

14 MS. De CARLO: Thank you. Good morning,
15 Commissioner and Hearing Officer Gary Fay. Lisa
16 De Carlo, senior staff counsel for the Energy
17 Commission staff. To my right is Robert Worl
18 filling in for John Kessler, project manager.

19 And in the audience we have our cultural
20 resources team, Amanda Blosser, Dorothy Torres and
21 Rick York.

22 And for public health and air quality we
23 have Alvin Greenberg, Matt Leighton and Brewster
24 Birdsall.

25 HEARING OFFICER FAY: Okay. Is there

1 anybody here from any party or agency that was not
2 introduced? All right.

3 And could I have a show of hands of
4 anybody who is a member of the public and not
5 affiliated with the applicant, PG&E. Okay. I see
6 a few hands, that's great. Thank you for coming.
7 This is all for you. (Laughter)

8 The Commission has a public adviser.
9 Because of the success of the process, I think, in
10 many ways, there has not been a great deal of
11 public concern about the project and the public
12 adviser has not sent a representative. But I will
13 handle their duties.

14 And we will be sure that anybody that
15 wants to address the Commissioner will have time
16 to do so and I will be repeatedly asking if you
17 have any comments. We won't make you wait until
18 the very end if there is a subject that you want to
19 speak on please feel free to make your comments.
20 We just ask that you come up to the podium and
21 state your name before you start making your
22 comment.

23 I have asked our court reporter, as I
24 always do, to be in control. If he can't hear you
25 or doesn't catch your name he is just going to

1 stop things until he gets that. So it is very
2 important because we are building a formal record
3 and we want to be sure to get all the information.

4 Right now I would like to turn it over
5 to Mr. Lamberg of PG&E. He is going to give some
6 introductory remarks and explain and describe the
7 project.

8 MR. LAMBERG: Thank you, Commissioner
9 Fay. I am going to stand up and speak loudly, if
10 I may. If it's okay with the Committee. And if
11 it is okay with the Committee if there are
12 questions from the audience I would like to just
13 entertain them at that time.

14 Okay. So if anyone has -- Can the folks
15 in the audience hear me? Okay. No? I got a no
16 back there. I'm going to have to hold two mics.
17 I'll just stay seated here.

18 How is this? It's a lot better, okay.
19 And you can hear me okay, Mr. Court Reporter?
20 We'll make the remarks brief. There are written
21 handouts -- There's copies of this presentation in
22 the back there for the public if you would like to
23 take one with you. We will be very brief in our
24 remarks. I just wanted to give the public an
25 overview of the project. I do see a couple of new

1 faces out there today. We'll do a very brief
2 overview of the repowering project.

3 This is our current site as it exists
4 right now. This area here, the circled area is
5 actually where the new power plant is going to be.
6 As you can see it is a fairly constrained site.
7 It is a tight operating area.

8 We will be building a new access road,
9 on the other side of the canal there you see the
10 existing access road, to bring us into the project
11 site. It's our hopes that we will be able to
12 start that work to give ourselves good site access
13 and start demolition activities as soon as we are
14 through this process. We are hoping to start
15 construction towards the end of September.

16 A number of environmental and community
17 benefits associated with the project. I'll walk
18 you through them very quickly. But when we
19 compare the new facility with the existing
20 facility, the new facility will utilize fuel in
21 the county 33 percent more efficiently. That
22 means we need to use about only two-thirds the
23 amount of fuel we are using now to produce the
24 same amount of output.

25 Eighty-five percent fewer ozone

1 precursors than the existing plant. Ozone
2 precursors are those particulate matters that
3 contribute to the formation of smog. And 34
4 percent fewer CO2 emissions, the primary gas of
5 concern with regards to climate change and
6 greenhouse gas emissions.

7 The new plant will allow us to eliminate
8 the use of once-through cooling. If we go back to
9 the original slide here. As you can see along
10 that access road we have our intake channel canal
11 and then we have our out-take channel canal to the
12 far right side of the power plant. We do utilize
13 once-through cooling in this power plant right now
14 to cool Units 1 and 2 and the nuclear unit. When
15 the HBRP is built, and ultimately the nuclear unit
16 is decommissioned over the next few years, we will
17 once and for all eliminate the use of once-through
18 cooling in Humboldt Bay.

19 The new facility actually almost has
20 negligible water usage. It has a closed loop
21 cooling system that consists of a bunch of
22 radiator fans. The make up requirements for the
23 new water system are about 1.6 gallons per minute
24 as opposed to the 48,000 gallons per minute we are
25 utilizing right now on-site.

1 Low profile design. We have worked hard
2 with staff and with the visual staff to make sure
3 we are putting forth as aesthetically pleasing a
4 design for the community as we possibly can.

5 We have discussed in numerous public
6 workshops here the reliability of these units and
7 the ability of these W„rtsil„ reciprocating
8 engines, these ten engines, to very quickly follow
9 load, ramp up and down, and ultimately be able to
10 backstop intermittent, renewable capacity when it
11 comes on-line in county.

12 We have had a lot of discussion about
13 the necessity for this project to be able to
14 utilize a backup fuel. That backup fuel will be
15 carb diesel, ultra-low sulfur diesel, the cleanest
16 liquid fuel we could find.

17 And we have come up with conditions of
18 certification that will allow us to reliably meet
19 our load. As a utility we have an obligation to
20 serve and we have to keep those lights on under
21 all conditions. But we have worked hard with
22 staff to come up with a set of conditions whereby
23 we can meet our obligations and still ensure the
24 public health and the reliability of the
25 community.

1 And then from a public benefit
2 perspective and coastal access perspective. PG&E
3 will be funding a new public use trail, the
4 Truesdale Point to Hilfiker Lane trail.

5 This is what I was talking about with
6 regards to efficiency and the ability to follow
7 load. The bottom line in red is essentially our
8 efficiency curve for the existing plant. Now very
9 often Roy and his team need to run at the 10 or 15
10 megawatt level in the evening. And you can see
11 that when we have a plant output that low our
12 efficiency starts tailing off much below 30
13 percent.

14 With the new plant, once we start that
15 first engine up the efficiency is just about flat
16 lined at 40 percent. So a significant increase in
17 efficiency throughout the operating range, which
18 ultimately results in savings for PG&E's
19 customers.

20 This is what the new facility is going
21 to look like. In the foreground closest to our
22 Hearing Officer, Gary Fay, is our switchyard. And
23 then as we move forward, the turbine hall. The
24 two bundles of five exhaust stacks. Behind that
25 is the air-cooled cooling fans and to the right is

1 our liquid fuel storage tank.

2 This is what the facility will look like
3 in a computerized modeling. From King Salmon you
4 can see the old facility on the left, the new
5 facility on the right. Obviously a much more
6 streamlined, lower profile design than what is
7 existing currently.

8 Some economic benefits for the
9 community. Overall we are going to have a
10 construction payroll up here of about \$30 million.
11 We anticipate that about \$2.5 million of supplies
12 will be purchased locally. \$5.8 million in local
13 sales and use taxes will probably precipitate from
14 those activities.

15 Overall the project will take about 18
16 months to build with an average construction work
17 force of about 100 employees. We are going to
18 peak out at about 236 craft on-site. The peak
19 will come between, I think, months 11 and 13 in
20 the construction cycle.

21 The new plant will generate
22 approximately \$4 million per year in property
23 taxes.

24 This is the public use benefit project
25 we were talking about. This is the vista point,

1 Hilfiker Lane Bayshore Trail. PG&E will fund to
2 the city of Eureka, we will issue funds to the
3 city of Eureka for the construction of that trail.
4 And then the city of Eureka actually will take
5 care of the operations and maintenance of that
6 trail going forward.

7 Some of the history for some of the
8 folks who haven't been through it. But basically,
9 this has been a long process and a lot of people
10 have done a lot of work throughout this process.
11 In March of 2005 PG&E issued their long-term RFO.
12 As a public utility we have to go out and
13 competitively solicit new power plant proposals.
14 A number of offers were received and reviewed,
15 ultimately winding out in a EPC contract with
16 W,,rtsil,,.

17 In April of 2006 we filed with the
18 California Public Utilities Commission for
19 approval, ultimately receiving the CPUC approval
20 on November 30. We filed our application with the
21 Energy Commission on September 29, 2006. A number
22 of the milestones along the way in going through
23 that process.

24 We started this process publicly with
25 the Committee here on December 18 at our public

1 informational hearing and site visit. We worked
2 cooperatively with all the various agencies to
3 move ourselves through this process.

4 Additional milestones. Of recent
5 interest is the Preliminary Staff Assessment was
6 issued by the Energy Commission on November 29.

7 We had a number of workshops here in the
8 community and made great progress on a lot of
9 those issues. There was a lot of public input and
10 questions and we certainly thank the public for
11 all the input and concern you have had about this.
12 I think at the end of the day we wind up with a
13 better product as a result of all the input that
14 we received from the public.

15 We have issued W„rtsil,, a full notice to
16 proceed. The North Coast Unified Air Quality
17 Management District issued its final Determination
18 of Compliance, which is essentially the air
19 permit, in April of this year.

20 The CEC staff issued their Final Staff
21 Assessment on May 15. We had a workshop on the
22 Final Staff Assessment yesterday and great
23 progress was made with regards to reaching
24 agreement and some cleanup on some outstanding
25 issues that we had. We are very thankful to all

1 that participated yesterday in that workshop.

2 Between today and commercial operations,
3 what's left to actually, you know, get this new
4 plant on-line and get it operating? Well here we
5 are today on June 17 at the Wharfinger Building at
6 our evidentiary hearings. And again we thank all
7 of you for coming out and joining us for these
8 proceedings.

9 The CEC Siting Committee, after we close
10 the record today, as Gary Fay outlined for us,
11 will be going through the record in order to issue
12 their PMPD and then ultimately there will be a
13 Final Decision.

14 We are targeting to commence
15 construction in the late-September time frame
16 based on our assumptions of what that schedule
17 will entail. We have experienced some delays. We
18 were originally targeted to schedule construction
19 in March or April so as to be able to miss the
20 rainy season and do all of our heavy civil work
21 on-site outside of the rainy season. But we are
22 where we are. Again, we have experienced a little
23 bit of delays but I think Humboldt County and the
24 North Coast of California has gotten a far
25 superior product as a result of the delays we

1 experienced in working our ways through the
2 issues.

3 Current, commercial operation for the
4 plant is slated for June or July of 2010. It is
5 very critical to PG&E and to the project that we
6 can start construction in the September time
7 frame. The existing units are better than 50
8 years of age and there are some reliability issues
9 of continuing concern with regards to the
10 continued maintenance and upkeep of those units.

11 We do need to get the critical site
12 activities with regards to the civil work done
13 before the rainy season. Currently, our Army
14 Corps of Engineers 404 permit limits our best
15 management practice hydroseparator/bioswale work
16 and our filling of wetlands. All that work is
17 restricted to be done during the dry season. So
18 once it starts raining here in Humboldt, which
19 could probably be any day now, we would -- we
20 would be precluded from those activities.

21 So we are going to, we are working hard
22 with the Army Corps of Engineers and meeting with
23 the North Coast Regional Water Quality Control
24 Board over the coming weeks to try to obtain a
25 little relief on those restrictions to allow a

1 little larger window so our good friend Dale Love
2 from W„rtsil,, can actually sleep at night this
3 fall.

4 There is a little bit of concern about
5 the availability of equipment and workers for
6 making the summer of 2010 peak and we are working
7 through that. We also would like to get ourselves
8 off the Bay and eliminate the once-through cooling
9 in the project as quickly as possible.

10 So in summary, PG&E is here. We have
11 been here for a long time. We are going to be
12 here for a long time. This is all about continued
13 reliability of power for Humboldt County.

14 The project represents a significant
15 reduction in the impact on local air quality. The
16 elimination of the once-through cooling. Flexible
17 loading capacity. And I think that is really,
18 really important as we look forward here in
19 Humboldt County and we work together and
20 cooperatively to bring more and more renewable
21 resources on-line. Many of these resources are
22 intermittent in nature and this plan is ideally
23 suited to backstop those resources because of its
24 quick response capabilities.

25 The local economic benefits we have laid

1 out. I don't think there is anyone in Humboldt
2 who is ever opposed to a little shot of economic
3 growth in the community and we are excited to be
4 able to do that through this project.

5 Again, we are really, really focused on
6 getting Joe and getting Dale and the guys on-site
7 everything they need so that they can start
8 construction in the September time frame.

9 I thank all of you for coming out today.
10 I, again, really thank the public for all their
11 participation. I have immensely enjoyed working
12 with the community up here. And that concludes my
13 comments.

14 HEARING OFFICER FAY: Thanks,
15 Mr. Lamberg. Are there any questions about his
16 presentation? Any of the details about the
17 project? Okay.

18 Mr. Galati, I will let you go ahead with
19 some procedural matters.

20 MR. GALATI: Yes, Mr. Fay. Mr. Lamberg
21 has prepared a hard copy of the slide show
22 presentation that he just gave and I would like to
23 mark that as Exhibit 74. Project Description
24 Slide Presentation by Greg Lamberg Given at
25 Evidentiary Hearing on June 17, '08. I would like

1 to mark and ask that be moved into the record.

2 HEARING OFFICER FAY: Is there
3 objection?

4 MS. De CARLO: No objection.

5 HEARING OFFICER FAY: All right, so
6 moved. That will be Exhibit 74.

7 I will ask the court reporter to swear
8 the witness and then Mr. Galati will establish the
9 basis for this testimony.

10 Whereupon,

11 GREG LAMBERG

12 Was duly sworn.

13 DIRECT EXAMINATION

14 BY MR. GALATI:

15 Q Mr. Lamberg, did you file previously,
16 written testimony entitled, Project Description
17 Testimony and Declaration of Greg Lamberg dated
18 June 4, 2008, in this proceeding?

19 A Yes I did.

20 Q Do you have any changes to that
21 testimony?

22 A No, I do not.

23 MR. GALATI: No further questions. I
24 would ask that Exhibit 55 and his declaration,
25 which testifies that it was under oath, that that

1 be admitted into the record.

2 HEARING OFFICER FAY: Any objection?

3 MS. De CARLO: No objection.

4 HEARING OFFICER FAY: Okay. That is
5 admitted as read and the transcript will reflect
6 his summary that he gave today.

7 Now we are going -- as I indicated we
8 are going to be going very quickly through many of
9 these topics so I encourage people that have
10 curiosity or comments in those topic areas to
11 speak up before we move on to the next one.

12 We will now ask the staff if they have
13 testimony on Project Description.

14 MS. De CARLO: All our testimony is
15 contained in the Final Staff Assessment. Would
16 you prefer to identify that and move that all into
17 the record at once?

18 HEARING OFFICER FAY: Yes, I believe we
19 can do that now.

20 MS. De CARLO: Okay.

21 HEARING OFFICER FAY: Then that will
22 dispense with a lot of that redundancy.

23 MS. De CARLO: Okay. Would you like a
24 witness to sponsor that? We have declarations.

25 HEARING OFFICER FAY: Well why don't you

1 form the foundation with Mr. Worl and then we'll
2 explain about the declarations.

3 MS. De CARLO: Okay. Mr. Worl needs to
4 be sworn.

5 Whereupon,

6 ROBERT WORL

7 Was duly sworn.

8 THE REPORTER: Please state your name
9 for the record.

10 MR. WORL: My name is Robert Worl.

11 THE REPORTER: Thank you.

12 DIRECT EXAMINATION

13 BY MS. De CARLO:

14 Q Mr. Worl, did you supervise the
15 production of the staff's Final Staff Assessment,
16 Exhibit 200?

17 A Yes I did. John Kessler was the actual
18 project manager.

19 Q And are there any changes to the Final
20 Staff Assessment?

21 A Not to the Staff Assessment, no.

22 MS. De CARLO: I believe that is all,
23 Mr. Fay.

24 HEARING OFFICER FAY: All right. Moving
25 the Final Staff Assessment at this time?

1 MS. De CARLO: Yes.

2 HEARING OFFICER FAY: Any objection?

3 MR. GALATI: No objection.

4 HEARING OFFICER FAY: Okay. There will
5 be modifications to this Final Staff Assessment,
6 it is a substantial document and part of the
7 process since it was published was negotiation
8 with the parties. And we will touch on those
9 changes as we go subject by subject.

10 And I have given the parties sort of a
11 list, it's called the Proposed Witness List, and
12 we will just go through and look at things in
13 order.

14 Mr. Galati, do you have testimony on
15 Alternatives?

16 MR. GALATI: Yes. I would like to move
17 at this time the previously filed testimony on
18 Alternatives, including the declarations of Susan
19 Strachan and Doug Davy. That is specifically
20 Exhibit number 57. Since it is supported by a
21 declaration I would like to move that into
22 evidence at this time.

23 HEARING OFFICER FAY: Any objections?

24 MS. De CARLO: No objection.

25 HEARING OFFICER FAY: Okay, that will be

1 entered as it's read.

2 The declaration that Mr. Galati referred
3 to is a written statement saying that the witness
4 prepared the testimony, and if called upon to
5 testify verbally, would say basically what is in
6 the written testimony. Where no cross examination
7 is involved this is just an efficient way to get
8 the testimony into the record.

9 Is there testimony from the staff on the
10 topic of Alternatives?

11 MS. De CARLO: Yes there is. Sponsored
12 by John Kessler, and his declaration is included,
13 in the Final Staff Assessment.

14 HEARING OFFICER FAY: All right. Any
15 objection to receiving that.

16 MR. GALATI: No objection.

17 HEARING OFFICER FAY: Okay. So that is
18 entered at this point as it's read. And that is
19 what page of Exhibit 200?

20 MS. De CARLO: It is Chapter 6.

21 HEARING OFFICER FAY: Chapter 6, thank
22 you. Okay.

23 Now the applicant has presented its
24 testimony on Facility Design. Do you also have
25 separate testimony on Efficiency and Reliability?

1 MR. GALATI: No, they are all combined
2 into Exhibit 60.

3 HEARING OFFICER FAY: Okay.

4 MR. GALATI: Exhibit 60 is the Facility
5 Design, Efficiency and Reliability testimony,
6 supported by the declaration of Kenneth F. Horn.
7 And that was filed on June 4, 2008. I would ask
8 that that be moved into evidence.

9 HEARING OFFICER FAY: Any objection?

10 MS. De CARLO: No objection.

11 HEARING OFFICER FAY: Okay, we will move
12 that into evidence.

13 I will move to the staff on the topic of
14 Facility Design as well as Efficiency and
15 Reliability.

16 MS. De CARLO: Those two, those three
17 testimony portions are sponsored by Shahab
18 Khoshmashrab and Steve Baker and their
19 declarations are included in the Final Staff
20 Assessment.

21 HEARING OFFICER FAY: Okay.

22 MS. De CARLO: And would you like the
23 chapter numbers?

24 HEARING OFFICER FAY: If you have that
25 reference.

1 MS. De CARLO: Facility Design is
2 Chapter 5.1. Power Plant Efficiency is Chapter
3 5.3. And Power Plant Reliability is 5.4.

4 HEARING OFFICER FAY: Thank you. And
5 you are moving that at this time?

6 MS. De CARLO: Yes.

7 HEARING OFFICER FAY: Any objection?

8 MR. GALATI: No objection.

9 HEARING OFFICER FAY: All right, we will
10 enter that as it is read.

11 Transmission System Engineering?

12 MR. GALATI: Mr. Fay, we have Exhibit
13 69, which is the Transmission System Engineering
14 testimony supported by a declaration of Robert T.
15 Jenkins dated June 4, 2008. And we would ask that
16 that be moved into evidence at this time.

17 HEARING OFFICER FAY: Any objection?

18 MS. De CARLO: No.

19 HEARING OFFICER FAY: All right, so
20 moved. I will ask if the staff --

21 MS. De CARLO: Our testimony on
22 Transmission System Engineering is sponsored by
23 Ajoy Guha and Mark Hesters and their declarations
24 are included in the Final Staff Assessment.

25 HEARING OFFICER FAY: And what section

1 is that?

2 MS. De CARLO: It is 5.5.

3 HEARING OFFICER FAY: Thank you. Are
4 you moving that at this time?

5 MS. De CARLO: Yes.

6 HEARING OFFICER FAY: Any objection?

7 MR. GALATI: No objection.

8 HEARING OFFICER FAY: So moved.

9 Are there any questions on anything
10 about the transmission system? As I said before,
11 please pipe up if you have any questions about any
12 of this.

13 Now we will move to Transmission Line
14 Safety and Nuisance.

15 MR. GALATI: Mr. Fay, we have identified
16 Exhibit 68, the Transmission Line Safety and
17 Nuisance testimony and declaration of Douglas Davy
18 dated June 4, 2008. We would ask that Exhibit 68
19 be received into evidence.

20 HEARING OFFICER FAY: Any objection?

21 MS. De CARLO: No.

22 HEARING OFFICER FAY: That is entered at
23 this time. And we will ask the staff if they have
24 testimony.

25 MS. De CARLO: The staff's Transmission

1 Line Safety and Nuisance testimony is sponsored by
2 Obed Odoemalan and his declaration is included in
3 the Final Staff Assessment. And we ask that it be
4 entered into evidence at this time.

5 HEARING OFFICER FAY: Objection?

6 MR. GALATI: No objection.

7 HEARING OFFICER FAY: All right.

8 MS. De CARLO: And that chapter number
9 is 4.11.

10 HEARING OFFICER FAY: Thank you, 4.11.
11 Transmission Line Safety and Nuisance involves the
12 collateral potential effects of transmission
13 lines. Not the direct transfer of energy but
14 things like interference with radios and build-up
15 of static charges, et cetera.

16 Moving now to Air Quality. Mr. Galati.

17 MR. GALATI: We have Exhibit 56, the Air
18 Quality testimony and declaration of Gary
19 Rubenstein dated June 4, 2008. And we would like
20 that to be received into evidence at this time.

21 HEARING OFFICER FAY: Any objection?

22 MS. De CARLO: No objection.

23 HEARING OFFICER FAY: So moved.

24 MS. De CARLO: Staff's Air Quality
25 testimony is sponsored by Brewster Birdsall and

1 Matt Layton and their declarations are included in
2 the Final Staff Assessment. And the chapter is
3 4.1. And I believe we also have some slight
4 modifications contained in the joint stipulation
5 we filed with the Commission on May 30. I don't
6 believe we have identified that as an exhibit
7 number yet.

8 HEARING OFFICER FAY: Let's do that at
9 this time.

10 MR. GALATI: I think the exhibit next in
11 line is Exhibit 75 for the applicant, if you want
12 to use our numbers. And again, Exhibit 75 would
13 be the Parties' Joint Stipulation dated May 30,
14 2008. And when we get through with the rest of
15 the items I will probably move that along with
16 several other exhibits that are incorporated by
17 reference in every one of these declarations and
18 testimonies that I am moving in.

19 HEARING OFFICER FAY: Just for the
20 record why don't you, Ms. De Carlo, just briefly
21 state what the topics covered in that joint
22 stipulation are. Just the subject areas.

23 MS. De CARLO: The subject areas are Air
24 Quality, Biological Resources, Soil and Water,
25 Traffic and Transportation, Visual Resources and

1 Geology.

2 HEARING OFFICER FAY: Okay. And just
3 for the public benefit. We had what is called a
4 prehearing conference some time ago to determine
5 whether the parties were ready to go forward with
6 this evidentiary hearing. And during that
7 conference the parties asked for a recess so that
8 they could address some potential for compromise.

9 And they were very successful and the
10 result is reflected in this stipulation that has
11 just been referred to as Exhibit 75. So it has
12 changes to the Proposed Conditions of
13 Certification contained in the Final Staff
14 Assessment for the subject areas that Ms. De Carlo
15 just mentioned. So those changes updated the FSA
16 at that time. And I believe we will have further
17 changes later. But thank you for introducing
18 that.

19 Before we ask if there's any questions
20 did you want to introduce Mr. Martin?

21 MS. De CARLO: Sure, we can. Rick
22 Martin is sponsoring the Final Determination of
23 Compliance from the North Coast Unified Air
24 Quality Management District.

25 HEARING OFFICER FAY: Mr. Martin, could

1 you come forward and take a seat at the witness
2 table, please. This is fine, just probably be
3 more comfortable. Please swear in the witness.
4 Whereupon,

5 RICHARD MARTIN

6 Was duly sworn.

7 THE REPORTER: Please state and spell
8 your name for the record.

9 MR. MARTIN: Richard Martin, R-I-C-H-A-
10 R-D, M-A-R-T-I-N.

11 THE REPORTER: Thank you.

12 DIRECT EXAMINATION

13 BY MS. De CARLO:

14 Q Hello, Mr. Martin, thank you for joining
15 us this morning. In what capacity did you review
16 the Humboldt Bay Repowering Project?

17 A I am the Air Pollution Control Officer
18 for the North Coast Unified Air Quality Management
19 District. As so, it is our responsibility to
20 review the application for compliance with air
21 quality rules and regulations on a federal, state
22 and local level.

23 Q And are you sponsoring the North Coast
24 Unified Air Quality Management District's Final
25 Determination of Compliance for the Humboldt Bay

1 Repowering Project today?

2 A Yes I am.

3 Q Do you have any comments on the FDOC or
4 the project?

5 A I would just like to state that we have
6 worked very extensively with the Air Resources
7 Board, the applicant, the California Energy
8 Commission, the United States Environmental
9 Protection Agency as well as the district and
10 federal land managers to come to agreement on the
11 Final Determination of Compliance that ensures
12 that it meets all the requirements that are
13 necessary for federal, state and local laws. And
14 we believe that the FDOC as issued will do so.

15 MS. De CARLO: We have identified the
16 FDOC as our Exhibit 206 and we would like to move
17 that into the record.

18 HEARING OFFICER FAY: Any objection?

19 MR. GALATI: No, no objection.

20 HEARING OFFICER FAY: No? So moved.

21 All right. Is the witness available?

22 MS. De CARLO: Yes, the witness is
23 available for any questions or cross examination.

24 HEARING OFFICER FAY: Do you have any
25 questions?

1 MR. GALATI: No questions.

2 HEARING OFFICER FAY: Mr. Martin, I want
3 to thank you for coming today. It is great to
4 have you here to sponsor the FDOC in person. Can
5 you give us, just briefly, a little flavor of the
6 kinds of challenges that the regulatory community
7 had to face with this type of generator engine.

8 MR. MARTIN: For this particular
9 project, as you are well aware, it was a very
10 complicated and extensive review process. Some of
11 the issues included compliance with a PSD and NSR
12 review, prevention of significant deterioration
13 rules at the federal level. It involved
14 compliance with the air toxic control measures
15 from the state level. It involved compliance with
16 existing local rules and regulations on air
17 quality.

18 The project has never been presented in
19 this particular size and type before so we had to
20 take a lot of review process and a lot of
21 information from the manufacturer itself without
22 actually having exact data from the source. So it
23 as rather challenging for us to determine what the
24 applicable rules would be without exact data.

25 Working with the source very

1 extensively, working with the applicant very
2 extensively, working with various experts very
3 extensively we were able to come up to agreement
4 on what we believe is a very fair, accurate and
5 protective permit.

6 The challenges involved many different
7 things including modeling analyses, review of
8 emission limitations, hours of operation and what
9 the actual design of the stack, design of the
10 equipment itself. So it involved many different
11 aspects of the actual building of the units before
12 they were built. So it was quite a challenge on
13 our part to try to identify those things.

14 HEARING OFFICER FAY: During your review
15 were you made aware of any generators in the world
16 that used this configuration?

17 MR. MARTIN: I believe there are these
18 engines in operation in other areas of the world.
19 And I guess I would look at the applicant to
20 confirm that. As far as I know there were none of
21 this size or this type in the United States.
22 There were some of a smaller size on the East
23 Coast but none of this particular size in the
24 United States.

25 HEARING OFFICER FAY: We appreciate all

1 the efforts done to take on this challenge and
2 seriously examine what really, for the regulatory
3 community, is new technology.

4 PRESIDING MEMBER BYRON: I would like to
5 extend my thanks as well for you being here but
6 also for all the efforts that your agency has
7 conducted on behalf of the health and safety of
8 the residents of this area. We won't give
9 Wurtsil, an opportunity to do the commercial but
10 I'm sure they could tell us about other
11 installations of these as well throughout the
12 world.

13 MR. MARTIN: I would just like to state
14 that from the perspective of North Coast it was
15 very challenging for us. It was new for us to go
16 through this type of process. But I would also
17 like to state that we believe there was extensive
18 cooperation on the part of all parties to come to
19 agreement with us and we are very appreciative of
20 that.

21 We are a very small staff. We have a
22 total of 13 people and we only have two or three
23 people that were actually working on this. So it
24 was very extensive and time-consuming for us to do
25 so. But we believe we got a lot of help from the

1 applicant, from the California Energy Commission,
2 from the Environmental Protection Agency and ARB
3 that allowed us to come to this. It was a very
4 good, cooperative effort.

5 PRESIDING MEMBER BYRON: Good to hear
6 that.

7 HEARING OFFICER FAY: Thank you.

8 Since we have Mr. Martin available are
9 there questions that anybody would like to ask him
10 or comments to make about the District's review or
11 air quality matters concerning the project?

12 Okay, I see no indication of hands.
13 Thank you very much, Mr. Martin, you are excused.

14 We are now going to move to the topic of
15 Worker Safety and Fire Protection.

16 MR. GALATI: Mr. Fay, could I do a
17 little cleanup here. I noticed that we identified
18 the Final Determination of Compliance as an
19 exhibit as well as staff. And since it has been
20 moved in under staff's number I just wanted to
21 note for the final exhibit list that you have that
22 we would be striking Exhibit 51 and Exhibit 52.
23 I'll keep the numbers the same. Just so it is not
24 duplicative in the record.

25 HEARING OFFICER FAY: So the exhibit

1 list will continue to reflect Exhibit 51 and 52
2 but will indicate that you have struck them.

3 Okay. Worker Safety and Fire
4 Protection.

5 MR. GALATI: We have identified Exhibit
6 72, which is the Worker Safety testimony supported
7 by the declaration of Douglas Davy. That was
8 filed on June 4, 2008 in our testimony package.
9 We would ask that Exhibit 73 be moved into
10 evidence at this time. I would ask that Exhibit
11 72, excuse me, be moved in as evidence at this
12 time. It is our Worker Safety testimony supported
13 by the declaration of Doug Davy.

14 HEARING OFFICER FAY: Any objection?

15 MS. De CARLO: No objection.

16 HEARING OFFICER FAY: So moved.

17 MS. De CARLO: And staff's Worker Safety
18 and Fire Protection testimony is sponsored by
19 Dr. Alvin Greenberg and Rick Tyler. Their
20 declarations are contained in the Final Staff
21 Assessment. And the chapter number is 4.14. And
22 we ask that that be moved into the record.

23 HEARING OFFICER FAY: Any objection?

24 MR. GALATI: No objection.

25 HEARING OFFICER FAY: So moved.

1 Are there any questions about Worker
2 Safety or Fire Protection at the site?

3 All right, we will move on to the
4 subject of Hazardous Materials.

5 MR. GALATI: Mr. Fay, we have identified
6 Exhibit 62. This is the Hazardous Materials
7 testimony supported by the declaration of Douglas
8 Davy dated June 4, 2008. We ask that Exhibit 62
9 be moved into evidence at this time.

10 HEARING OFFICER FAY: Is there
11 objection?

12 MS. De CARLO: No objection.

13 HEARING OFFICER FAY: So moved.

14 MS. De CARLO: Staff's hazardous
15 materials testimony is sponsored by Dr. Alvin
16 Greenberg and Rick Tyler. Their declarations are
17 contained in the Final Staff Assessment and the
18 chapter number is 4.4. We ask that that be moved
19 into the record.

20 MR. GALATI: No objection.

21 HEARING OFFICER FAY: That's Chapter
22 12.4?

23 MS. De CARLO: I'm sorry, 4.4.

24 HEARING OFFICER FAY: And no objection?

25 MR. GALATI: No objection.

1 HEARING OFFICER FAY: So moved.

2 Are there any questions about the
3 hazardous materials that will be stored and used
4 on-site? This subject area deals with everything
5 from paint thinner up to, you know, massive
6 amounts of natural gas, et cetera. But they are
7 all subject to close regulation and Dr. Greenberg
8 doesn't let any of it escape his notice.

9 We will now move to Biological
10 Resources.

11 MR. GALATI: We have identified Exhibit
12 58, which is the Biological Resources testimony
13 supported by the declaration of Debra Crow dated
14 June 4, 2008, and ask that Exhibit 58 be moved
15 into evidence at this time.

16 HEARING OFFICER FAY: Any objection?

17 MS. De CARLO: No objection.

18 HEARING OFFICER FAY: So moved.

19 MS. De CARLO: Staff's Biological
20 Resources testimony is contained in Chapter 4.2 of
21 the Final Staff Assessment. It is sponsored by
22 Misa Ward and her declaration is contained in the
23 Final Staff Assessment. We ask that it be moved
24 into the record.

25 HEARING OFFICER FAY: Any objection?

1 MR. GALATI: No objection.

2 HEARING OFFICER FAY: That is moved into
3 the record as just read.

4 The next topic is Soil and Water
5 Resources.

6 MR. GALATI: Mr. Fay, we have identified
7 Exhibit 71, the Soil and Water Resources testimony
8 supported by the declaration of Douglas Davy dated
9 June 4, 2008. We would ask that Exhibit 71 be
10 moved into evidence at this time.

11 HEARING OFFICER FAY: Any objection?

12 MS. De CARLO: No objection.

13 HEARING OFFICER FAY: So moved.

14 MS. De CARLO: The staff's Soil and
15 Water Resources testimony is contained in Chapter
16 4.9 of the Final Staff Assessment. It is
17 sponsored by Ellie Townsend-Hough and John Kessler
18 and their declarations are contained in the FSA.
19 We ask that it be moved into the record.

20 MR. GALATI: No objection.

21 HEARING OFFICER FAY: All right, so
22 moved. That was 4.1?

23 MS. De CARLO: 4.9.

24 HEARING OFFICER FAY: 4.9. And just for
25 record-keeping I will note that in Exhibit 75,

1 which had numerous modifications to the FSA, one
2 was in Biological Resources. It changed the
3 Condition of Certification BIO-5. And we also had
4 a change to Condition of Certification for Soil
5 and Water 1. And that was reflected in Exhibit
6 75.

7 I will trust you folks to bring me up to
8 date on the work you did last night too.

9 MR. GALATI: Okay.

10 HEARING OFFICER FAY: As we get to those
11 topics. But that will be towards the end.

12 All right, any questions about the
13 effects of this project on either the soils of the
14 area or water resources? No questions, okay.

15 Let's look at Geology and Paleontology.

16 MR. GALATI: Mr. Fay, we have identified
17 Exhibit 61, which is Geology and Paleontological
18 testimony supported by the declaration of Douglas
19 Davy. That was also filed on June 4 in our
20 testimony packet. We would ask that Exhibit 61 be
21 moved into evidence at this time.

22 MS. De CARLO: No objection.

23 HEARING OFFICER FAY: So moved.

24 MS. De CARLO: The staff's Geology and
25 Paleontology testimony is contained in Chapter 5.2

1 of the Final Staff Assessment. It is sponsored by
2 Dal Hunter whose declaration is contained therein.
3 And we ask that it be moved into the record.

4 MR. GALATI: No objection.

5 HEARING OFFICER FAY: So moved.

6 We will now move to Land Use.

7 MR. GALATI: Mr. Fay, we have identified
8 Exhibit 63, which is the Land Use testimony and
9 declaration of Susan Strachan. That was also
10 filed on June 4, 2008. We ask that Exhibit 63 be
11 moved into evidence at this time.

12 MS. De CARLO: No objection.

13 HEARING OFFICER FAY: So moved. And I
14 will just note for the record that was modified by
15 Exhibit 75, which changed Condition of
16 Certification LAND-2 in the FSA.

17 MS. De CARLO: The staff's Land Use
18 testimony is contained in Chapter 4.5 of the Final
19 Staff Assessment. It is being sponsored by Amanda
20 Stennick, whose declaration is contained therein.
21 And we ask that it be moved into the record.

22 MR. GALATI: No objection.

23 HEARING OFFICER FAY: So moved.

24 Can you just take a minute, Mr. Galati,
25 and summarize for us some of the land use

1 benefits. The bike trail is part of that, isn't
2 it?

3 MR. GALATI: Yes, it's a coastal access
4 trail. We had some discussion with staff early on
5 and came to agreement with the support of the City
6 of what was an ongoing project that they wanted
7 support and funding of a much larger project. So
8 we are funding \$230,000 of that project and the
9 City is going to undertake it.

10 HEARING OFFICER FAY: Thank you.

11 Our next topic is Traffic and
12 Transportation. And this is an examination of how
13 the construction period and also the long-term
14 operation of the project could have an impact on
15 local traffic or transportation. Typically the
16 construction phase is the most challenging where
17 certain intersections become busy with trucks and
18 workers commuting in, et cetera. Mr. Galati.

19 MR. GALATI: Yes. We have identified
20 Exhibit 67, which is the Traffic and
21 Transportation testimony, supported by the
22 declaration of Douglas Davy. That was also filed
23 on June 4, 2008. We would ask that Exhibit 67 be
24 entered into the record.

25 MS. De CARLO: No objection.

1 HEARING OFFICER FAY: So entered.

2 MR. GALATI: I would also point out that
3 TRANS-1 was modified in our joint stipulation,
4 which has been identified as Exhibit 75.

5 HEARING OFFICER FAY: Thank you. Ms. De
6 Carlo.

7 MS. De CARLO: The staff's Traffic and
8 Transportation testimony is contained in Chapter
9 4.10 of the Final Staff Assessment. It is
10 sponsored by Jason Ricks and Somer Goulet, whose
11 declarations are contained in that document. And
12 we ask that it be moved into the record.

13 MR. GALATI: No objection.

14 HEARING OFFICER FAY: So moved.

15 And now Socioeconomics, which deals with
16 the financial effects of the project in terms of
17 salaries, purchases, taxes as well as in-migration
18 of workers, that sort of thing. Mr. Galati.

19 MR. GALATI: We have identified Exhibit
20 66, which is the Socioeconomics testimony and
21 declaration of Douglas Davy. That was also filed
22 on June 4, 2008 in our testimony package. And we
23 would ask that Exhibit 66 be entered into the
24 record at this time.

25 MS. De CARLO: No objection.

1 HEARING OFFICER FAY: So entered.

2 MS. De CARLO: The staff's
3 Socioeconomics testimony is contained in Chapter
4 4.8 of the Final Staff Assessment. It is being
5 sponsored by Dr. Joseph Diamond whose declaration
6 is contained in that document. And we ask that it
7 be moved into the record.

8 MR. GALATI: No objection.

9 HEARING OFFICER FAY: So moved.

10 All right. The Noise topic.

11 MR. GALATI: Exhibit 64 is identified as
12 the Noise and Vibration testimony, supported by
13 the declaration of Douglas Davy. That was also
14 filed on June 4 in our testimony package. We ask
15 that Exhibit 64 be moved into evidence.

16 MS. De CARLO: No objection.

17 HEARING OFFICER FAY: So entered.

18 MS. De CARLO: The staff's noise
19 testimony is contained in Chapter 4.6 of the Final
20 Staff Assessment. It is being sponsored by Steve
21 Baker, whose declaration is contained in there.
22 And we ask that it be moved into the record.

23 MR. GALATI: No objection.

24 HEARING OFFICER FAY: So moved.

25 The next topic is Visual. And I'll

1 remind you that Mr. Lamberg showed us an artist's
2 conception of what the new project would look like
3 next to the existing power plant. Those are the
4 kinds of things that the examination of visual
5 impacts looks at. The appearance of the project
6 from different angles and then what kind of paint
7 scheme, et cetera, could reduce the visual
8 impacts. Mr. Galati.

9 MR. GALATI: We have identified Exhibit
10 73, which is the Visual Resources testimony,
11 supported by the declaration of Douglas Davy,
12 filed on June 4, 2008. We would ask that Exhibit
13 73 be moved into evidence.

14 MS. De CARLO: No objection.

15 HEARING OFFICER FAY: So moved.

16 MR. GALATI: I would also point out that
17 Exhibit 75 makes minor changes to the verification
18 language for VIS-3 through VIS-6.

19 HEARING OFFICER FAY: Thank you.

20 MS. De CARLO: The staff's Visual
21 Resources testimony is contained in Chapter 4.12
22 of the Final Staff Assessment. It is being
23 sponsored by Mark Hamblin, whose declaration is
24 contained in that document. And we ask that it be
25 moved into the record.

1 MR. GALATI: No objection.

2 HEARING OFFICER FAY: So moved.

3 And this is not really a matter of
4 evidence but it is a standard practice that we
5 call attention to the general conditions in
6 compliance requirements as well as closure
7 requirements. Could you move that at this time,
8 just so we have reference to the FSA.

9 MS. De CARLO: Yes. The staff's general
10 conditions, including compliance monitoring and
11 closure plan testimony is contained in Chapter 7
12 of the Final Staff Assessment. And it is being
13 sponsored by Chris Davis, whose declaration is
14 contained in there. We ask that it be moved into
15 the record.

16 HEARING OFFICER FAY: Any objection?

17 MR. GALATI: No objection.

18 HEARING OFFICER FAY: Thank you. That
19 is moved at this time.

20 Now I want to ask again if any questions
21 have come up that perhaps somebody was slow in
22 raising their hand? I just want to be sure we are
23 able to address everybody's concerns before we go
24 on.

25 What I would like to do next is receive

1 the testimony regarding Public Health. This
2 involved a little more discussion than some of the
3 other topics and so we have moved it towards the
4 end. Mr. Galati, could you not only move your
5 testimony but review for us the progress on that
6 topic.

7 MR. GALATI: You bet. Exhibit 65 we
8 have identified as the Public Health testimony and
9 declaration of Jerry Salamy. That was also dated
10 and filed on June 4, 2008. And I would like to
11 move Exhibit 65 at this time.

12 MS. De CARLO: No objection.

13 HEARING OFFICER FAY: So moved.

14 MR. GALATI: Mr. Fay and Commissioner
15 Byron. We, at the Prehearing Conference, as we
16 identified for you, that we were having some
17 additional debate with staff on some modifications
18 we proposed or would like to see in Public Health-
19 1.

20 Yesterday we had a very productive
21 workshop and we were presented with some
22 modifications to Public Health-1 that I'm sure
23 staff will sponsor here shortly. That solved our
24 concerns and we wanted to thank staff. We thought
25 that was a very good, protective condition that

1 also allows us to construct the plant and operate
2 it as needed.

3 I will let Dr. Greenberg tell you what
4 the subject mater was because I will mess it up.

5 HEARING OFFICER FAY: Okay.

6 PRESIDING MEMBER BYRON: I'm sure he
7 will look for an opportunity to speak as well.

8 (Laughter)

9 HEARING OFFICER FAY: Could the court
10 reporter please swear the witness.

11 Whereupon,

12 DR. ALVIN GREENBERG

13 Was duly sworn.

14 THE REPORTER: Please state your name
15 for the record.

16 DR. GREENBERG: Alvin Greenberg.

17 THE REPORTER: Thank you.

18 DIRECT EXAMINATION

19 BY MS. De CARLO:

20 Q Mr. Greenberg, what were your duties and
21 responsibilities with regard to reviewing the
22 Humboldt Bay Repowering Project Application for
23 Certification?

24 A Amongst other issues area I reviewed and
25 evaluated the potential impacts to public health

1 due to emissions of toxic air contaminants from
2 the facility.

3 Q And can you please summarize your
4 conclusions.

5 A My conclusions are that with the
6 revisions that we are about to discuss and the
7 proposed Conditions of Certification Public
8 Health-1 and Public Health-2, the operation of the
9 Humboldt Bay Replacement (sic) Project would not
10 result in a significant impact to public health.

11 Q And can you please discuss the changes
12 to public health that you discussed with the
13 applicant yesterday.

14 A Yes. Do you have copies that you can
15 give the Committee?

16 Q Yes.

17 A Thank you. The changes would be just to
18 Public Health-1.

19 To briefly summarize the discussions
20 over a year and a half period in my review and
21 evaluation. And also to reassure the Committee
22 and members of the public let me first discuss
23 what was not in contention up until last night.

24 Both the applicant and myself had
25 conducted air dispersion modeling and analysis of

1 the toxic air contaminants that will be emitted in
2 minute amounts from the power plant, both when it
3 was operating using natural gas, and then those
4 periods when they would have to use a backup fuel,
5 the diesel fuel that they are proposing to use
6 during curtailments or emergencies.

7 Both the applicant and myself found that
8 there would be no significant hazard due to short-
9 term exposure. In other words, no acute hazard.
10 Nor would there be any chronic hazard of any non-
11 cancer impact on the public. However, the issue
12 that arose was whether or not there would be a
13 significant risk of cancer as a result of
14 emissions of diesel particulate matter being
15 emitted when they ran the engines on diesel fuel.

16 We were both in agreement that there
17 would be no significant risk of cancer when
18 operating under natural gas. We also agreed that
19 when operating under diesel there would be no
20 acute or chronic. So I want to remove those
21 issues from any type of concern or consideration
22 and focus now instead on the differences that the
23 applicant had and I had in our analysis of the
24 risk due to diesel particulate matter only when it
25 was operating under diesel fuel mode.

1 As you know, the engines are dual fuel
2 and they did need to have another backup when
3 there was curtailment of natural gas. We
4 discussed many alternatives over the months and we
5 also looked at different control features.

6 One of the differences that came up was
7 due to air dispersion modeling. Now air
8 dispersion models are required and there are
9 approved models. I used one model that was
10 approved by US EPA and the Air Resources Board and
11 the Office of Environmental Health Hazard
12 Assessment. They used a different air dispersion
13 model that was also approved by the US EPA, Air
14 Resources Board and the Office of Environmental
15 Health Hazard Assessment.

16 The different results were actually much
17 less than an order of magnitude when it came to
18 the airborne concentration at the point of maximum
19 impact. In fact the differences were only about
20 three- or four-fold, which in air dispersion
21 modeling terms is very close. The only problem
22 was their results were below the level of
23 significance and my result was slightly above the
24 level of significance.

25 So when we cross that bright line. And

1 that bright line is a risk of ten in a million.
2 And that's with, of course, best available control
3 technology for toxics. So normally there wouldn't
4 be a problem and we wouldn't be talking about this
5 because the air dispersion models would have been
6 very close. But they straddled that line of
7 significance.

8 Mostly it was due to the fact that what
9 you have is diesel and you have elevated receptors
10 close in. There is a hill with a community, with
11 homes on it and they were rather close in. Had we
12 not had that elevated receptor issue, which we
13 call complex terrain, and had the stacks been a
14 little bit higher, we probably wouldn't have this
15 issue. But we do. And what the applicant and I
16 worked out is they raised the stack height. So
17 what that does is it increases the dispersion.

18 So keep in mind also that it is not the
19 fact that they are emitting small amounts of toxic
20 air contaminants. It's what is the airborne
21 concentration that people are exposed to. The
22 dose makes the poison, in other words. So it is
23 not that there is a molecule coming out, but
24 rather, are you exposed to a sufficient number of
25 those molecules that it could possibly cause a

1 health risk.

2 We use this bright line of ten in a
3 million risk for cancer so that when you are
4 looking at a power plant, whether it be in San
5 Diego or Eureka or the Bay Area, you know that I
6 have conducted my health risk assessment
7 consistent with Cal-EPA guidelines, using the same
8 modeling, the same approach, the same exposure
9 assumptions. And you can have confidence that you
10 can compare the different power plants and say,
11 this is all below the level of significance and
12 this one might be above.

13 In this case it was a matter that no
14 model, no air dispersion model was superior to the
15 other. What I did was verify that they ran their
16 model, which happened to be called the CT Screen
17 model, appropriately. All the inputs and the
18 outputs were done correctly. It offers nothing
19 superior over the model that I used, Aeromod.
20 Aeromod offers nothing superior over CT Screen.

21 So I decided that because the results
22 were so close that I would accept the applicant's
23 modeling. It is consistent with regulatory agency
24 review and approval. And indeed, it is part of
25 our stated process that you go to more refined

1 modeling as you go through various steps in the
2 risk assessment process. Not just taking the
3 results of one air dispersion model but going to a
4 different one to see if those results are
5 consistent.

6 And so it is allowed. It is even
7 encouraged by the Office of Environmental Health
8 Hazard Assessment guidelines. These are the 2003
9 health risk assessment guidelines that are
10 prepared pursuant to the Toxic Hot Spots Act. So
11 it is not only an approved model, it is consistent
12 with the guidelines. It is something that we as
13 scientists will do.

14 And there's very little difference in
15 the results. It's just one is above and one is
16 below. I feel, given my professional judgment,
17 given my understanding of the rules and the
18 regulations, that it is perfectly proper to accept
19 the results of one model over another model.

20 Now one of the things that we want to do
21 is ensure that there is compliance testing that
22 will verify one of the emission reductions that
23 they are claiming. There is mitigation and that
24 is the use of an oxidative catalyst for not only
25 control of other toxic air contaminants that will

1 be released but also control of the diesel
2 particulates. So we want to do what's called
3 mitigation monitoring, essentially, and that is
4 included in Public Health-1 and Public Health-2.

5 One of the other ways of controlling and
6 addressing this issue is putting a limitation on
7 the number of hours that they can run the engines
8 on diesel fuel in any given year. And that
9 limitation is 510 hours per year. That is the
10 number that both the applicant and I agree would
11 result in still an insignificant risk to the
12 public. So public health will be protected. They
13 probably will not run 510 hours. But they get to
14 do that and still public health is protected.

15 However, an issue did arise, a
16 legitimate issue was raised by the applicant, that
17 they may need more hours in the first year because
18 of the requirement for compliance testing. So in
19 order to do commissioning and in order to do
20 compliance testing, not only the testing required
21 under air quality, which is also reflected in the
22 Final Determination of Compliance from the Air
23 District, but also the testing that is required in
24 Public Health-2. So when you add up all those
25 hours it is going to exceed 510. At least it may

1 exceed 510.

2 The applicant came up with an estimate.
3 And it came up with a range. And we agreed to a
4 restriction on the lower end of that range and
5 that is 650 hours. And so you can see that as a
6 change in Public Health-1 in the underlying
7 portion in the first paragraph. With the
8 exception of the first year when compliance
9 testing and commissioning is required the number
10 of hours may not exceed 650.

11 Now they may not need that 650 hours.
12 There is also a provision in there that if they
13 can schedule their testing during periods of the
14 year when the wind is blowing offshore as opposed
15 to on-shore, and everybody who lives around here
16 knows that that occurs certain times of the year.
17 There would be no exposure to people in their
18 homes on-shore if it is blowing offshore.

19 And we'll be able to match up the
20 meteorological data showing which direction the
21 wind is, with the times that they are doing
22 compliance testing using diesel fuel, and not
23 count those hours toward the 650 in the first
24 year. No exposure equates to no risk. So I feel
25 comfortable in telling you that in the first year,

1 because of the necessity of compliance testing,
2 that we can go over the 510 hours just this once
3 to 650 hours. They may not need that.

4 But it is something that we are
5 requiring them to do. We are requiring them to do
6 this testing and so we have to give some leeway.
7 And in my 26 years as a toxicologist working with
8 several regulatory agencies, and my understanding
9 of the toxicological mechanisms, I want to
10 reassure you and the public that going over the
11 510 hours in the first year will not result in a
12 significant risk.

13 PRESIDING MEMBER BYRON: Good.
14 Dr. Greenberg, thank you for that thorough
15 explanation. And I think you have drawn a
16 reasonable conclusion, given that these models can
17 vary by as much of a factor of four and that would
18 still be called, close. So I think you have drawn
19 a reasonable conclusion.

20 I have a question that you may not be
21 able to answer. But when you looked at
22 alternatives with the applicant did you discuss
23 building a larger gas pipeline from the Central
24 Valley out here to Humboldt?

25 DR. GREENBERG: Yes we did. We

1 certainly brought that issue up a couple of times
2 at workshops. I would certainly defer to the
3 applicant and their explanation. My understanding
4 may be less than sophisticated. I don't know why
5 that was not feasible at this time.

6 PRESIDING MEMBER BYRON: I would like to
7 ask if the applicant could respond to that.
8 Whether or not PG&E indeed looked at providing
9 this community a larger natural gas pipeline in
10 order to not have this problem. But also for
11 meeting future needs here.

12 MR. GALATI: Mr. Lamberg is still sworn
13 so we will have him answer that question.

14 MR. LAMBERG: It is something we looked
15 at and something we had significant dialogue
16 about. It is true that the gas infrastructure
17 here in Humboldt County is somewhat challenged
18 insofar as the pipeline that runs through county
19 is 12-inch and utilizes and is essentially about
20 140 pipeline miles from the PG&E backbone.

21 Constructing another pipeline and
22 looking at all the various routings. And PG&E has
23 been looking at this for some time. Essentially
24 the route that we, that we currently utilize for
25 that pipeline from our backbone into county is

1 viewed by far as the best route to utilize. So if
2 there was additional capacity, pipeline capacity
3 brought into county it would essentially run over
4 the same route.

5 So there's two issues we need to look
6 at. We need to look at the supply issue and the
7 reliability issue. If we were to bring an
8 additional pipeline into county it would certainly
9 deal with the supply issue with regards to we
10 would have more capacity in county.

11 From a reliability perspective the
12 routing of that pipeline, which traverses some of
13 PG&E's most challenging territory coming over the
14 Trinity Alps, crosses major areas of seismic
15 concern. And I believe it is somewhere between 30
16 and 35 places depending on who you speak to in
17 PG&E Geosciences. So with regards to reliability
18 in that line we were still subject to potential
19 outages due to seismic disruptions.

20 And one was experienced, I believe, in
21 August 2006. In August 2006 there was subsidence
22 along that line. The line ruptured and it was
23 shut down. And PG&E had to utilize, had to
24 utilize liquid fuel at the plant for a little more
25 than a, for a little more than a week.

1 If we look at purely the supply and
2 capacity issue in-county along that 12-inch line,
3 PG&E utilizes roughly about 40 percent of the gas
4 on that line in the existing Humboldt Bay power
5 plant.

6 When we factor in the efficiency of the
7 new plant at 33 percent more efficient than the
8 existing plant, and we consider the growth rate
9 in-county of somewhere between a quarter percent
10 to half a percent per year, effectively what
11 happens is the Humboldt Bay Repowering Project
12 creates an additional 12 or 13 percent capacity on
13 that line that will take the county another 20
14 years to absorb. So in essence we do get almost
15 another virtual pipeline from a supply perspective
16 with regards to the new power plant.

17 Again, from the reliability perspective
18 it was determined that doubling the line, building
19 another line in, would not essentially enhance
20 reliability that much due to the emergency
21 situation.

22 But when we look at life going forward
23 here in Humboldt County from the gas supply
24 perspective it is true, I think as Mr. Greenberg
25 stated, we certainly don't anticipate running 510

1 hours a year. Foreseeable curtailment is
2 significantly on orders of magnitude less than the
3 reality today. But we do want to be prepared in
4 the event of an emergency to have that backup
5 supply.

6 PRESIDING MEMBER BYRON: Thank you very
7 much.

8 HEARING OFFICER FAY: And just a follow-
9 up question. Just a rough answer on say a ten-
10 year horizon. What are the number of curtailments
11 a year that occur, on average?

12 MR. LAMBERG: Can I defer to our plant
13 manager?

14 HEARING OFFICER FAY: Sure.

15 MR. LAMBERG: He may not be sworn in.

16 HEARING OFFICER FAY: Could you come up
17 and -- He is indicating two. Are you comfortable
18 with that, Mr. Lamberg?

19 MR. LAMBERG: I am very comfortable with
20 that.

21 HEARING OFFICER FAY: Okay, let's leave
22 it at that. I'm just trying to get a rough idea.
23 So this is something that can be anticipated and
24 happens with some regularity. And for the
25 audience --

1 DR. GREENBERG: Mr. Fay, Hearing Officer
2 Fay.

3 HEARING OFFICER FAY: Yes.

4 DR. GREENBERG: I'm sorry, I had one
5 other thing to add plus a correction. I believe I
6 erroneously stated that there was a four-fold
7 difference between the risks. It was a two-fold
8 difference. I'm sorry about that.

9 PRESIDING MEMBER BYRON: I'm greatly
10 encouraged there, Dr. Greenberg.

11 (Laughter)

12 DR. GREENBERG: The other thing. You
13 will see that there are some other changes to
14 Public Health-1 further down. We are basing our
15 limitation on hours per year and the applicant
16 wanted to do it in terms of mass emission rate of
17 diesel particulate matter per year. That would be
18 like in pounds per year.

19 And we have agreed to allow that when
20 the source testing, the compliance testing is
21 completed and the Energy Commission's compliance
22 project manager can come up with a verifiable way
23 of doing that. And so it would be allowed. And
24 that is what that other underlined section is
25 about.

1 HEARING OFFICER FAY: Thank you. Let's
2 just pause here for a second. Ms. De Carlo, do
3 you want to have this marked for identification?

4 MS. De CARLO: Yes. Could we mark that
5 as Exhibit 211, next in line on staff's exhibit
6 list.

7 HEARING OFFICER FAY: Exhibit 211? I
8 show 210 as the next number. Have you got
9 something different?

10 MS. De CARLO: That's fine. I believe
11 we had revised our exhibit list at one point but
12 we don't intend to enter what we had previously
13 identified as 210 on that list. So 210 would
14 suffice.

15 HEARING OFFICER FAY: Are we all working
16 on the same exhibit list? I show 209 as the last
17 staff exhibit.

18 MR. GALATI: Yes, that's what I show
19 too. So 210.

20 MS. De CARLO: That's fine.

21 HEARING OFFICER FAY: So Exhibit 210 is
22 titled, Proposed Conditions of Certification and
23 includes revised edited text in Public Health-1,
24 with a verification in Public Health-2. It is a
25 single sheet and it has been modified by hand.

1 And Dr. Greenberg's testimony reflected the
2 current modification.

3 Ms. De Carlo, will you be docketing this
4 with a cover sheet referencing the exhibit number,
5 et cetera?

6 MS. De CARLO: Yes. We can when we get
7 back to Sacramento, yes.

8 HEARING OFFICER FAY: Okay, thank you.

9 Dr. Greenberg, you have got -- Are there
10 any changes to Public Health-2?

11 MS. De CARLO: No there are not.

12 DR. GREENBERG: No there are not.

13 HEARING OFFICER FAY: All right. I've
14 got a couple of questions. To your knowledge is
15 there some sort of time limitation to the
16 usefulness of these oxidation catalysts if there
17 is a large back-to-back curtailment that would
18 require a great deal of diesel operation? Say
19 more than in most years. Is there something where
20 the catalyst can essentially be overloaded? Or is
21 that just not a factor that you have to worry
22 about?

23 DR. GREENBERG: Hearing Officer Fay, you
24 are correct. Any catalyst can be overloaded; it
25 has to be maintained. Truthfully, I did not look

1 at that issue because it is my experience that all
2 power plants watch their oxidative catalysts, even
3 when it comes to SCR, selective catalytic
4 reduction, very closely. It is in their best
5 interest to maintain a catalyst on the
6 manufacturer's schedule and to replenish as
7 appropriate. It is in their economic interest as
8 well.

9 HEARING OFFICER FAY: All right.

10 MR. GALATI: Mr. Fay, could I add
11 something to that?

12 HEARING OFFICER FAY: Yes, Mr. Galati.

13 MR. GALATI: I just also wanted to let
14 you know that the oxidation catalyst does
15 additional things other than what was provided for
16 public health. And there are very specific
17 conditions of certification incorporated right
18 now. And there's conditions in the air permit
19 that require us to meet specific limits where we
20 are relying on the effectiveness of that oxidation
21 catalyst. So there are some stopgap measures that
22 if the oxidation catalyst was not working
23 effective there are stopgap measures for us to be
24 required to replace it. Is that correct?

25 HEARING OFFICER FAY: And those are

1 conditions in the Final Determination of
2 Compliance.

3 MR. MARTIN: That's correct.

4 HEARING OFFICER FAY: And part of
5 ongoing monitoring?

6 MR. MARTIN: That's correct.

7 HEARING OFFICER FAY: All right. We're
8 getting an affirmative reaction from the Air
9 Pollution Control Officer, thank you.

10 You discussed the fact that staff and
11 the other agencies used one model and PG&E used
12 another model. And both models were perfectly
13 acceptable but they came up with different
14 results. First of all, why are there two models,
15 if that can happen? It just seems odd to me. It
16 invites this sort of challenge.

17 DR. GREENBERG: Excellent question,
18 Hearing Officer Fay. I believe there are multiple
19 models because as scientists we recognize that
20 sometimes one model does not have a superior
21 advantage over another. And the models are
22 developed separately and independently from the
23 regulatory agencies. And they are submitted to
24 the agencies for review and evaluation.

25 And it is clearly marked in the Hot

1 Spots Risk Analysis guidelines, the 2003 document
2 from the Office of Environmental Health Hazard
3 Assessment, what models can be used given either
4 simple terrain or complex terrain. And this model
5 is being -- This model is listed.

6 Interestingly enough, Aeromod is not.
7 Because Aeromod was not an approved model in 2003
8 but CT Screen was. However, Aeromod has become an
9 approved model since then but Office of
10 Environmental Health Hazard Assessment hasn't
11 gotten around to just adding it. However verbally
12 they have said yes, it's approved.

13 So it's one of those where science
14 marches on. Sometimes they build a better product
15 and sometimes they don't build a better product
16 and there's just multiple approvals.

17 HEARING OFFICER FAY: And when the model
18 inputs were changed to model a higher stack then
19 the results dropped below the level of
20 significance. Is that correct?

21 DR. GREENBERG: With the applicant's
22 model, the CT Screen, it was the higher stack and
23 also decreased hours running on diesel that
24 dropped it below the level of significance. With
25 Aeromod, which I used, it was the higher stack and

1 decreased hours. Which dropped it lower but it
2 was still above the level of significance. And it
3 was only, as I mentioned, just a fraction less
4 than two times greater than what the applicant had
5 calculated.

6 And keep in mind also, if you are
7 looking for an even greater degree of assurance,
8 that these air dispersion models tend to over-
9 estimate the airborne concentration at a receptor.
10 Now not greatly overestimate. But the goal is to
11 make sure that we do not underestimate what the
12 airborne concentration would be. But mostly there
13 is a slight overestimation. And that is what I am
14 taking into account in my professional judgment.

15 HEARING OFFICER FAY: And in fact aren't
16 many of these bright lines a flag to evaluate for
17 significance rather than be positive of whether
18 something is significant?

19 DR. GREENBERG: I don't know how to
20 answer your question other than to say it is a
21 regulatory bright line in just about every air
22 district in the state that has a toxic air
23 contaminant rule. If it is over ten in a million
24 by any of the approved regulatory models,
25 something would have to be done or they would not

1 get a permit. So we do look to see that it is
2 below.

3 We had not faced the situation before,
4 Mr. Fay, where we have one model showing it below
5 the line and one model above the line. It's
6 really a function of the use of the fuel, diesel,
7 and the complex terrain. It is a unique
8 situation.

9 HEARING OFFICER FAY: Do you envision
10 that having gone through these challenges that
11 future applications of reciprocating diesel
12 engines similar to this might be easier to
13 address. That there's been some sort of
14 adjustment or learning in the regulatory community
15 with this project?

16 DR. GREENBERG: I would say definitely
17 yes. Particularly after there is the compliance
18 testing completed. As you note from reading the
19 conditions of certification, the CPM will adjust
20 the hours allowed to be run under diesel based on
21 the source testing and the human health risk
22 assessment. A revised human health risk
23 assessment the applicant will prepare and submit
24 for review and approval. So we will learn a lot
25 more about these engines.

1 HEARING OFFICER FAY: Are there any
2 questions while we have this witness regarding the
3 public health analysis done in this case? Okay, I
4 see no indication. Commissioner, questions?

5 PRESIDING MEMBER BYRON: No, I'm fine.

6 HEARING OFFICER FAY: All right. Thanks
7 very much, Dr. Greenberg. You're excused.

8 MS. De CARLO: The staff would like to
9 move Exhibit 210 and Chapter 4.7 of the Final
10 Staff Assessment, our public health analysis, into
11 the record.

12 MR. GALATI: There's no objection. And
13 we also agree to the language shown in Exhibit
14 210.

15 HEARING OFFICER FAY: Great, thank you.
16 That is received in evidence. And Ms. De Carlo
17 will follow-up docketing a copy of Exhibit 210.

18 MS. De CARLO: Yes.

19 HEARING OFFICER FAY: Okay, that
20 concludes our testimony on Public Health. We
21 would now like to move to the topic of Waste
22 Management.

23 MR. GALATI: Mr. Fay, we have identified
24 Exhibit 70, which is the Waste Management
25 testimony supported by the declaration of Susan

1 Strachan. That was also dated June 4 and filed
2 with our testimony package. I would point out
3 that in that testimony Ms. Strachan provided some
4 explanation and changes to Condition of
5 Certification Waste-7. We would like that to be
6 moved into evidence at this time.

7 HEARING OFFICER FAY: Any objection?

8 MS. De CARLO: No objection.

9 HEARING OFFICER FAY: So moved.

10 MR. GALATI: We also had a discussion at
11 the workshop about those changes. And I will let
12 staff testify but I believe that we have
13 resolution.

14 HEARING OFFICER FAY: Nothing further
15 from you then, Mr. Galati?

16 MR. GALATI: Nothing further, thank you.

17 HEARING OFFICER FAY: Okay. All right,
18 we will move to the staff.

19 MS. De CARLO: The staff's Waste
20 Management testimony was produced by Dr. Alvin
21 Greenberg and he is available to discuss the
22 proposed changes by the applicant.

23 DR. GREENBERG: Commissioner Byron,
24 Hearing Officer Fay, Advisor Chew. I did
25 quadruple duty on this project, four sections,

1 this is my last one.

2 The applicant is quite correct. Waste-7
3 addresses the timing of remediation, cleaning up
4 of the hazardous waste on the site. And it has
5 always been our policy that we want the site, any
6 site in California that is going to have a power
7 plant located on it, to be cleaned up first prior
8 to site mobilization.

9 In this case the applicant provided
10 compelling evidence of the need to do very
11 limited, very specific, certain site development
12 prior to the full and complete remediation.

13 They provided me with ample, written
14 documentation as well as a map showing the areas
15 that they need to work on prior to remediation.
16 And I concur with them that the changes that you
17 see before you from the applicant to proposed
18 Condition of Certification Waste-7 are appropriate
19 and necessary and I agree with them.

20 HEARING OFFICER FAY: And have you
21 reviewed applicant's submittal of their testimony,
22 Exhibit 70, that discusses the issue?

23 DR. GREENBERG: Yes I have.

24 HEARING OFFICER FAY: And you find that
25 a reasonable explanation of the situation?

1 DR. GREENBERG: Yes I do.

2 PRESIDING MEMBER BYRON: Dr. Greenberg,
3 did I hear you correctly? Is this the end of an
4 era? Is this your last application or your last
5 section?

6 DR. GREENBERG: No, last section. It is
7 not my last -- You'll see me again.

8 (Laughter)

9 PRESIDING MEMBER BYRON: All right,
10 good.

11 HEARING OFFICER FAY: We were concerned.

12 DR. GREENBERG: They only allow me four
13 per site.

14 HEARING OFFICER FAY: So applicant's
15 Exhibit 70 reflects the revisions that the staff
16 and applicant have agreed on.

17 DR. GREENBERG: That is correct.

18 HEARING OFFICER FAY: Thank you very
19 much.

20 MS. De CARLO: That concludes
21 Dr. Greenberg's testimony.

22 HEARING OFFICER FAY: Okay, great. Any
23 questions about this? This discussion had to do
24 with some of the risks of moving contaminated
25 earth during construction and we want to be sure

1 that that can be done in a way that is safe to
2 workers, et cetera.

3 MS. De CARLO: And staff at this time
4 requests that Chapter 4.13, the Waste Management
5 section in the FSA, be moved into the record.

6 MR. GALATI: No objection.

7 HEARING OFFICER FAY: It is received at
8 this point into the record.

9 We would now like to move to the topic
10 of Cultural Resources.

11 MR. GALATI: Thank you. I guess I'll
12 first start with Exhibit 59, which is the Cultural
13 Resources testimony and declarations supporting
14 that testimony of Douglas Davy and Jessica
15 Feldman. That was also filed on June 4, 2008.
16 And we would ask that that be moved into the
17 evidence at this time.

18 HEARING OFFICER FAY: Any objection?

19 MS. De CARLO: No objection.

20 HEARING OFFICER FAY: All right, that is
21 received.

22 MR. GALATI: At this time -- We brought
23 a motion in limine to strike portions of staff's
24 testimony. The basis of that was a difference
25 with staff on how the potential impacts of the

1 project should be identified. Staff has
2 identified the demolition activities on the site,
3 some of them to be indirect impacts of the
4 replacement project. And we wrote a motion
5 believing that they should be more appropriately
6 treated as cumulative impacts.

7 We worked pretty late yesterday, both in
8 the afternoon session and in the evening session,
9 and we have come up with a solution. With that in
10 mind, probably there's only two people in the room
11 that are unhappy about that and that's Ms. De
12 Carlo and myself since we spent time and believe
13 wholly in our arguments and don't get to impress
14 you with our unassailable logic and charming wit.

15 PRESIDING MEMBER BYRON: We are still
16 impressed.

17 HEARING OFFICER FAY: Let me interject
18 that we are impressed.

19 PRESIDING MEMBER BYRON: Yes, we are
20 still impressed, Mr. Galati.

21 (Laughter)

22 HEARING OFFICER FAY: Both sets of
23 pleadings, very, very articulate.

24 MR. GALATI: That makes it so much
25 easier be able to withdraw the motion at this

1 time. But I do want to, and I will ask Ms. De
2 Carlo to opine as well. I think what we were
3 trying to avoid with this compromise -- well one
4 of the byproducts of this compromise, is we do not
5 believe that the Committee needs to make the
6 decision, nor do we urge you to make the decision.
7 In fact we urge you to refrain from making the
8 decision of whether it is an indirect impact or a
9 cumulative impact. And maybe Ms. De Carlo and I
10 will have that debate in front of you at a later
11 date in another project.

12 The spirit of this compromise was
13 largely driven by PG&E's desire to work with the
14 Energy Commission and by PG&E's desire led by
15 Mr. Davy, Dr. Davy, to get this matter closed. To
16 get a decision as quick as we can and get on with
17 building this plant.

18 So with those in mind I am going to hand
19 out to you what we believe is a -- This is a copy
20 of a new, compromised condition that would
21 basically focus on the mitigation. So we don't
22 believe we need to parse that mitigation based on
23 what type of impact. We are agreeing to this
24 mitigation plan. We worked with staff. I think
25 we went through it -- I think this is the third

1 iteration since last night, typed up, presented
2 and marked on. So at this time I would like to
3 mark that as Exhibit 76.

4 HEARING OFFICER FAY: So marked. So
5 Exhibit 76 is titled Humboldt Bay Repowering
6 Project Suggested Revision to Cultural Resources
7 Conditions, dated June 16, 2008, Final Agreement.

8 MR. GALATI: So at this time I think in
9 the -- since we have spent all the time talking
10 with each other about this and are comfortable I
11 would just at this time ask that Exhibit 76 be
12 moved into the evidentiary record.

13 HEARING OFFICER FAY: Any objection?

14 MS. De CARLO: No objection.

15 HEARING OFFICER FAY: So moved.

16 MR. GALATI: I also believe, before I
17 turn over the microphone to Ms. De Carlo, I also
18 believe that there were some modifications that we
19 asked for in our testimony that staff has
20 responded to that I will let them in their
21 testimony that we also worked. So I believe that
22 Cultural Resources is resolved.

23 HEARING OFFICER FAY: And you are
24 comfortable just letting the staff explain the
25 path?

1 MR. GALATI: Yes, and we formally
2 withdraw our motion.

3 HEARING OFFICER FAY: Acknowledged. The
4 motion has been withdrawn by the applicant, who
5 made the motion, therefore there is really nothing
6 in front of the Committee to rule upon.

7 Ms. De Carlo, your witness.

8 MS. De CARLO: Yes. Amanda Blosser is
9 the Energy Commission staff's witness for Cultural
10 Resources.

11 HEARING OFFICER FAY: Please swear the
12 witness.

13 Whereupon,

14 AMANDA BLOSSER

15 Was duly sworn.

16 THE REPORTER: Please state and spell
17 your name for the record.

18 MS. BLOSSER: Amanda Blosser, B-L-O-S-S-
19 E-R.

20 THE REPORTER: Thank you.

21 MS. De CARLO: And at this point I will
22 pass out to the Committee the changes staff has
23 proposed and the applicant has agreed to on
24 Cultural-8 and -9.

25 HEARING OFFICER FAY: Is this identical

1 to Exhibit 76?

2 PRESIDING MEMBER BYRON: No.

3 MS. De CARLO: No, it is not. These
4 were the suggested changes the applicant
5 identified at the Prehearing Conference. And ask
6 that they be marked as Exhibit 211.

7 HEARING OFFICER FAY: All right.
8 Exhibit 211 is a double-sided sheet titled, HBRP,
9 dated June 13, 2008, Revised Cultural Resources
10 COCs 8 through 9.

11 DIRECT EXAMINATION

12 BY MS. De CARLO:

13 Q And staff will describe the import of
14 those changes.

15 A Well, staff identified a significant,
16 historical resource, which was the Humboldt Bay
17 power plant historic district. And we felt that
18 that district was significant within the early
19 period of commercial nuclear power and within the
20 context of post-World War II electrical power
21 development in California.

22 We felt that the repowering project
23 would have a direct impact on that historic
24 district by the removal of two contributors to
25 that historic district, the rail spur and the

1 storage building. We also felt that it would have
2 an indirect impact to that district.

3 Units 1 and 2 would be decommissioned as
4 the result of this project and eventually
5 demolished. And they are also contributors to
6 that historic district.

7 We felt that the appropriate mitigation
8 for those impacts was a Historic American
9 Engineering Record document. And those were our
10 original mitigation certifications. And this new
11 CUL-10 allows for a plan on how to develop that
12 Historic American Engineering Record and allows
13 for a time line that is acceptable to the
14 applicant for the production of that document and
15 mitigation.

16 Q And do you believe that with this new
17 mitigation measure proposed by the applicant and
18 the removal of staff's previously proposed
19 Cultural Resources-10, -11 and -12, that the
20 impacts that you had identified are mitigated?

21 A Yes.

22 Q And could you please discuss a little bit
23 the changes that you have proposed for Cultural
24 Resources-8 and -9.

25 A Eight, CUL-8 requires that the applicant

1 hire an architectural historian that meets the
2 Secretary of the Interior's standards. And that
3 that architectural historian is approved by the
4 construction project manager. And that that name
5 is submitted to the CPM prior to the demolition of
6 those two contributors to the historic district.

7 CUL-9 stipulated that the applicant
8 would complete the Historic American Engineering
9 Record document of those resources prior to the
10 demolition.

11 Q And those two conditions have previously
12 referred to a transmission line tower; is that
13 correct?

14 A Yes, they did.

15 Q And did staff subsequently learn that
16 that transmission line tower had in fact been
17 already removed and previously recorded to HAER
18 standards by the applicant?

19 A Yes.

20 Q And is that the need for the
21 modification proposed today?

22 A Yes. The reference to the transmission
23 tower was removed.

24 Q And does that conclude your testimony
25 today?

1 A Yes it does.

2 MS. De CARLO: The staff's witness is
3 available for questions or cross examination.

4 HEARING OFFICER FAY: Mr. Galati.

5 MR. GALATI: No cross.

6 HEARING OFFICER FAY: Go ahead.

7 PRESIDING MEMBER BYRON: Ms. Blosser,
8 are you aware how this area, how this region
9 received its electrical power prior to the
10 construction of these two power plants?

11 MS. BLOSSER: I believe that the power
12 was largely through steam-generated power. I
13 believe that the development of this area, the
14 power was through sawmill production. Those were
15 the earliest power plants in the area.

16 PRESIDING MEMBER BYRON: Does the
17 applicant know? Are you familiar?

18 MR. LAMBERG: It was primarily through
19 barge.

20 MR. GALATI: I don't know.

21 PRESIDING MEMBER BYRON: That's right.

22 MR. LAMBERG: Barge-mounted power
23 plants.

24 PRESIDING MEMBER BYRON: That is my
25 understanding as well, that it was marine vessels

1 that were providing power tied at dockside. Those
2 obviously slipped away before we showed up.

3 HEARING OFFICER FAY: Literally?

4 PRESIDING MEMBER BYRON: Yes. Is there
5 any, has there been any interest in the
6 preservation of these plants or the records
7 associated with them prior to our Commission's
8 review?

9 MS. BLOSSER: Not that I know of, no.

10 PRESIDING MEMBER BYRON: All right.
11 Thank you. I would like to also thank both the
12 applicant and staff for working out a resolution
13 on this issue. Okay, no further questions from
14 me.

15 HEARING OFFICER FAY: I just want to be
16 sure the record is very clear. Exhibit 76 offered
17 by the applicant shows Cultural-8 and it says,
18 stays as is.

19 PRESIDING MEMBER BYRON: Right.

20 HEARING OFFICER FAY: And Cultural-9 as
21 well. And how do we reconcile that with Exhibit
22 211?

23 MR. GALATI: I apologize. We had
24 previously discussed 211 and agreed to those
25 modifications. So the reference in Exhibit 76

1 that says, stays as is, meaning it stays as
2 modified by 211.

3 HEARING OFFICER FAY: Thank you.

4 MR. GALATI: That we were not, we
5 weren't monkeying with Eight and Nine. We were
6 trying to focus on the others.

7 HEARING OFFICER FAY: All right.

8 PRESIDING MEMBER BYRON: Good, that
9 helps. That helps clarify the discrepancy in the
10 language there.

11 HEARING OFFICER FAY: Good. Are there
12 any questions about Cultural Resources and the
13 recordation of the projects that will be
14 demolished, that sort of thing? All right.

15 Anything further, Ms. De Carlo?

16 MS. De CARLO: Only that staff requests
17 that Exhibit 211 and Chapter 4.3 of the Final
18 Staff Assessment be moved into evidence.

19 HEARING OFFICER FAY: Any objection?

20 MR. GALATI: No objection.

21 HEARING OFFICER FAY: No objection. All
22 right, so Exhibit 211 and that portion of the
23 Final Staff Assessment, Exhibit 200, Chapter 4.3,
24 is received into evidence along with Ms. Blosser's
25 testimony. Thank you for your testimony.

1 Are there any comments that any members
2 of the public would like to make as we draw to the
3 end? Yes sir. Could you please come up and give
4 your name.

5 MR. SCHNELL: My name is Eugene Schnell,
6 I go by Gene. Everybody knows me by Gene. I went
7 to work for PG&E in 1950 in the land department in
8 San Francisco. I was a draftsman down there. One
9 of the first things I did was, first or second, I
10 don't remember, was to draw the property map when
11 PG&E acquired the Humboldt Bay Power Plant
12 property. That was in the early '50s.

13 Six years later I was transferred up
14 here as the land department supervisor and I
15 retired 21 years ago. That was a total -- I've
16 been up here 50-plus years.

17 But I was talking to one of the fellows
18 from PG&E yesterday about the -- I've attended
19 most of these meetings too. I think I've only
20 missed one when you used to have them out there at
21 the power plant.

22 Anyway, I talked to this fellow and he
23 said he was going to prepare a history of the
24 Humboldt Bay Power Plant and I said, well I
25 probably have a lot of information and I'll be

1 glad to help you.

2 So I started digging through some of my
3 memorabilia last night and I found some things
4 that pertain to what has not been discussed much,
5 the depth of the entrance canal for the cooling
6 for the power plant. That one time it used to be
7 dredged to a minus-eight-foot elevation. In fact
8 I remember seeing an agreement between -- the
9 person who owned the property when they bought it
10 was named Lamone Call -- saying that we would
11 maintain the depth, PG&E would maintain the depth
12 of the canal at a certain depth and so forth.

13 Back in 1970 I used to get the permits
14 for the dredging from the Coastal Commission, the
15 Corps of Engineers and various other agencies.

16 I wrote a letter to all of the people
17 bordering the canal out there about that they were
18 going to dredge it. This was back in November of
19 1970. I told them they had to move their boats
20 off the dock so that we could get by with the
21 dredge. And the dredge spoils were going to be --
22 Let's see. We used to put the dredge spoils over
23 where an old septic system used to be out there, a
24 sewage plant next to the -- Not near the power
25 plant but across the road from there.

1 So anyway. And there's other items too
2 that I probably should have brought. Where the
3 parking lot is now that is being used by the
4 contractor out there, it's full of cars. That
5 used to be a picnic area. It had picnic tables
6 and so forth there. And I have pictures of me
7 working on the place back in 1978 and so forth and
8 so on.

9 Like I say, these are things that PG&E
10 did in those days. We had Humboldt State people
11 come out there and work on the thing to stabilize
12 it so it wouldn't drift into the bay and so forth.

13 Well anyway, the thing that I would like
14 to do is see about having the dredging
15 requirements done. Because right now I went out
16 there a while back at a minus-two-foot tide and I
17 could almost jump across the canal it was so full
18 of silt and sediment and so forth. So I think if
19 PG&E is required to do the dredging they probably
20 should do this in connection with their new
21 rebuilding of the power plant.

22 The reason I am saying that too is one
23 of the people I wrote this letter to in 1970, I
24 purchased the property since then and it is now
25 mine. So I am also an owner on the canal and my

1 boats sit on the mud when the tide is at minus-
2 tide, low tide. So I would like to see it
3 dredged. Any questions? I'd be glad to answer
4 them.

5 PRESIDING MEMBER BYRON: Did this issue
6 come up at all during the workshops? Can anybody
7 speak to that?

8 MR. GALATI: Yes it did. And one of the
9 things that we talked about was the replacement
10 project does decrease some of the pumping flow as
11 we move off of Units 1 and 2 needing that water.
12 But there will be flow maintained for Unit 3.

13 And so what we had discussed was during
14 the subsequent permitting with the Coastal
15 Commission under the coastal development permit to
16 take down 1 and 2 and to eventually demolish 3,
17 which would then eliminate water. That would be
18 the appropriate time to study and to determine
19 what the impacts on that canal would be.

20 I know that PG&E has conducted some
21 studies and we had, not this particular gentleman
22 but another, directed them to make sure that they
23 are in contact both with us and with the Coastal
24 Commission during that permitting process. That
25 would be the appropriate time to analyze what the

1 effects are of no longer using water through the
2 canal.

3 PRESIDING MEMBER BYRON: And just so
4 that I am clear. We are talking, we are
5 discussing the intake and out-take canal here that
6 is on page three of the presentation that was
7 given this morning?

8 MR. GALATI: That is correct. Just the
9 intake canal.

10 MR. LAMBERG: Actually, correction. We
11 are actually discussing -- It can't be seen in the
12 slide but I think the area of concern is off of
13 the slide as you cross the King Salmon area. The
14 area of the canal that leads back out to Humboldt
15 Bay that goes through the King Salmon community.

16 PRESIDING MEMBER BYRON: I understand.

17 MR. LAMBERG: I think that is the area
18 of interest.

19 HEARING OFFICER FAY: So this is the
20 area off to the left of page three of your Exhibit
21 74 and is between the access bridges and the bay.

22 MR. LAMBERG: Correct. It kind of
23 serpentine through the King Salmon neighborhood.
24 I can share with you that this is an issue that is
25 being discussed at PG&E. There is a very active

1 community advisory board that meets on a quarterly
2 basis. This has been a topic of discussion.

3 County leadership through Supervisor
4 Jimmy Smith, who incidently is apologetic that he
5 couldn't be here today with us. There was a
6 supervisors' meeting starting this morning at nine
7 o'clock. But he is engaged in this issue. And it
8 is an issue that is being looked at and studied
9 and discussed continually through the context of
10 other proceedings that PG&E is involved with.

11 MR. GALATI: And I wanted to assure the
12 public that the coastal development permit process
13 and Humboldt County's process, which are permits
14 that are necessary to do any of the demolition
15 activity on that site for 1 and 2, and as we have
16 described in other filings, how closely associated
17 that is with 3.

18 That is an issue for topic of discussion
19 with the local county and the Coastal Commission.
20 They would have to obviously be involved in that
21 discussion, it is in their jurisdiction. It
22 involves waters. And we think that is the best
23 place to both identify, evaluate and think about
24 what needs to be done, if anything.

25 HEARING OFFICER FAY: And just to

1 clarify. Because it can be confusing since we are
2 talking about the same site but different power
3 plants. The proposal before us today does not use
4 water from that canal; is that correct?

5 MR. GALATI: That's correct. We are --
6 What is the name of the district we get our water
7 from?

8 MR. LAMBERG: We will take water from an
9 outside well, actually.

10 MR. GALATI: Oh yes.

11 MR. LAMBERG: We have been working
12 closely with the Humboldt Community Services
13 District to supply fire, water and potable water,
14 those types of things. But in answer to your
15 question, in answer to your question definitively,
16 the Humboldt Bay Repowering Project will not
17 utilize any water from the bay or from the intake
18 channel.

19 HEARING OFFICER FAY: So, sir, we are
20 happy to have your comments. But obviously this
21 subject will be visited again in other forums that
22 involve your local recreation districts, the
23 supervisors, the Coastal Commission and anybody
24 reviewing the decommissioning of the other units.

25 MR. SCHNELL: Okay.

1 MR. LAMBERG: If I may for a second?

2 HEARING OFFICER FAY: Yes.

3 MR. LAMBERG: Sir, in the far corner of
4 the room behind you there is Ian Caliendo, PG&E's
5 public relations/government relations person in
6 the county here.

7 MR. SCHNELL: Yes.

8 MR. LAMBERG: He is intimately involved
9 with all these discussions. I would encourage you
10 to reach out to him during the break and exchange
11 contact information so that PG&E can continue to
12 communicate directly with you as these discussions
13 are proceeding.

14 MR. SCHNELL: Okay, I've talked to him
15 before. Thank you very much, unless you have any
16 more questions.

17 PRESIDING MEMBER BYRON: Mr. Schnell, I
18 do. You have got a 55 year history or so with
19 this area.

20 MR. SCHNELL: Yes.

21 PRESIDING MEMBER BYRON: Could I ask,
22 what is your opinion of this proposed project.

23 MR. SCHNELL: Well I can't see anything
24 going wrong with it. In fact, I'm a retired PG&E-
25 er. I'm getting my income, most of it, from PG&E

1 now.

2 PRESIDING MEMBER BYRON: I'd suspect at
3 your age you would give me an objective opinion.

4 MR. SCHNELL: Well, like I say, I
5 watched them build Unit 1 and 2 and then watched
6 them build the nuclear unit and so forth and so on
7 so I am very familiar with what needs to be done.
8 So I would like to see the project go ahead but
9 I'd like to see also the other things done too
10 that need to be done.

11 PRESIDING MEMBER BYRON: Thank you. And
12 thank you for being here this morning.

13 MR. SCHNELL: Thank you.

14 HEARING OFFICER FAY: Thanks.

15 Would anybody else like to make a
16 comment before we adjourn today?

17 MR. GALATI: I have some housekeeping.

18 HEARING OFFICER FAY: Some housekeeping
19 matters, Mr. Galati?

20 MR. GALATI: Yes. I have the rest of my
21 exhibits I would like to move in.

22 HEARING OFFICER FAY: All right.

23 MR. GALATI: In each one of our
24 testimonies and declarations, which we already
25 admitted, you will see written the portions of the

1 rest of these exhibits that are being sponsored by
2 that witness. So I would like to just globally
3 move in the rest of these exhibits without undue
4 explanation. Exhibits 1 through 50, Exhibits 53
5 and 54, and Exhibit 75, the parties' joint
6 stipulation. I would like all of those exhibits
7 to be moved into evidence at this time.

8 HEARING OFFICER FAY: And these are all
9 reflected, are they not, in your June 4 filing?

10 MR. GALATI: That is correct. They are
11 in the June 4 final exhibit list and each one of
12 them is sponsored in the testimonies which have
13 already been admitted.

14 HEARING OFFICER FAY: Anything further?

15 MR. GALATI: That's it.

16 HEARING OFFICER FAY: Ms. De Carlo?

17 MS. De CARLO: No objection. I do have
18 one housekeeping matter myself.

19 HEARING OFFICER FAY: Yes.

20 MS. De CARLO: We sped by Facility
21 Design and I failed to note that the applicant had
22 proposed some changes to GEN-1 and staff does
23 agree to those changes.

24 HEARING OFFICER FAY: And where are the
25 changes found?

1 MS. De CARLO: I don't remember.

2 MR. GALATI: They are found in Exhibit
3 60. Just for the Committee's clarification, these
4 are the changes that the Committee adopted in both
5 Panoche and the Colusa decision with the changing
6 of the applicable code section while things are
7 being pre-manufactured. So it's very similar
8 language that staff has approved before and the
9 Commission has approved before.

10 HEARING OFFICER FAY: All right, great.
11 And I just want to make clear that there was no
12 objection and we do enter the exhibits just
13 referenced by Mr. Galati and contained in his June
14 4 filing into the record.

15 MR. GALATI: One other proposal from a
16 housecleaning perspective. And that is, since we
17 no longer have disputes, to do away with briefing.
18 But I would take the -- I think it might be
19 helpful if I were to draft, and Ms. De Carlo were
20 to review and sign, another joint stipulation just
21 identifying all of the changes in a word format
22 from the time of filing Exhibit 75 until now.

23 HEARING OFFICER FAY: I think that would
24 be very useful to the Committee.

25 MR. GALATI: Okay. And I think I can

1 have that --

2 MS. De CARLO: Yes, staff would be in
3 agreement with that.

4 HEARING OFFICER FAY: Would you work
5 with the applicant on that.

6 MS. De CARLO: Yes.

7 HEARING OFFICER FAY: I will also just
8 give you the opportunity to propose any findings
9 and conclusions that either party is interested in
10 proposing in any of the more challenging subject
11 areas. And that is completely at your discretion.
12 But if you think that might clarify the record you
13 are welcome to do that.

14 MR. GALATI: Yes, I think that might
15 help. And from the perspective that the motion
16 has been withdrawn, such that there is nothing to
17 decide before the Commission, I don't see in any
18 way, shape or form the need to provide proposed
19 findings, from our perspective.

20 HEARING OFFICER FAY: Okay, fine.

21 MS. De CARLO: The staff doesn't see a
22 need to either.

23 HEARING OFFICER FAY: All right. So
24 then we will look forward to receiving this,
25 either joint document or from the applicant and

1 reviewed by the staff, bringing us up to date on
2 the final language in all those. And when can we
3 expect to see that?

4 MR. GALATI: I think I can have it to
5 staff by Friday.

6 HEARING OFFICER FAY: This Friday?

7 MR. GALATI: Yes.

8 HEARING OFFICER FAY: Okay, great. And
9 you will docket that in the normal course.

10 MS. De CARLO: Yes.

11 HEARING OFFICER FAY: Good. Okay.

12 Now at this point we have taken comments
13 from the public. We have handled all -- received
14 all the evidence that has been offered. We are
15 about to adjourn. I just want to ask one last
16 time if there are any comments? I see nothing
17 from the audience. But now the most important
18 comment of all, from our Presiding Member.

19 PRESIDING MEMBER BYRON: Well I doubt
20 that. Thank you, Mr. Fay.

21 As you can see there has been a great
22 deal of work that has gone on in the background
23 and in the workshops here on the part of the staff
24 and the applicant and I think we have been the
25 beneficiaries of that here this morning.

1 It appears that taking evidence is
2 almost a rote process but this was very successful
3 and I would like to thank the applicant. I
4 understand, if I recall correctly, this is PG&E's
5 first siting case before the Commission in over
6 about 25 years and I think they have done an
7 exemplary job. I would like to thank Mr. Lamberg,
8 Mr. Galati, Mr. Davy and everyone else associated
9 with the applicant here.

10 Clearly the facility, the proposed
11 facility has many positive characteristics that we
12 will be considering in our Presiding Member
13 Proposed Decision. I would like to reiterate that
14 the process is not complete. This will likely
15 conclude the evidentiary aspect of the process.

16 I will be issuing with my Hearing
17 Officer a PMPD to the full Commission, and if
18 approved, the Conditions of Certification from
19 that point on will be fully enforced by this
20 Commission for the life of the project.

21 I would like to also thank the staff for
22 their efforts on behalf of the state, particularly
23 the citizens of this region. I think everyone has
24 done a very good job here today and I appreciate
25 it very much.

1 HEARING OFFICER FAY: And I will just
2 add. The PMPD that the Commissioner referred to
3 will have a 30 day review period after it comes
4 out and it will contain instructions on how any
5 member of the public can either come to the
6 Commission to make comments or submit written
7 comments. So there are further opportunities for
8 input after you review the Committee's proposed
9 document and before the Energy Commission makes
10 its final decision.

11 Any other final questions? All right.
12 I thank you all for coming and we are adjourned.

13 (Whereupon, at 12:02 p.m., the
14 Evidentiary Hearing was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Evidentiary 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 conference, nor in any way interested in outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of June, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□