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

In the Matter of: )

Application for a Power ) Docket No.
Plant Exemption ) 06-SPPE-01

NILAND CHAMBER OF COMMERCE
8031 HIGHWAY 111
NILAND, CALIFORNIA

WEDNESDAY, MAY 3, 2006
1:30 p.m.

Reported By:
Sean Willard
Contract No. 170-04-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
COMMITTEE MEMBERS PRESENT

James D. Boyd, Commissioner, Presiding Member

HEARING OFFICER, ADVISORS

Peter F. Ward, Advisor
Kevin Kennedy, Advisor
Garret Shean, Hearing Officer

STAFF PRESENT

Kerry Willis, Staff Counsel
Jack Caswell, Project Manager
Nicholas Bartsch, Public Adviser's Office
Mary Dyas
Mark Hamblin

ALSO PRESENT

Baltazar A. Aguilera, IID
Allan Thompson, IID
Dana L. Diller, IID
Dave Tateosian, Power Engineers
Douglas Hahn, URS
Rob Greene, URS

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PRESIDING COMMISSIONER BOYD: I want to welcome you all. I'm Jim Boyd, Commissioner of the California Energy Commission. I'm the Presiding Commissioner for this particular siting case. The second member of the Siting Committee is our Chairman, Joe Desmond, who could not be here today, but at the far end of the table is his advisor, Kevin Kennedy, and to my left is my advisor, Peter Ward. And Garret Shean here is the Hearing Officer and will conduct the hearing. I'm just going to give you some welcoming remarks, because we're all going to have to sit here and be the judges, adjudicate this application for the Niland Gas Turbine Plant.

So as Garret has indicated, it takes some time to go through the California statutorily established public process for power plant siting in the state of California, which, frankly, is a good thing, most of us think, and California has probably the best siting system, believe it or not, in the nation.

In any event, thank you for the chocolate chip cookies. I have a sweet spot in my
heart for chocolate chip cookies, but they're melting faster than I can eat them, so -- in any event, welcome everybody, and we look forward to seeing some of you, if not all of you, in the future as we have, as it may necessitate additional hearings on this subject.

And with that, I'm going to turn it to our Hearing Officer now, Garret Shean, who will be doing most of the talking for the rest of today's hearing.

HEARING OFFICER SHEAN: Thank you, Commissioner.

Those of us who are here from the Energy Commission are here because the Imperial Irrigation District filed an application for a small power plant exemption. Now, most of the proceedings before the Energy Commission are for licenses to actually build a power plant. This is for an exemption from our process, and in order to gain that exemption the Energy Commission has to go through an environmental review and essentially determine that there are no significant non-mitigable impacts from the project.

So long as that applies to a proposal, it is for a project of less than 100 megawatts.
The project can be exempted from the remainder of our siting process and switched over to essentially a local jurisdiction. And I think in this case, the ultimate permit is to be sought from, and if all the ducks are lined up, obtained from the local air pollution control district.

The process that we're involved in is substantially shorter than is usual for obtaining a license. As I indicated, this will probably take something less than six months. Statutorily, it's, the nominal schedule is 135 days but we've just found it, through typical practice, it takes something on the order of 140 to 180 days to do.

This event is the kick-off event, if you will, for that schedule. The staff is going to describe what they are going to do with regard to investigating this proposal. The Commissioner who is present, Commissioner Boyd, is the Presiding Member, and Commissioner Desmond, as the second member, are two of the five members of the Energy Commission, which will ultimately have the responsibility to vote as to whether or not this exemption should be granted. And that will occur at the end of that approximately six-month process.
Today what we're here to do is to have
the applicant present his project. I'll note for
the record we have already been to the site visit,
seen the area next to the substation that --
existing out at Niland Substation where they
propose to put it. They are going to further
describe it. Then we're going to have the Energy
Commission staff describe its role in the process,
and lastly, we're going to open the meeting for
questions and comments from the public.

What I'd ask you to do is if you have
specific questions that arise from the
presentation of the applicant, hold them until
they're done, raise your hand, we'll acknowledge
you, and as we've indicated, we're going to need
you to come forward to the microphone so that your
question can go on the record. We'll get that
question answered, do that in order with the
applicant, the staff, and then have the public
comment period.

So we know it's a little warm. It's
going to be I don't think all that difficult for
us to get through this in a timely manner. We
have refreshments. Anybody can get up and get
those at any time that they wish. And with that,
we're going to have the applicant introduce its people and do its presentation.

MS. DILLER: Thank you again for coming to this public hearing. I'd like to introduce some of the team members that are here representing Imperial Irrigation today. I am Dana Diller, the Project Manager over the Niland Gas Turbine Plant Project.

I will start on my left with Mr. Dave Tateosian, who I introduced out at the site visit, with Power Engineers, who has the role of owner's engineer for the applicant. Dave is the Project Manager over all the technical issues with respect to the project.

Next is Mr. Henryk Olstowski, who you will be hearing from shortly. He's going to give you a, a little bit of information about the project. And Henryk is the Assistant Manager for IID Energy and his functional responsibility is to oversee all the generation for Imperial Irrigation District.

Next, we have Allan Thompson, who's our regulatory counsel. He's our attorney, he keeps us straight. Right behind Allan is Mr. Rob Greene, with URS, our environmental consultant.
Rob is the U.S. Vice President over noise and vibration. Next to Rob we have Mr. Douglas Hahn, who's the Project Manager from URS overseeing all the environmental issues. And last, we have Mr. Baltazar Aguilera, who's the Assistant Project Manager for the Niland Gas Turbine Plant project.

Also identify Ms. Rose Marie Gonzales and Ms. Marian Champion, who are with IID's Communications Department and really our interface with the, with the general public for this project.

Okay. And also, we wanted to offer if anyone is need of any Spanish translation, Balta has volunteered to provide that for anybody who would like to have that.

If there's, if there's no further questions for me at this time, I'd like to turn it over to Mr. Henryk Olstowski of IID.

MR. OLSTOWSKI: Good afternoon. The, I'm new as far as the process that, that we go through to develop generation.

(Comment from the audience.)

MR. OLSTOWSKI: Okay. Well, Mr. Shean has a very strong voice. My voice I don't believe is quite as strong, so if, if anywhere in my
presentation you can't hear me, just raise your hand and I'll know to speak louder. Is this, is this better?

Okay. The, the development of
generation projects within the process that we go through to generate -- excuse me, to develop projects within California is new to me -- okay, is new to me, and one thing I do know about the process at this point in time is it is a very public process. And, and I believe that's a good thing. We, we, as IID, are happy to be a very active participant in this, in this development process within the state of California.

This first slide is an artist's rendering of the Niland Gas Turbine Plant Project. Within the foreground is the administration building and the water treatment plant. In the background is the, the combustion turbine generator and the Niland switchyard. And to the, I guess the top left corner of this picture is, is Beal Road.

Geographically, IID is the largest municipal utility in the state of California with over 6,000 square miles split between Imperial, Riverside and San Diego counties. IID is the sixth largest electric utility in California, and
IID maintains one of five control areas within the state of California.

In 2005, IID's peak load was approximately 900 megawatts. The system load within the IID service territory is growing at an average annual rate of about seven percent, and that's split between a nine percent peak load growth rate in the Coachella Valley and about six percent annual peak load growth rate in Imperial, Imperial Valley.

In 2008 we project our peak load to be -- well, including reserves, to be 1185 megawatts, and by the year 2011, we expect our load growth to be -- or our load to be, our peak load to be 1305 megawatts.

This is a drawing of our major transmission lines within our service territory. The only point I want to make associated with this drawing is this is, this is the city of Niland, and it's strategically centrally located between our, our load pockets within the Coachella Valley and the Imperial Valley.

This is a graph of IID's peak load growth over the next 15 years, out to 2020. And the, the curves represent here our low, medium and
high load growth projections. As you can see, they, they trend substantially upward over, over the next 15 years.

The question, why build the Niland Gas Turbine Plant Project. IID's last internal generation was installed in 1993, and that was our El Centro Unit 2 repowering. IID needs additional peak load capacity to meet the, I guess the dramatic increase in our peak load growth.

The Niland project is centrally located as, as we saw, to our transmission system, as you, as you saw in the previous, in the previous slide. The, the site as, I guess, as those that went out there and saw the site, is a large site with ample space for, for this project. And that site has an excellent fuel and electrical interconnection possibilities.

And finally, the Niland Gas Turbine Plant is going to ease transmission congestion for our system and increase the reliability of IID's system.

Thank you, Rose Marie.

The, the blue box within this aerial photo is property owned by IID, and within that blue box will be the plant site. The, the plant
site, as you can tell and as probably most of you are aware, is northeast of the city of -- or the town of Niland. Looking at this photograph, aerial photograph, will give you a good idea of what makes this plant site such a good plant site for IID to, to construct this plant on.

Within the plant site, or within the property owned by IID, or immediately adjacent to it, is potable water, gas transmission or gas, natural gas pipeline transmission, and electrical transmission. And the icing on the cake is that the, the plant site is even zoned appropriately for a generation plant.

The Niland Gas Turbine Plant will encompass two General Electric LM6000 PD Sprint gas turbine with, with air, with air chillers. The proposed emission limits from each of those units is 2.5 parts per million of NOx, six parts per million of CO, and two parts per million of VOCs, with a maximum of five percent ammonia slip from the selective catalytic reduction system.

And I, I think the suggestion was made to wait until the end of the presentation to -- well, CO2 is not a criteria pollutant, or it's not, it's not currently regulated by the state.
Well, the question was, was what about CO2, and I guess --

(Question from the audience.)

MR. OLSTOWSKI: Okay, yeah. This is just CO2 -- CO, CO, carbon monoxide. Again, CO2 is not a regulated pollutant currently by the state.

We're going to, we're going to make interconnections at the plant site into the existing Niland substation at the 92 kV level. And we're going to interconnect with Southern California Gas Company into their high pressure natural gas pipeline that, again, that runs adjacent to the IID property.

This is a general arrangement of the Niland Gas Turbine Plant.

PRESIDING COMMISSIONER BOYD: Will we go back to that slide and point out where the switchyard is in relation to that representation?

MR. OLSTOWSKI: I'm on a leash here, so this is --

PRESIDING COMMISSIONER BOYD: Do you have a, do you have a pointer there?

MR. OLSTOWSKI: Okay. I do.

Let me, let me go through the major
areas. This area is, this area of the plant is our water treatment facilities for water for the gas turbines. This area is, primarily is our administration building for the plant site. This area is where the two gas turbine generators are, are sited. And finally, this, this is a new, what we're calling generation station switchyard. The existing Niland Gas, the existing substation that probably most of you saw at the Niland site would be off the screen in this area.

Niland water use. We've minimized the water use at this plant by using dry low NOx combustion technology in lieu of water injection, actually more common water injection technology. Also, we're using air cooled chillers on these units in lieu of water cooled chillers. The small amount of water that we'll be using, which is less than 25 acre/feet annually, will be used for the SPRINT technology, which substantially boosts the output of this type of turbine generator.

That potable water will come from the Golden State Water Company.

Water disposal. We'll have no processed water discharges from the plant site. There, there will be no evaporation ponds beyond the
stormwater ponds at the plant site that collect
stormwater. And the demineralization trailers
within the water treatment area will be removed
from the site to be processed.

This is a visual simulation of the
Niland Gas Turbine Plant from Cuff Road.
And probably most of you have seen, it's the exact
same slide as up on these easels. And it's, it's
that one.

This next slide is a visual simulation
of the Niland Gas Turbine Plant Project from near
the town of Niland. And it's, it's the same
photograph that you see on this easel.

Our, our plant schedule, or our Niland
Gas Plant Project schedule. We, we've submitted
our Small Power Plant Exemption application to the
California Energy Commission. We expect to
receive the Small Power Plant Exemption in
September of this year. We expect to receive the
local Imperial County permits in November of this
year, and in December of this year we expect to
execute a engineering procurement construction
contract and our, the large equipment contract.

Construction will start in September of
2007, and finally, we expect to have the unit in
commercial operation in May of 2008.

You know, in summary, the design and usage of this, this generating plant has a small environmental footprint. IID has studied the environmental impacts of this resource and have proposed mitigation to address all environmental impacts.

And finally, IID's project team is, is here today to answer any questions, or attempt to answer any questions that the CEC may have or the general, general public may have.

And with that, I'd like to open it up for any, any questions.

HEARING OFFICER SHEAN: Okay. At this point are there any questions of the applicant with respect to the presentation that they've made here? Well, we can just hold it for your comments later.

Yes, sir. We're simply going to need you to come forward if you will, please. Or if you want to wait until later, you could do that. In order for us to get you on the record and have your question responded to -- thank you.

SPEAKER: It seems like everyone is talking like this is a done deal, but I was
wondering is there anything we can do to stop this
from happening?

HEARING OFFICER SHEAN: Well, I think
that question is probably more appropriately
directed to us, and it's not a done deal. It is a
proposed project. It has to go through our
process, number one, to determine whether or not
it is eligible for an exemption. And then if it
is, that doesn't mean it's got a license to be
built. They have to go to the AQMD as the lead
agency to get a license.

So those are the steps in the process.
I don't think it's appropriate or accurate to call
it a done deal. They have proposed what they do,
what they have done, and I think if to some degree
you listen to what the Energy Commission staff
analysis of this will be, you can, that will bear
out the fact that it's not a done deal and that
the staff does thoroughly examine whatever is
proposed by the applicant. And then if there are
differences between them, or if there are
differences between them and the public or a
property owner, or some other entity representing
some additional interest, that's the reason that
there are Commissioners to essentially act as
judges to hear the various viewpoints and then arrive at a decision.

Okay. Yes, sir.

MR. BODIN: My name is Joseph Bodin, and I'm beginning -- pardon me?

Okay. My name is Joseph Bodin -- I forgot that this doesn't amplify, sorry -- and I'm beginning to feel that my concerns may be a little outside of the, the parameters that you're working on here.

I don't really have a problem with the idea of another power plant. We're going to need more power plants, that's obvious. My concern, main concern with this is the form of fueling, that it's going to be using natural gas, another fossil fuel mistake, in my opinion, and the taxpayers are going to be paying for it, and the prices are just going to keep going up along with all the other fossil fuels. And I'm wondering if it's appropriate to be considering another fossil fuel plant at a time when we're already getting to the point where we can't afford the ones we have.

MR. OLSTOWSKI: Fair question.

The determination to build this plant was done through a competitive process where both
the cost of the infrastructure and the cost of the fuels was considered. There were a multitude of applications or proposals submitted to IID. Through a third party independent of IID all the proposals were evaluated, and this project was selected as, as the project that would best meet the needs of the residents and customers of Imperial Irrigation District.

MR. BODIN: May I, again?

HEARING OFFICER SHEAN: Yes, sir.

MR. OLSTOWSKI: I guess one other comment I want to make, you know, I think across the state there is a 20 percent renewable portfolio standard for the investor owned utilities. Imperial Irrigation District has voluntarily accepted the 20 percent renewable portfolio standard, which means that 20 percent of the energy that we will provide to our customers and, and I believe it's by 2015, will be from renewable energy sources. And, and as we speak, Imperial Irrigation District has a renewable resource request for proposal out in the general public, and they're -- and actually, IID Generation submitted a proposal in response to that.
So IID is going to be developing renewable resources going forward, but it's not going to meet all of our needs. It's --

MR. BODIN: Well, Joseph Bodin again. This is an idea I've been kicking around myself for a few years. It's a -- basically involves the water cycle, hydrogen and oxygen using electricity generated from solar to split the hydrogen and oxygen, use some of the electricity to store the hydrogen and oxygen. You're converting the hydrogen and oxygen at any time which, in effect, when you burn hydrogen and oxygen you wind up with results in a high velocity, high pressure steam, in, in essence.

And then this would give you a 24-hour capability, if the plant were designed well enough, it would give you a 24/7 generating capability, which is one of the biggest drawbacks to current solar programs since they don't have any generating capability when the sun goes down, and the windmills, they don't generate when the wind's not blowing.

It seems to me that at this point there is nothing that's been done yet, that there's a blank slate there. There's a chance to do
something not just different, but something better. And I, it's a shame to see this opportunity wasted on another fossil fuel-burning plant when it could be a showcase. It could be a working showcase, something that illustrates -- to not just make, take a tiny step forward, but take a tiny step forward in a different direction, a better direction, for the citizens of this county, this country, and the rest of the world.

Thank you.

HEARING OFFICER SHEAN: Thank you.

MR. OLSTOWSKI: Our great President of the United States has identified hydrogen as being the fuel of the future. He has access to I guess some of the greatest minds in this country. I think hydrogen will someday be our fuel, but today there is not commercially available technology to be able to generate the type of energy we need today with the hydrogen technology.

So we have to serve the public reliably. If, if we don't, if customers in Imperial Valley don't have electricity, in some cases it's a life and death situation. And reliability and the using of commercially available technology is important. So I, I think someday this country
will move to hydrogen as the fuel of the future, but today, that technology is not available to us in, in a manner that we can provide competitively priced energy to our ratepayers.

HEARING OFFICER SHEAN: Anything else?

All right. Thank you very much.

At this point I'm going to ask Nick Bartsch, if he's still in the back there, to come on up and give a presentation on behalf of the Commission's Public Advisor's Office. We're doing this to let you know that, as I indicated earlier, he's the go-to guy for the public. If you need information on how to participate in the proceedings, the Public Adviser's Office is the office you want to contact. We have an 800 number for them, and he'll give that out, and he'll also describe at this point, for our record, the outreach effort that the Public Adviser's Office make and some of the different avenues for your participation.

MR. BARTSCH: Mr. Chairman, Committee Members, and audience. The Public Adviser usually does, they survey the potentially affected area for what, what the possible impact of the plant might be and who the, what we call sensitive
receptors are. These would be schools, hospitals, daycare centers, churches, et cetera, where the public congregates.

We found that generally the, the area as you have seen it is, is generally desert area, and where the, where the plant, the potential plant's location is about half a mile outside of town. It has some agricultural and some commercial uses in the area, but also within a mile we found that there is at least one elementary school, one daycare center, and two churches, and these are within a mile. And then within three miles there is a, a medical facility, or a clinic, located.

We did two surveys, one in a one-mile radius and another one is a six-mile radius. And within the one-mile radius we found that based on the 2000 census, there were just over a thousand inhabitants, because there is also sporadic residences in the area with permanent and also temporary residences of, of people. And out of that thousand or so employees -- a thousand or so inhabitants, we found that about 61 percent were a minority, predominantly Hispanic. And, and also the, about 21 percent were below the federally determined poverty level.
Within a six-mile radius, it's an expanded area, we found the population, again based on the 2000 census, about 6,000 residents, and the economic mix is about the same, agricultural, commercial, light industrial, interspersed with residences. Out of that 6,000 or so residents, 69 percent, slightly higher than within the one-mile, were minority population, again predominantly Hispanic. And about 22 percent were deemed below the, the poverty level. So we do, do have some, some minority issues, although, as you know, we, we typically -- it's not, as far as the poverty level, it's not, it's below the, the level that we would address. And, and the minority is above the 50 percent level that we typically address. So, and also, we did considerable outreach with the help of, of individuals. We have prepared a notice, which you probably have seen, both in English and in Spanish, which were distributed widely in the area. And as we can see from the attendance, a lot of folks did get it. And we were glad to see the interest in the project. It's, we also mailed out these notices to the sensitive receptors that we have.
identified.

We have also identified about, about 30 Native American representatives who expressed interest, and they indicated that they would be monitoring the situation in case any artifacts or anything of historical importance is discovered during the construction period.

So, in a nutshell, this summarizes our outreach, and if you have any questions or the audience has any questions, I'll be happy to answer them.

HEARING OFFICER SHEAN: Thank you.

Comments?

MR. BODIN: Noise, noise levels?

MR. BARTSCH: Well, that, that's going to be addressed during the technical aspects.

HEARING OFFICER SHEAN: Let me just sort of round up the pitch to the public.

There are numerous ways for members of the public to participate in the Energy Commission cases, so let me just give you the hierarchy of those so you understand.

If you want to monitor what's going on in this case yourself, you can do that through the Energy Commission home page. We have a website

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that's set up for you to address this specific case, and you can go on there, click on Niland, see all the various filings and activities that are occurring in this case. But the burden rests upon you, if you're going to do it that way, to actively do that.

Something that's a little more passive would be to go on the Energy Commission's website and get on our list server. If you do that, you will receive, through your e-mail, notification of any activities such as this event, or the availability of the major documents in the case.

As I indicated to you earlier, if you sign up on the list that's out by the front door and indicate that you want to receive notices and you provide our e-mail -- your e-mail address, and let me ask, please make sure you do that clearly because we get a lot of returned undeliverables, trying to figure out what your e-mail addresses are, then you will get whatever is being distributed in the case.

If you don't have e-mail capability, just indicate or, you know, obviously, just don't fill in the line, but if you're requesting notification then you will get it by postal mail.
And the most -- let me say in the hierarchy, the last means of participation is by a petition to intervene. And if you do that, you become -- and you show you have a sufficient legal interest, you acquire a status that's essentially equal with the applicant, the staff, or any, any other intervenor.

But this also entails certain legal duties that require you to file documents, serve them on other parties, and anything else that you're going to do. It also gives you an opportunity to examine witnesses from other parties when we get to a hearing phase of this. And if you need information or want to consider that, you ought to get ahold of Nick or, or me, and we can explain it to you in greater depth.

The case is off and running now, and I would just advise you, if you want to consider that, that you do so in, in -- with reasonable dispatch so that we can get you on the list.

But those are the means by which you can monitor what is going on in this case.

And with that, now we're going to go to the Energy Commission staff, and they'll describe their role in the process and some of the issues.
that they have examined preliminarily with respect to this project.

PROJECT MANAGER CASWELL:  Good afternoon.  I'm Jack Caswell, I'm the staff's project manager at the Energy Commissioner. And I, I want to introduce staff to you that are with me that are reviewing this project before I discuss the review of this project process and some issues that we've discovered, noise being one.

Right now, this is Kerry Willis, she's Staff Counsel. Steve Baker. Steve -- he's the noise and energy resource expert. I have Mary Dyas, she's another project manager here. Linda Bond is the water and soils expert that's looking at this process, and Mark Hamblin, the visual resources staff person. Now, we have many other staff people involved. They are not here because they have either been to the site and looked at it, and are talking to county and other officials that are involved in this process.

I want to explain right now about this process and what we're doing.

This is the NSPPE filing. Garret Shean has covered the issue, but my slide presentation
is basically a detail of what Garret Shean has discussed already.

Can we go to the next slide.

Energy Commission siting process. We have permitting authority at 50 megawatts or greater, and all the related facilities. And you can see these related facilities in that process. If you're in our siting process, we have the authority to either issue a license under that authority or to issue a small power plant exemption, which they have filed for in this, which, because this project, as Garret Shean has indicated, is under 100 megawatts.

Next slide.

If you look at this slide here, again, it summarizes some of the things that Garret Shean has said. I want to point out, too, this slide presentation is in hard copy back there, and in this slide presentation contact information is on that. So if you want to get ahold of me or others, you can do that. Again, Garret has indicated the Public Adviser is the one to work through.

(Question from the audience.)

PROJECT MANAGER CASWELL: Yeah, I'm...
going to go ahead and go through it. Yeah.

Next slide, please.

Again, describes the SPPE process, who's in it, what's going on, what agencies we're dealing with. Information we're working through.

Next slide.

Again, more information on this review that we're doing, that staff is an independent body will conduct a public workshop. There are hearings, and you can see the type of documents. And I'd like to point out there's a Draft Initial Study and a Final Initial Study. Staff will come out with this Draft Initial Study and hold a workshop, which will be an opportunity for you to look at what we are saying and what we have discovered, and either challenge that or make comment on it, or verify what we believe to be true in those workshops.

And then we produce the Final Initial Study. That goes out to the public, the applicant, the Commissioner. Presiding Member's Proposed Decision, that comes from the Commission's office, and then the Final Commission Decision. So these are the four documents that are going to get produced in here, so it is
not a done deal.

Next slide, please.

Again, another slide that discusses who we're working with at this time. And again, you can look at this, and hard copies in the back.

Here is the contact information of the participants in this process as far as the Commission, with minus the Public Adviser's name on here, and all that information is being provided by the Public Adviser's Office themselves.

Staff has produced an Issue Identification Report already. Staff has reviewed this application and discovered that there was an issue that we had in question about some of the analysis that they filed. We're trying to work through that issue at this point, and that issue falls -- they'll identify those issues. These are the purpose of the Issue Identification Report, and here's the criteria for developing that issue identification.

Next slide.

That issue, that potential issue is noise issue, and it was a night-time ambient background levels. You can read that. And again,
it's in that hard copy.

We've developed a schedule. Staff has
developed a suggested schedule to the
Commissioner. The Commissioner sets the schedule,
not the staff, and I represent the staff. And
these members here are staff members.

The applicant, I've shared this schedule
with the applicant. I am trying to develop some
type of approach to this and schedule to keep in,
keep it moving. And this is the schedule and some
critical dates up to the hearings. And then, of
course, that's to be, all that's to be determined
by the, again, the Commissioner.

If you want to look at the, a complete
proposed schedule, there's one also on the back of
that Issue Identification Report, and that's on
the web page of the Energy Commission. It can
also be sent to you in hard copy, or it can be e-
mailed to you, because we can do that, too.

And with that, that's about it for
staff. Again, staff is just getting involved.
We're in our discovery phase of this process.
We're trying to sort through the issues that were
in the application, issues and questions that
staff have come up with that are not fully
identified, in our opinion, in that application, and we are working forward to develop this Draft Initial Study at this point. And the schedule for developing that Draft Initial Study is around June 1st.

Thank you.

HEARING OFFICER SHEAN: Thank you, Jack. Are there any questions of the staff at this point? Yes, sir.

(Question from the audience.)

HEARING OFFICER SHEAN: Right -- yeah, we're going into the public comment period right after this. Okay.

Now, with the staff presentation, this leads me to one more comment, that being even though all the Energy Commission employees, whether you're a Commissioner down through our office, their office, we're all housed in the same building. But fundamentally, we have different roles. And it's important for you, as members of the public, to understand that with respect to the information that's being developed here which will include the staff's initial study as well as the filings by the applicant, the Commissioners can only make their decision yea or nay on the
exemption based upon the record that's developed at these proceedings, and that record can only be developed in a public setting. We have what's called an ex parte rule, which prohibits private contacts with the decision-makers, and therefore you can rest on the fact that no decision can be made at the Commission without it being based upon information that was developed in a public setting.

So that's one of the reasons we're here today. As Jack described, there will be further hearings. They will be conducted by the Commissioner. And the purpose for that hearing will be, will be to take that information in the form of evidence, either written or oral testimony, and from that we will then create a proposed decision. And that, as well, will be issued publicly and all the members of the public will have an opportunity to discuss it.

The only thing I think that I want to say before we launch into the public comment period is based upon the site visit and the inquiry made by the property owner who is east of your site and had a question with respect to the visual, potential visual impact, is to ask the
applicant -- our staff is going to go out
following this hearing with her to her piece of
property, and we'd like, you can either accompany
then or whatever, but to generate as soon as
reasonably practicable a before and after photo-
simulation of what this would look like so that
she would have some basis to decide the level of
participation that would be appropriate under the
circumstances.

MR. THOMPSON: We will do that.

HEARING OFFICER SHEAN: All right.

Thank you.

All right. Now we have our public
collection period. We want to invite you to come up
and say whatever you'd like to say, so we have an
open mic and we're here to listen.

MR. JONES: My name is Jamie Jones. I'm
a property owner here. I am a farmer. We farm a
good portion of the property that we own, and
derive most of our income from that.

And I would just like to oppose the
power plant that's coming in here. My main
concern is the quality of life for the people who
live here. Niland, like I said earlier, doesn't
have a whole lot going for it, but what we do have

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going for us is that we're a small, quiet agricultural community, and I think having a big industrial complex like this goes totally against the grain and the feelings of the community. And I'm, I'm very much opposed to it.

Another thing I would like to say is that it's very close to the residential areas. I don't know, I haven't measured it out, but it doesn't look like more than a quarter of a mile to the first residences of that town. It's, it's too close. Even if it's quiet and the best case scenario, you know, emissions -- still, we've got to breathe that stuff. And it's too close to residential areas.

Just thinking what, what if instead of trailers and low income people, what if this community was $500,000 dwellings. Now, you've got to wonder, would this big industrial complex be going in so close? I just want the same, same considerations that, that you would have for everyone.

Also, I'd like to address the, the licensing exemption thing. I know if, if I want to install a solar panel on someone's house that I've got to go through a quite extensive licensing
process. And to my knowledge, there are no exemptions. I could be wrong about that, but I haven't heard of any. So I'm just wondering why this, this giant electric producing plant would get an exemption from the Energy Commission.

I guess that's all I had to say. I would like at this point to ask if I could get a show of hands of the people in this room who are actually from the town of Niland, or spend a good deal of their time here. Okay, I see one, two, three people out of about, I don't know how many, 50 here. And, and then I would like to see a show of hands, how many of those people that are from this town are actually opposed to this project. Okay, it looks like just me. One out of the three.

Okay. That's all I have to say. Thank you.

HEARING OFFICER SHEAN: Thank you, Mr. Jones. Appreciate it.

Do we have some additional public comment?

MR. LOCHER: What's the proximity on this -- it was on the monitor. Is it picking me up right now? William Joseph, William Joseph

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Locher -- what proximity?

Yeah, we're dealing with audio problems.

And Jamie has pointed out some concerns that I didn't realize. I, I often walk the Beal Street main between my residence and Slab City at the mess hall and the Naval reservation, and my residence at the Oasis Trailer Park. And, you know, there is a noise consideration, and there are other locations in close proximity to the railhead and the transmission lines that could be considered, you know, but they will be an additional distance from the substation. But power plants tend to be noisy, yes.

And additionally, what I'm concerned about is PRI, NPR, PBS has released the Exxon federal government cooperative technology for gasification of coal and Rio Tinto, Kennecot Mineral Exploration with Australian geophysicists support has fully drilled, and they have a plan for extraction which is slightly flawed in the upper peninsula of Michigan. That's UP.

I'm going to shift dialects for a second here. My name is William Joseph Locher, the Fourth, and I'm Swiss-German. Right. We take care of the banks and, you know, we're neutral in
all wars, and I'm also one-quarter Finlander, too, to I never lost a war and I never intend to. And I'm Finnish, and I'm done. And we got to get this super-secret catalyst out of the ground for gasification of coal, which also happens to be the catalyst for gasification of hydrogen. That's association.

But you can't make nothing from nothing, and you can't do it with sun, light and wind that we know of. So you're going to need coal, so we have a railhead and we have transmission lines. And we have 135 days to make a decision to make a decision. To keep the catalyst clean we're also going to have to manufacture hydrogen, so we're going to have to be able to burn three fuels, methane, natural gas, CH4 and H2, simultaneously. If we could do this with H2 alone, we could make prescription kosher for passover non-pharmaceutical water in the process, but we can't do it with just hydrogen unless we go to hydrogen fusion, and I don't want to talk about it. Cold fusion isn't coming, so forget about it, because we don't have the technology to contain it. So I, I suggest that we meet at least monthly. I'm very satisfied with the recording.
equipment. I don't know if everybody was being heard. I didn't catch a lot of it. The sun was in my eyes, I didn't have my glasses on because I'm doing a clinical trial in optometry. And my ears weren't quite working, I didn't get everybody's comment, and nobody's wearing name tags. Fortunately, I hitch-hiked with the EPA people, or whoever they are, the environmental folks over there, and they certainly seem to know what they're doing. Thank you. Yeah, you, you need a name tag. Yeah.

And the, other than that, you know, I'm sorry, I, I've eaten too many cookies, entirely too much refined sugar, and I need more fruit. But I, I think should meet at least bi-weekly and get this done within 135 days, because we need to gasify coal, because we need energy. Now, that creates a huge problem because LA is just going to turn their air conditioner up and that's not the solution. So, and before I get pissed off and start riling up all the conservation and energy people, I'm done.

But thank you. Bless you all for coming to our community with this wonderful project. We are anticipating wonderful things. We plead with
you to assist us in saving Iraqi children, which
saves U.S. soldiers, which saves us. Thank you.

HEARING OFFICER SHEAN: Thank you.

Do we have additional members of the
public who would like to comment here? Because
our, our coming to the local area is just for you,
and so we want to make sure that you have a fairly
comprehensive idea of what the project is, and
anything that you want to tell us, we've heard.

Since Mr. Jones raised I think a fair
question about the notion of an exemption. An
exemption, under these circumstances, sir, really
doesn't mean you get a free pass. An exemption
basically means you're transferred somewhere else
after the Energy Commission has made a
determination using a CEQA process, that there are
no unmitigable impacts.

So we do the whole thing that you would
ordinarily do with an initial study, which is the
predecessor to an EIR, which is to go through a
checklist. Basically it's, you start with
anthropology, go through zoology. Everything in
the alphabet. It's one of those typical things
examined under the CEQA regulations, and those all
have to come up either no impact or insignificant
impact, or mitigated to a level of insignificance
before you get the exemption, which is really the
transfer over to, in this case, the Air Quality
Management District, for its permitting process.
And that is a federalized function performed by
the air district.

So it's, it's not a free pass. It's a
you don't have to finish off the rest of our
process, you get, you get to go over here. Okay.

MR. JONES: Could I make one more
comment?

HEARING OFFICER SHEAN: Sure.

MR. JONES: Okay. I just want to say,
you know, I want to, you know, thank the IID and
everybody for providing this energy, because I
definitely use my share of it. And, but I just
wish it was in a different location, as opposed to
our town and stuff. If it was somewhere else I'd
be all for it, but it's too close.

And the other thing, you know, I know
we're a growing population and growing energy
needs and stuff, but I really feel like the
solution to this energy crisis is stop using so
much stuff. Stop using so much energy and stop,
stop consuming so much. I think that, that would
be a better solution than to building more and
more plants and having more and more stuff.

MR. THOMPSON: Thank you. Just a couple
of things. Number one, I believe that the
application that we filed for this SPPE is on the
Commission's website, and you'll see that it's
fairly voluminous. There's a lot of material
there addressing the environmental, the various
environmental areas that Mr. Shean talked about.

Second, with regard to schedules, we
fully intend to support the schedule. Staff has
some data requests, we have sent back responses
before the deadline, probably too early for the
staff to have digested them yet. But I wanted
everyone to know that, that we are forthcoming
with information that the staff has requested and
have submitted it.

Finally, we do promise to have name tags
next time so you'll know who you're talking to.

Thank you.

HEARING OFFICER SHEAN: Is there
anything further anybody would like to say, and
then we can get out of this sauna and into our air
conditioned cars, or whatever mode of
transportation we have here.
MR. THOMPSON: I think it's going to be a good fit.

HEARING OFFICER SHEAN: All right.

Thank you, ladies and gentlemen, for coming. We are adjourned.

(Thereupon, the Informational Hearing on the Niland Gas Turbine Plant Application for a Small Power Plant Exemption was concluded at 2:45 p.m.)
CERTIFICATE OF REPORTER

I, SEAN WILLARD, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that thereafter the recording was transcribed.

I further certify that I am not of counsel or attorney for any of the parties to said Informational Hearing, or in any way interested in the outcome of said matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of May, 2006.

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