

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

2 1:45 p.m.

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

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

24 In any event, thank you for the
25 chocolate chip cookies. I have a sweet spot in my

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

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

11 HEARING OFFICER SHEAN: Thank you,
12 Commissioner.

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

24 So long as that applies to a proposal,
25 it is for a project of less than 100 megawatts.

1 The project can be exempted from the remainder of
2 our siting process and switched over to
3 essentially a local jurisdiction. And I think in
4 this case, the ultimate permit is to be sought
5 from, and if all the ducks are lined up, obtained
6 from the local air pollution control district.

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

14 This event is the kick-off event, if you
15 will, for that schedule. The staff is going to
16 describe what they are going to do with regard to
17 investigating this proposal. The Commissioner who
18 is present, Commissioner Boyd, is the Presiding
19 Member, and Commissioner Desmond, as the second
20 member, are two of the five members of the Energy
21 Commission, which will ultimately have the
22 responsibility to vote as to whether or not this
23 exemption should be granted. And that will occur
24 at the end of that approximately six-month
25 process.

1 Today what we're here to do is to have
2 the applicant present his project. I'll note for
3 the record we have already been to the site visit,
4 seen the area next to the substation that --
5 existing out at Niland Substation where they
6 propose to put it. They are going to further
7 describe it. Then we're going to have the Energy
8 Commission staff describe its role in the process,
9 and lastly, we're going to open the meeting for
10 questions and comments from the public.

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

21 So we know it's a little warm. It's
22 going to be I don't think all that difficult for
23 us to get through this in a timely manner. We
24 have refreshments. Anybody can get up and get
25 those at any time that they wish. And with that,

1 we're going to have the applicant introduce its
2 people and do its presentation.

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

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

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

22 Next, we have Allan Thompson, who's our
23 regulatory counsel. He's our attorney, he keeps
24 us straight. Right behind Allan is Mr. Rob
25 Greene, with URS, our environmental consultant.

1 Rob is the U.S. Vice President over noise and
2 vibration. Next to Rob we have Mr. Douglas Hahn,
3 who's the Project Manager from URS overseeing all
4 the environmental issues. And last, we have Mr.
5 Baltazar Aguilera, who's the Assistant Project
6 Manager for the Niland Gas Turbine Plant project.

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

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

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

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

22 (Comment from the audience.)

23 MR. OLSZOWSKI: Okay. Well, Mr. Shean
24 has a very strong voice. My voice I don't believe
25 is quite as strong, so if, if anywhere in my

1 presentation you can't hear me, just raise your
2 hand and I'll know to speak louder. Is this, is
3 this better?

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

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

21 Geographically, IID is the largest
22 municipal utility in the state of California with
23 over 6,000 square miles split between Imperial,
24 Riverside and San Diego counties. IID is the
25 sixth largest electric utility in California, and

1 IID maintains one of five control areas within the
2 state of California.

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

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

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

23 This is a graph of IID's peak load
24 growth over the next 15 years, out to 2020. And
25 the, the curves represent here our low, medium and

1 high load growth projections. As you can see,
2 they, they trend substantially upward over, over
3 the next 15 years.

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

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

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

22 Thank you, Rose Marie.

23 The, the blue box within this aerial
24 photo is property owned by IID, and within that
25 blue box will be the plant site. The, the plant

1 site, as you can tell and as probably most of you
2 are aware, is northeast of the city of -- or the
3 town of Niland. Looking at this photograph,
4 aerial photograph, will give you a good idea of
5 what makes this plant site such a good plant site
6 for IID to, to construct this plant on.

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

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

22 And I, I think the suggestion was made
23 to wait until the end of the presentation to --
24 well, CO2 is not a criteria pollutant, or it's
25 not, it's not currently regulated by the state.

1 Well, the question was, was what about
2 CO2, and I guess --

3 (Question from the audience.)

4 MR. OLSZOWSKI: Okay, yeah. This is
5 just CO2 -- CO, CO, carbon monoxide. Again, CO2
6 is not a regulated pollutant currently by the
7 state.

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

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

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

20 MR. OLSZOWSKI: I'm on a leash here, so
21 this is --

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

24 MR. OLSZOWSKI: Okay. I do.

25 Let me, let me go through the major

1 areas. This area is, this area of the plant is
2 our water treatment facilities for water for the
3 gas turbines. This area is, primarily is our
4 administration building for the plant site. This
5 area is where the two gas turbine generators are,
6 are sited. And finally, this, this is a new, what
7 we're calling generation station switchyard. The
8 existing Niland Gas, the existing substation that
9 probably most of you saw at the Niland site would
10 be off the screen in this area.

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

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

23 Water disposal. We'll have no processed
24 water discharges from the plant site. There,
25 there will be no evaporation ponds beyond the

1 stormwater ponds at the plant site that collect
2 stormwater. And the demineralization trailers
3 within the water treatment area will be removed
4 from the site to be processed.

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

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

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

24 Construction will start in September of
25 2007, and finally, we expect to have the unit in

1 commercial operation in May of 2008.

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

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

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

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

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

24 SPEAKER: It seems like everyone is
25 talking like this is a done deal, but I was

1 wondering is there anything we can do to stop this
2 from happening?

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

12 So those are the steps in the process.
13 I don't think it's appropriate or accurate to call
14 it a done deal. They have proposed what they do,
15 what they have done, and I think if to some degree
16 you listen to what the Energy Commission staff
17 analysis of this will be, you can, that will bear
18 out the fact that it's not a done deal and that
19 the staff does thoroughly examine whatever is
20 proposed by the applicant. And then if there are
21 differences between them, or if there are
22 differences between them and the public or a
23 property owner, or some other entity representing
24 some additional interest, that's the reason that
25 there are Commissioners to essentially act as

1 judges to hear the various viewpoints and then
2 arrive at a decision.

3 Okay. Yes, sir.

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

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

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

23 MR. OLSTOWSKI: Fair question.

24 The determination to build this plant
25 was done through a competitive process where both

1 the cost of the infrastructure and the cost of the
2 fuels was considered. There were a multitude of
3 applications or proposals submitted to IID.
4 Through a, a third party independent of IID all
5 the proposals were evaluated, and this project was
6 selected as, as the project that would best meet
7 the needs of the residents and customers of
8 Imperial Irrigation District.

9 MR. BODIN: May I, again?

10 HEARING OFFICER SHEAN: Yes, sir.

11 MR. OLSZOWSKI: I guess one other
12 comment I want to make, you know, I think across
13 the state there is a 20 percent renewable
14 portfolio standard for the investor owned
15 utilities. Imperial Irrigation District has
16 voluntarily accepted the 20 percent renewable
17 portfolio standard, which means that 20 percent of
18 the energy that we will provide to our customers
19 and, and I believe it's by 2015, will be from
20 renewable energy sources. And, and as we speak,
21 Imperial Irrigation District has a renewable
22 resource request for proposal out in the general
23 public, and they're -- and actually, IID
24 Generation submitted a proposal in response to
25 that.

1 So IID is going to be developing
2 renewable resources going forward, but it, it's
3 not going to meet all of our needs. It's --

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

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

23 It seems to me that at this point there
24 is nothing that's been done yet, that there's a
25 blank slate there. There's a chance to do

1 something not just different, but something
2 better. And I, it's a shame to see this
3 opportunity wasted on another fossil fuel-burning
4 plant when it could be a showcase. It could be a
5 working showcase, something that illustrates -- to
6 not just make, take a tiny step forward, but take
7 a tiny step forward in a different direction, a
8 better direction, for the citizens of this county,
9 this country, and the rest of the world.

10 Thank you.

11 HEARING OFFICER SHEAN: Thank you.

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

20 So we have to serve the public reliably.
21 If, if we don't, if customers in Imperial Valley
22 don't have electricity, in some cases it's a life
23 and death situation. And reliability and the
24 using of commercially available technology is
25 important. So I, I think someday this country

1 will move to hydrogen as the fuel of the future,
2 but today, that technology is not available to us
3 in, in a manner that we can provide competitively
4 priced energy to our ratepayers.

5 HEARING OFFICER SHEAN: Anything else?

6 All right. Thank you very much.

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

21 MR. BARTSCH: Mr. Chairman, Committee
22 Members, and audience. The Public Adviser usually
23 does, they survey the potentially affected area
24 for what, what the possible impact of the plant
25 might be and who the, what we call sensitive

1 receptors are. These would be schools, hospitals,
2 daycare centers, churches, et cetera, where the
3 public congregates.

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

14 We did two surveys, one in a one-mile
15 radius and another one is a six-mile radius. And
16 within the one-mile radius we found that based on
17 the 2000 census, there were just over a thousand
18 inhabitants, because there is also sporadic
19 residences in the area with permanent and also
20 temporary residences of, of people. And out of
21 that thousand or so employees -- a thousand or so
22 inhabitants, we found that about 61 percent were a
23 minority, predominantly Hispanic. And, and also
24 the, about 21 percent were below the federally
25 determined poverty level.

1 Within a six-mile radius, it's an
2 expanded area, we found the population, again
3 based on the 2000 census, about 6,000 residents,
4 and the economic mix is about the same,
5 agricultural, commercial, light industrial,
6 interspersed with residences. Out of that 6,000
7 or so residents, 69 percent, slightly higher than
8 within the one-mile, were minority population,
9 again predominantly Hispanic. And about 22
10 percent were deemed below the, the poverty level.

11 So we do, do have some, some minority
12 issues, although, as you know, we, we typically --
13 it's not, as far as the poverty level, it's not,
14 it's below the, the level that we would address.
15 And, and the minority is above the 50 percent
16 level that we typically address.

17 So, and also, we did considerable
18 outreach with the help of, of individuals. We
19 have prepared a notice, which you probably have
20 seen, both in English and in Spanish, which were
21 distributed widely in the area. And as we can see
22 from the attendance, a lot of folks did get it.
23 And we were glad to see the interest in the
24 project. It's, we also mailed out these notices
25 to the sensitive receptors that we have

1 identified.

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

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

12 HEARING OFFICER SHEAN: Thank you.
13 Comments?

14 MR. BODIN: Noise, noise levels?

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

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

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

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

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

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

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

22 If you don't have e-mail capability,
23 just indicate or, you know, obviously, just don't
24 fill in the line, but if you're requesting
25 notification then you will get it by postal mail.

1 And the most -- let me, let me say in the
2 hierarchy, the last means of participation is by a
3 petition to intervene. And if you do that, you
4 become -- and you show you have a sufficient legal
5 interest, you acquire a status that's essentially
6 equal with the applicant, the staff, or any, any
7 other intervenor.

8 But this also entails certain legal
9 duties that require you to file documents, serve
10 them on other parties, and anything else that
11 you're going to do. It also gives you an
12 opportunity to examine witnesses from other
13 parties when we get to a hearing phase of this.
14 And if you need information or want to consider
15 that, you ought to get ahold of Nick or, or me,
16 and we can explain it to you in greater depth.
17 The case is off and running now, and I would just
18 advise you, if you want to consider that, that you
19 do so in, in -- with reasonable dispatch so that
20 we can get you on the list.

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

23 And with that, now we're going to go to
24 the Energy Commission staff, and they'll describe
25 their role in the process and some of the issues

1 that they have examined preliminarily with respect
2 to this project.

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

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

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

24 This is the NSPPE filing. Garret Shean
25 has covered the issue, but my slide presentation

1 is basically a detail of what Garret Shean has
2 discussed already.

3 Can we go to the next slide.

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

14 Next slide.

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

24 (Question from the audience.)

25 PROJECT MANAGER CASWELL: Yeah, I'm

1 going to go ahead and go through it. Yeah.

2 Next slide, please.

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

6 Next slide.

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

19 And then we produce the Final Initial
20 Study. That goes out to the public, the
21 applicant, the Commissioner. Presiding Member's
22 Proposed Decision, that comes from the
23 Commission's office, and then the Final Commission
24 Decision. So these are the, the four documents
25 that are going to get produced in here, so it is

1 not a done deal.

2 Next slide, please.

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

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

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

22 Next slide.

23 That issue, that potential issue is
24 noise issue, and it was a night-time ambient
25 background levels. You can read that. And again,

1 it's in that hard copy.

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

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

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

20 And with that, that's about it for
21 staff. Again, staff is just getting involved.
22 We're in our discovery phase of this process.
23 We're trying to sort through the issues that were
24 in the application, issues and questions that
25 staff have come up with that are not fully

1 identified, in our opinion, in that application,
2 and we are working forward to develop this Draft
3 Initial Study at this point. And the schedule for
4 developing that Draft Initial Study is around June
5 1st.

6 Thank you.

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

10 (Question from the audience.)

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

14 Now, with the staff presentation, this
15 leads me to one more comment, that being even
16 though all the Energy Commission employees,
17 whether you're a Commissioner down through our
18 office, their office, we're all housed in the same
19 building. But fundamentally, we have different
20 roles. And it's important for you, as members of
21 the public, to understand that with respect to the
22 information that's being developed here which will
23 include the staff's initial study as well as the
24 filings by the applicant, the Commissioners can
25 only make their decision yea or nay on the

1 exemption based upon the record that's developed
2 at these proceedings, and that record can only be
3 developed in a public setting. We have what's
4 called an ex parte rule, which prohibits private
5 contacts with the decision-makers, and therefore
6 you can rest on the fact that no decision can be
7 made at the Commission without it being based upon
8 information that was developed in a public
9 setting.

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

20 The only thing I think that I want to
21 say before we launch into the public comment
22 period is based upon the site visit and the
23 inquiry made by the property owner who is east of
24 your site and had a question with respect to the
25 visual, potential visual impact, is to ask the

1 applicant -- our staff is going to go out
2 following this hearing with her to her piece of
3 property, and we'd like, you can either accompany
4 then or whatever, but to generate as soon as
5 reasonably practicable a before and after photo-
6 simulation of what this would look like so that
7 she would have some basis to decide the level of
8 participation that would be appropriate under the
9 circumstances.

10 MR. THOMPSON: We will do that.

11 HEARING OFFICER SHEAN: All right.

12 Thank you.

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

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

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

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

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

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

22 Also, I'd like to address the, the
23 licensing exemption thing. I know if, if I want
24 to install a solar panel on someone's house that
25 I've got to go through a quite extensive licensing

1 process. And to my knowledge, there are no
2 exemptions. I could be wrong about that, but I
3 haven't heard of any. So I'm just wondering why
4 this, this giant electric producing plant would
5 get an exemption from the Energy Commission.

6 I guess that's all I had to say. I
7 would like at this point to ask if I could get a
8 show of hands of the people in this room who are
9 actually from the town of Niland, or spend a good
10 deal of their time here. Okay, I see one, two,
11 three people out of about, I don't know how many,
12 50 here. And, and then I would like to see a show
13 of hands, how many of those people that are from
14 this town are actually opposed to this project.
15 Okay, it looks like just me. One out of the
16 three.

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

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

21 Do we have some additional public
22 comment?

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

1 Locher -- what proximity?

2 Yeah, we're dealing with audio problems.

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

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

22 I'm going to shift dialects for a second
23 here. My name is William Joseph Locher, the
24 Fourth, and I'm Swiss-German. Right. We take
25 care of the banks and, you know, we're neutral in

1 all wars, and I'm also one-quarter Finlander, too,
2 to I never lost a war and I never intend to. And
3 I'm Finnish, and I'm done. And we got to get this
4 super-secret catalyst out of the ground for
5 gasification of coal, which also happens to be the
6 catalyst for gasification of hydrogen. That's
7 association.

8 But you can't make nothing from nothing,
9 and you can't do it with sun, light and wind that
10 we know of. So you're going to need coal, so we
11 have a railhead and we have transmission lines.
12 And we have 135 days to make a decision to make a
13 decision. To keep the catalyst clean we're also
14 going to have to manufacture hydrogen, so we're
15 going to have to be able to burn three fuels,
16 methane, natural gas, CH₄ and H₂, simultaneously.
17 If we could do this with H₂ alone, we could make
18 prescription kosher for passover non-
19 pharmaceutical water in the process, but we can't
20 do it with just hydrogen unless we go to hydrogen
21 fusion, and I don't want to talk about it. Cold
22 fusion isn't coming, so forget about it, because
23 we don't have the technology to contain it.

24 So I, I suggest that we meet at least
25 monthly. I'm very satisfied with the recording

1 equipment. I don't know if everybody was being
2 heard. I didn't catch a lot of it. The sun was
3 in my eyes, I didn't have my glasses on because
4 I'm doing a clinical trial in optometry. And my
5 ears weren't quite working, I didn't get
6 everybody's comment, and nobody's wearing name
7 tags. Fortunately, I hitch-hiked with the EPA
8 people, or whoever they are, the environmental
9 folks over there, and they certainly seem to know
10 what they're doing. Thank you. Yeah, you, you
11 need a name tag. Yeah.

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

23 But thank you. Bless you all for coming
24 to our community with this wonderful project. We
25 are anticipating wonderful things. We plead with

1 you to assist us in saving Iraqi children, which
2 saves U.S. soldiers, which saves us. Thank you.

3 HEARING OFFICER SHEAN: Thank you.

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

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

18 So we do the whole thing that you would
19 ordinarily do with an initial study, which is the
20 predecessor to an EIR, which is to go through a
21 checklist. Basically it's, you start with
22 anthropology, go through zoology. Everything in
23 the alphabet. It's one of those typical things
24 examined under the CEQA regulations, and those all
25 have to come up either no impact or insignificant

1 impact, or mitigated to a level of insignificance
2 before you get the exemption, which is really the
3 transfer over to, in this case, the Air Quality
4 Management District, for its permitting process.
5 And that is a federalized function performed by
6 the air district.

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

10 MR. JONES: Could I make one more
11 comment?

12 HEARING OFFICER SHEAN: Sure.

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

20 And the other thing, you know, I know
21 we're a growing population and growing energy
22 needs and stuff, but I really feel like the
23 solution to this energy crisis is stop using so
24 much stuff. Stop using so much energy and stop,
25 stop consuming so much. I think that, that would

1 be a better solution than to building more and
2 more plants and having more and more stuff.

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

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

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

21 HEARING OFFICER SHEAN: Is there
22 anything further anybody would like to say, and
23 then we can get out of this sauna and into our air
24 conditioned cars, or whatever mode of
25 transportation we have here.

1 MR. THOMPSON: I think it's going to be
2 a good fit.

3 HEARING OFFICER SHEAN: All right.
4 Thank you, ladies and gentlemen, for coming. We
5 are adjourned.

6 (Thereupon, the Informational
7 Hearing on the Niland Gas Turbine
8 Plant Application for a Small
9 Power Plant Exemption was
10 concluded at 2:45 p.m.)

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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.