

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

In the Matter of:)
)
Application for Small Power Plant) Docket No.
Exemption for the Orange Grove) 07-SPPE-2
Project)
_____)

FALLBROOK HIGH SCHOOL
PERFORMING ARTS BUILDING
2400 SOUTH STAGECOACH LANE
FALLBROOK, CALIFORNIA 92028

MONDAY, SEPTEMBER 24, 2007

6:38 P.M.

Reported by:
Troy Ray
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

HEARING OFFICER AND ADVISORS

Susan J. Brown, Advisor

Kenneth Celli, Hearing Officer

Susan Gefter, Hearing Office

STAFF AND CONSULTANTS PRESENT

Jared Babula, Staff Counsel

Felicia Miller, Project Manager

PUBLIC ADVISER

J. Mike Monasmith

APPLICANT

Jane E. Luckhardt, Attorney
Downey, Brand Attorneys, LLP

Steve Thome, Vice President, Development
Michael J. DuBois, Vice President, Asset
Management
J-Power Group
J-Power USA Development Co., Ltd.

Joe Stenger, Senior Project Manager
TRC

ALSO PRESENT

Jack Griffiths, Director
Rainbow Municipal Water District

Linda Cooper

Nicholas Hurd

ALSO PRESENT

Ted Felicetti

Sheila Manning
River Watch

Jackie McFarland

Gena Tweed

David Toone

Anthony Arand

Jenna Fransway

Keith Lowell

Angelina Jones

Joe Chisolm, Chairman
Pala/Fallbrook Community Sponsor Group

Jack Martin

Justin Lowell

Susan Arand

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

2 6:38 p.m.

3 PRESIDING MEMBER BOYD: Good evening,
4 everybody. Sorry for the delay; it's been a day
5 of delays, the latest being the microphones, the
6 plane from Sacramento was almost an hour behind
7 schedule, so it's been one of those days.

8 My name is Jim Boyd; I'm an Energy
9 Commissioner, California Energy Commission,
10 Sacramento. And I am the Presiding Member of the
11 Site Committee for this particular project. This
12 is the Orange Grove project. The sponsors are
13 Orange Grove Energy, LLP. This is an
14 informational hearing conducted by a Committee of
15 the California Energy Commission on this proposed
16 site, the Orange Grove project.

17 The Energy Commission assigns committees
18 of two Commissioners to conduct these proceedings.
19 And I am the Presiding Member. The Second Member
20 of our Committee is Commissioner Arthur Rosenfeld;
21 he could not be here tonight. So you've just got
22 me. But as the Presiding Member I carry the
23 responsibility for the project.

24 With me on my right is Kenneth Celli,
25 the Hearing Officer, to whom I will turn the

1 microphone over in a moment. Am I fading in and
2 out on you? Okay, we're just going to have to put
3 up with it being loud.

4 On left, Susan Brown, who is my Advisor.
5 At the end of the table is a member of the staff,
6 but I'm going to let the staff members introduce
7 themselves shortly.

8 So what I'd like to do first is have the
9 applicant introduce their representatives at this
10 hearing.

11 MR. THOME: My name's Steve Thome; I'm
12 with J-Power USA. We are the project sponsors and
13 the owners of Orange Grove Energy. My colleagues
14 are just coming off the stage.

15 This is Joe Stenger; he's with TRC
16 Solutions. They're doing all the permit work and
17 have submitted the applications to the CEC --
18 develop the application. And my other colleague,
19 Mike DuBois is also with J-Power USA. And we're
20 represented by counsel, Jane Luckhardt. So that's
21 the four of us.

22 PRESIDING MEMBER BOYD: Okay, and before
23 I ask the staff to introduce themselves, I will
24 mention that the applicant has graciously provided
25 food for all of us. However, because we're behind

1 schedule we're going to press on. You may, at
2 anytime, go to an adjacent room and partake. Or
3 you can wait, like us, to the end of the hearing
4 if there is an end of the hearing in time for us
5 before we race back to San Diego to try to get
6 back to Sacramento.

7 With that I'd like the staff to
8 introduce themselves, starting with our Project
9 Manager.

10 MS. MILLER: My name is Felicia Miller;
11 I'm the Project Manager for the California Energy
12 Commission.

13 MR. BABULA: I'm Jared Babula, Staff
14 Counsel for the California Energy Commission.

15 PRESIDING MEMBER BOYD: Okay. Normally
16 at this time we ask if there are any intervenors
17 in the audience who want to introduce themselves.
18 There is one intervenor. Her name is Gloria
19 Smith; she represents CURE, but I don't believe
20 she's here. So just for the record I'll document
21 that.

22 Are there any public agencies in the
23 audience, local public agencies, who would like to
24 introduce themselves and make their presence known
25 as interested parties in this project? Now would

1 be the time to do so. Okay.

2 And then -- ah, here we go, Jack.

3 MR. GRIFFITHS: (inaudible).

4 PRESIDING MEMBER BOYD: Please use the
5 microphone. Some of you are going to have a long
6 trip if you want to speak later. It's a big room.

7 MR. GRIFFITHS: Good evening; my name is
8 Jack Griffiths. I'm Director of Rainbow Municipal
9 Water District. And I had hoped that Mr. Roy
10 Petty (phonetic), our Board President, would be
11 present, but I'm not sure he could make it
12 tonight. So I'll be standing in his place.

13 And we, of course, are very interested
14 from the water point of view. And we shall be
15 following the needs of this because of the cut in
16 water which is being imposed on us by the MET, or
17 the Metropolitan Water Authority and the
18 California, or the San Diego County Water
19 Authority.

20 And it really boils down to the fact
21 that we are going to have substantial cuts in the
22 water allowed to our districts. Our district is
23 approximately 60 to 70 percent agricultural in its
24 water use. And of that we have been cut; told you
25 will use 30 percent less water starting January 1.

1 We have not yet come to grips with what
2 we have to do with that, but that is the
3 situation.

4 PRESIDING MEMBER BOYD: But in the face
5 of that you are providing -- you are the provider
6 of water to this project?

7 MR. GRIFFITHS: We are geographically in
8 the spot to do so. But we would not like to take
9 that position on until we know where we stand with
10 our water supplies.

11 Now, I'm torn between liking the
12 engineering projects, but on the other hand we
13 have to see where we are with the water for our
14 customers. And what we have to do. And if
15 there's any other alternative site that could also
16 supply water, say from Valley Center. And I don't
17 know if they are present at the moment, but it
18 would be nice to know that someone with more
19 capacity to supply water than ourselves would take
20 the job on.

21 But apart from that we -- we're in that
22 position and that's all we can say at the moment.

23 The board of directors was not informed
24 when the form saying yes, we have water, was
25 signed. So it was signed, and then it was pointed

1 out, well, this is not a guarantee we'll supply
2 water. But, unfortunately, for the record the
3 board of directors was not informed before it was
4 signed.

5 PRESIDING MEMBER BOYD: All right, thank
6 you. This is an issue, I'm sure, that will be
7 explored in future proceedings.

8 The last --

9 MR. GRIFFITHS: Excuse me. May I just
10 ask a question for me, now? And the question is
11 that in this project it said that SDG&E had
12 determined there was going to be considerable
13 development in this area. Have they identified
14 the areas or the costs of this area where they
15 expect this development to absorb the extra power?

16 PRESIDING MEMBER BOYD: Well, we'll ask
17 the applicant to respond to your question when
18 they make their presentation.

19 The last person I want to introduce and
20 have introduced is the Energy Commission's Public
21 Adviser, who is an independent party, who operates
22 as an adviser to you, the public. Mike Monasmith,
23 who is standing over there. And he'll have a
24 presentation to make shortly.

25 Just a little bit of background before I

1 turn this over to our Hearing Officer. Orange
2 Grove Energy, LP, filed an application with the
3 California Energy Commission to obtain an
4 exemption from the Energy Commission's normal and
5 usual application for power plant certification to
6 build and operate a power plant to be known as the
7 Orange Grove project on Pala del Norte Road near
8 the community of Pala, in unincorporated San Diego
9 County.

10 The purpose of our hearing this evening
11 is to provide information about the proposed power
12 plant; to describe the Commission's process in
13 reviewing this application; and to provide
14 information and opportunities to you to
15 participate in this process should you so choose.

16 Shortly the Public Adviser will explain
17 how the public can obtain information about the
18 project, and how you can participate if you choose
19 to do so. And how you can offer comments during
20 the entire review process.

21 And then Mr. Monasmith will also explain
22 how folks can intervene as formal parties, and
23 what their obligations and responsibilities are if
24 they so choose. And if they wish to present
25 evidence and be involved in cross-examination of

1 witnesses.

2 We just conducted a site visit so that
3 the public to the property to see the location.
4 And now we are proceeding to conduct our
5 informational hearing.

6 And with that, I'm going to turn the
7 proceedings of the hearing over to the Energy
8 Commission's Hearing Officer, Mr. Celli.

9 HEARING OFFICER CELLI: Thank you,
10 Commissioner. Folks, we're going to move very
11 quickly through this because we started late, and
12 we have some people that need to catch a plane
13 tonight. And so I'm going to speak very quickly.

14 The California Energy Commission, a
15 state agency, has exclusive jurisdiction to
16 license or certify new power plants that generate
17 50 megawatts of electricity or more. Under state
18 law, power plants that generate up to 100
19 megawatts may be exempted from the Energy
20 Commission's certification process if the Energy
21 Commission determines that a project proposal
22 qualifies for such an exemption.

23 The small power plant exemption review
24 process provides the public a forum for the Energy
25 Commission's evaluation of the project's

1 eligibility for an exemption under the Public
2 Resources Code section 25541.

3 On July 18, 2007, Orange Grove Energy,
4 LP, we will refer to as the applicant, submitted
5 an application for a small power plant exemption
6 to the California Energy Commission in connection
7 with its proposal to construct and operate the
8 Orange Grove project.

9 The applicant proposes to build a 96
10 megawatt simple cycle, electric generating plant
11 and ancillary facilities in rural north San Diego
12 approximately six miles east of Fallbrook and
13 approximately two miles west of the community of
14 Pala.

15 The applicant proposes to begin
16 construction in January of 2008; and commercial
17 operations are planned to begin in June of 2008.

18 Notice of today's events was mailed in
19 the first week of September to all parties,
20 adjoining landowners, interested governmental
21 agencies and other individuals. In addition, a
22 notice of this hearing was published in The North
23 County Times on September 14, 2007.

24 Today's hearing is the first in a series
25 of Committee-sponsored events which will extend

1 over the next few months. The Commissioners
2 conducting this proceeding will eventually issue a
3 Proposed Decision containing their recommendation
4 on whether the proposed project should be exempted
5 from the state's normal licensing process.

6 For this project to qualify for what we
7 call a small power plant exemption or an SPPE, the
8 Commission must be able to find that there is no
9 substantial adverse impact upon the environment or
10 energy resources that will result from
11 construction or operation from the proposed power
12 plant.

13 In other words, in the SPPE process the
14 Commission does not determine whether to license a
15 proposed project, but rather determines whether,
16 or under what circumstances and conditions, the
17 project can qualify for an exemption from the
18 state's normal licensing process. Staff will
19 touch upon this distinction later, I'm sure.

20 If an exemption is granted Orange Grove
21 Energy will still need to secure appropriate
22 licenses and permits from the various local, state
23 and federal agencies which may have jurisdiction
24 over this project.

25 The Committee's recommendations must, by

1 law, be based solely on the evidence contained in
2 the public record. We have a court reporter here
3 today. Everything that's being said is being
4 recorded. And there will be a transcript later
5 put up on the website.

6 During the course of today's hearing we
7 will proceed in the following manner: First, Mike
8 Monasmith will briefly explain how to obtain
9 information about and participate in the exemption
10 process. He's with the Public Adviser's Office.
11 You met him earlier.

12 Next, the applicant will describe the
13 proposed project and explain its plans for
14 developing the project site.

15 After that the Commission Staff will
16 provide an overview of the Commission's small
17 power plant exemption process and its role in
18 assessing the proposed Orange Grove project.

19 Following these informational
20 presentations we will turn to a discussion of
21 scheduling or other matters addressed in the
22 issues identification report, proposed schedules
23 and other papers filed by the applicant and staff
24 that Commissioner Boyd mentioned earlier.

25 Upon completion of these presentations

1 other parties, interested agencies and members of
2 the public may ask questions or offer public
3 comment.

4 The Committee's small power plant review
5 incorporates requirements equivalent to those used
6 for an initial study under the California
7 Environmental Quality Act, or CEQA. And examines
8 the relevant engineering and environmental aspects
9 of the proposed project.

10 In our process every meeting, hearing or
11 other event sponsored by the Commission must be
12 noticed and open to the public. And must allow
13 the public to comment and participate. You will
14 have ample opportunity to make your points of view
15 known, and to comment upon the proposed project.
16 These rights, however, also mean, as Mr. Monasmith
17 will explain, that you will not necessarily assume
18 the burdens that accompany participation as if you
19 were a party.

20 Finally, you can expect all the
21 decisions made in this case, including whatever
22 the final recommendations are, to be made solely
23 on the basis of the public record. To insure that
24 this happens, and to preserve the integrity of the
25 Commission's process, the Commission's regulations

1 and the California Administrative Procedures Act
2 expressly prohibits off-the-record contacts
3 concerning substantive matters between the
4 participants in this proceeding and the
5 Commissioners, their Advisors and me.

6 This prohibition against off-the-record
7 communications between the parties and the
8 Committee is known as the ex parte rule. This
9 means that all contacts between the parties and
10 the Committee regarding a substantive matter must
11 occur in the context of a public discussion such
12 as today's event, or in the form of written
13 communication that is distributed to all parties.

14 The purpose of the ex parte rule is to
15 provide full disclosure to all participants of any
16 information that may be used as a basis for future
17 decisions.

18 Additional opportunities for the parties
19 and governmental agencies to discuss substantive
20 issues with the public will occur in public
21 workshops to be held by the Commission Staff at
22 locations here in San Diego County and elsewhere.

23 Information regarding other
24 communications between the parties and
25 governmental agencies as contained in written

1 reports or letters that summarize such
2 communications, these reports and letters are
3 distributed to the parties and made available to
4 the public. Information regarding hearing dates
5 and other events in this proceeding will also be
6 available on the Commission's website.

7 The application for small power plant
8 exemption process is a public proceeding in which
9 members of the public and interested organizations
10 are encouraged to actively participate and express
11 their views on matters relevant to the proposed
12 project.

13 The Committee is interested in hearing
14 from the community on any aspect of this project.
15 And members of the public are also eligible to
16 intervene in the proceeding. And if you are a
17 potential intervenor, we encourage you to file
18 your petition to intervene as soon as possible so
19 you may fully participate.

20 At this time we'll ask the Public
21 Adviser's representative to explain the public
22 participation process, and to provide an update on
23 their efforts to contact local residents and other
24 interested groups. Mike Monasmith, please.

25 MR. MONASMITH: Thank you, Hearing

1 Officer Celli. Commissioner Boyd. My
2 responsibility with the Energy Commission is the
3 public.

4 I want first, again, to apologize to
5 those of you who were here for the bus trip at
6 4:30. But due to the fault of our office, were
7 unable to find the bus. And I feel horrible about
8 that, and want to work with you if we need to do
9 something, some extraordinary measures in the
10 future to stop this, or to provide some kind of
11 mediating, perhaps, and follow up with you. I'd
12 like to work with you on that, so I want to make
13 sure you guys feel that you're part of this
14 process.

15 The Public Adviser's Office involves the
16 public to every degree possible to facilitate full
17 and meaningful public participation. As Ken said,
18 there are a number of ways you can involve
19 yourself with our process.

20 One, hopefully you all did when you came
21 in, by signing in with us. You will now receive
22 automatic notices from the Energy Commission every
23 time the applicant files material, every time the
24 staff, who are here in the audience, to respond to
25 that material. Anytime anything happens on behalf

1 of this case you will receive a notice of it.

2 A second step is to actually show up at
3 the meetings, which an extraordinary measure and
4 we thank you for coming.

5 The third means of involving is
6 something that you do, but if you want to do it,
7 I'm going to help you, and that's to become an
8 intervenor. An intervenor is a legal status. It
9 means that you are a full party to these
10 proceedings. Those come with certain obligations
11 and responsibilities.

12 You, if you're an intervenor, will have
13 a seat up on the dais. You're able to provide
14 witnesses, cross-examine testimony from the
15 applicant and staff. You're part of the
16 proceedings, and you have legal status in that.
17 And you'll be part of what the official record is,
18 which the court reporter is putting down, and
19 which Commissioner Boyd will use, with
20 Commissioner Rosenfeld, in making a determination
21 to the full body, the full five-member Commission,
22 on whether or not the application is granted, and
23 the applicant is allowed to construct and operate
24 this facility.

25 So, if you have any questions, I know

1 this is a daunting, you know, process, with lots
2 of things you don't understand. I've been with
3 the Commission four years and there's things that
4 I still don't understand. But I'm here to help
5 you, I really am. And I'll help you find the
6 personnel on the staff. It's a very experienced
7 staff, very professional, very objective. They
8 are really good. And they'll help you. Just call
9 me, get in touch with me, okay.

10 My numbers are in the back. I'm sorry
11 this is a little short, but again, I'm here for
12 you; and -- do something special with those few
13 who were left out at 4:30. Again, I'm really
14 sorry about that.

15 I'll be here to the very end, so come
16 and see me; get my card from me. Thanks, Ken.

17 HEARING OFFICER CELLI: Thank you, Mr.
18 Monasmith.

19 I'll now ask the parties to make the
20 presentations. First, Orange Grove Energy, LP,
21 will describe the proposed project and explain its
22 plans for developing the project site.

23 MR. THOME: Good evening. I'll wait for
24 some slides to follow. While we do, I wish to
25 tell you who we are. Orange Grove Energy, LP, is

1 actually the wholly owned subsidiary of J-Power
2 USA Development Company.

3 We -- our mission is to own and operate
4 and develop power plants in the United States. We
5 have about 2000 megawatts currently under
6 ownership. And we're developing some more
7 facilities like this -- just acquired -- but we
8 are what is known in the industry as an
9 independent power producer, as different from the
10 local utilities.

11 We sell to the utilities we are managing
12 also, so in this case we are selling capacity to
13 SDG&E. And how this process came about is you
14 remember last summer there was a fairly
15 significant heat event and a lot of utilities
16 looked at their resource needs as they went
17 forward. SDG&E came out and said, you know, we
18 need about 200 additional megawatts, I believe it
19 was, to meet our resource needs.

20 And last fall they came out with an RFO,
21 request for offers, for people to build power
22 plants on -- peaking stations, specifically, and
23 we'll explain a little bit about that -- on their
24 existing property. And the Pala project is one of
25 the sites. And there's another on going in

1 Miramar and another one going in at Santa
2 Monica -- which is in Orange County. These are
3 all being built in response to this RFO.

4 So, go to the next slide. Okay, go back
5 one. So this is, it was a competitive offer. J-
6 Power won. We were awarded this project last
7 March and we signed a power purchase agreement,
8 which is our contract, our relationship with SDG&E
9 for a 25-year contract to own, operate and deliver
10 power to SDG&E on their property, this plant.

11 So it's a peaking plant. Peaking plants
12 are meant to just operate when the need is
13 greatest on the system. So, typically that's
14 going to be when it's your hot summer days. And I
15 would say that on average it will probably run
16 about 20 percent of all hours of the year.

17 This particular plant, too, we're going
18 into an existing substation on the SDG&E property.
19 It's the 69 kV grid. That's important. This
20 tower is intended to meet the very local needs in
21 that area of the system. The grid steps up to,
22 you know, big transmission cable for 500 kV. This
23 is 69; it goes down to local -- probably 12. But
24 just to get a sense, the bigger the voltage
25 probably the further it's going to go. This is

1 the local system. And obviously we want to make
2 this plant as kind of low impact as possible.

3 And down to project schedule. The
4 schedule here is, as was mentioned, as soon as we
5 get the necessary permits and have gone through
6 this process at the CEC, we will start
7 construction. And that's about a six-month
8 timetable for us.

9 Our goal is to have the project done,
10 really to have it on June. Peak here in the
11 summer is August, August/September timeframe.
12 That's when the power need is going to be the
13 greatest.

14 A little bit, too, about how this
15 project affects the local grid. If you notice,
16 everybody's aware, most of the load growth is in
17 the eastern part of the County. There's a lot of
18 projects going on, a lot of development.

19 SDG&E has picked the site; we didn't
20 pick the site. They determined they need power
21 into the grid at these locations. If you think of
22 the grid, I mean their -- the power plant provides
23 two things. There's a peaking capability that
24 goes to the grid, so when there's just a shortage
25 and you need more power, it's there.

1 But also because it's at kind of an end
2 of the grid where there's not a lot of other
3 facilities, it also enhances the grid stability.
4 One thing this power plant will do, it has what's
5 called black-start capability. So we can bring
6 the grid up. If there's a blackout we'll bring
7 the grid up in the local area. SDG&E -- very
8 specific, or the California-ISO has a specific
9 process for doing it. But that's what this
10 facility will do, insure that the grid is stable
11 and in the event there's a catastrophic failure,
12 it can be brought back up.

13 And I did want to just explain a little
14 bit, too, you know, the grid, when you think about
15 it, too, it's -- out in that area there's a lot
16 of, if you think of this as like water pipes or a
17 garden hose, that area is the end of the garden
18 hose. And I think -- I'm not a transmission
19 person, but the more people draw off that hose,
20 the more likely there's going to be a problem
21 where the line's going to be dry or there's just
22 not going to be enough flow to meet the various
23 needs of the community.

24 So that's why that facility is there, to
25 not only provide power when it's needed, but

1 almost can act like a pump to bring power to the
2 system. That's called reactive power. That's
3 something the power plant will do. Quite
4 frequently we operate, have operated some of these
5 other facilities, and they are used in that manner
6 quite a bit to enhance grid stability. And that's
7 kind of a key, one of the key objectives of the
8 facility.

9 So, you know, I'm not going to go over
10 some of the -- you can look at some of the
11 principal benefits when it comes to money up
12 there. But the key here is grid reliability --
13 what we're spending on the project. And I'll pass
14 it over to Mike.

15 MR. DuBOIS: Next, please. This is the
16 general area map for seeing the site; just south
17 of the county line there between Riverside and San
18 Diego.

19 Next, please. Here's a broader map
20 showing the transmission lines, the water and gas
21 interconnections for the utility supplies the come
22 to the facility.

23 Next. This is a 96 megawatt power
24 project. Uses two General Electric turbines.
25 It's going to have state-of-the-art emissions

1 control, -- water treatment system. And you can
2 see that this is for the interconnects with the
3 utilities.

4 Next. The transmission line, the
5 electrical connection will be underground. It'll
6 connect to the existing Pala Substation, about 200
7 yards away from the property, from the project
8 site. And you can see we're not going to, we're
9 going to minimize disturbance of the natural
10 habitats. And we're going to bore underneath the
11 road to avoid any disturbance of the drainage
12 area, as well.

13 Next, please. The water supply will be
14 hopefully an underground pipeline from the Rainbow
15 Water District constructed along the shoulder of
16 the Pala del Norte Road. And, again, no
17 disturbance to the natural habitat. We'll have a
18 500,000 gallon water storage tank. Roughly two
19 days operating capacity onsite.

20 Next. The gasline will come along
21 highway 76. Again, it will be underground. And
22 it will be provided SDG&E. And they will connect
23 to their transmission line which runs along
24 interstate 15. And, again, the road, there will
25 be no disturbance to natural habitat again, or any

1 disturbed property to the right.

2 Next. This is a picture of the site
3 with plant layout. And the lines there show
4 grading and site level; and then because there's
5 a bit of a slope to the property, so that'll be
6 managed through normal grading processes.

7 Next. Here's a side view of the plant
8 showing the stack on the right which will be
9 roughly 80 feet above ground. And the structure
10 on the west, if you will, is the air intake for
11 the combustion turbines.

12 Next. Here is another elevation showing
13 the two turbines in line. Self-explanatory.

14 Next. Here's a picture of what one of
15 the units will look like. This is not ours, of
16 course, but this is a similar design. This is an
17 LM6000 combustion turbine plant, a simple cycle.

18 Next. And here is a view from highway
19 76 of what the plant will look like after it's
20 constructed.

21 At this point, Joe, I'll pass it along
22 to you.

23 MR. STENGER: Okay, as mentioned
24 earlier, the Energy Commission's going to be the
25 lead agency of the environmental analysis for this

1 project, and they'll follow a well-defined process
2 as they've got in their regulations that will
3 comply with CEQA and their specific regulations,
4 as well.

5 Next, please. Their environmental
6 review process is going to encompass a broad range
7 of topics, everything from water resources,
8 biology, soils, public health, worker safety, air,
9 the whole list. And their process is to go
10 through and evaluate the power plant impacts in
11 each one of these areas and it will all be part of
12 the public record.

13 Next, please. The key permits that will
14 be required for this project include the small
15 power plant exemption application that's been
16 submitted to the CEC. And the CEC will do their
17 environmental analysis based on that. They will
18 issue conditions that are required for the
19 project.

20 And this project will also require a
21 major use permit from the County. And an
22 authority to construct permit and permits to
23 operate from the APCD. Those are really the major
24 permits that are going to be required.

25 In addition there will be construction

1 stormwater NPDES permit which is a permit that is
2 available at the state level for projects to
3 operate under; they make a commitment to comply
4 with that.

5 The project will also require a
6 streambed alteration permit for a horizontal --
7 boring that will be beneath the streambed. That
8 occurs to the west side of the project. And the
9 project is designed so that there is actually no
10 drastic disturbance to any streambed. This permit
11 is still required for the boring underneath.

12 And then Caltrans will issue
13 encroachment permits for the project driveway and
14 secondary driveway that will run into highway 76,
15 the intersection there. And for the gasline along
16 highway 76, as well.

17 Just to go over a few of the key
18 highlights of the project. Air quality; it's
19 going to be clean-burning natural gas. We'll have
20 state-of-the-art emissions control systems and
21 continuous emissions monitoring at all times that
22 the turbines are running.

23 It's designed to avoid surfaces to
24 drainage. There will be no discharge of any
25 process water. Stormwater runoff at the site will

1 be retained in a retention pond sized to hold a
2 50-year storm.

3 Next, please. Biological resources.
4 There will be very little impacted biological
5 resources. The site is a former orange grove, it
6 doesn't have any natural habitat except for the
7 extreme northwest corner. There's going to be
8 less than one acre of disturbance of coastal sage
9 scrub.

10 Next, please. This slide just kind of
11 shows the layout and you can see the big yellow
12 mask encompassing most of the site, which is the
13 abandoned orange grove.

14 Next, please. The site is 8.5 acres in
15 size. The power plant use is consistent with the
16 current zoning under the County's zoning
17 ordinance. Transportation. Once the project is
18 in operation there will be negligible operations
19 traffic, up to four full-time employees per shift
20 are expected. During construction there will be
21 an added 65 construction vehicles per day.

22 Socioeconomics. It's an \$85 million
23 capital investment. That'll help the tax base,
24 and really have minimal demand on the
25 infrastructure for the project.

1 Next, please. Noise control. All the
2 major equipment will be in acoustic enclosures.
3 The site has some excellent things going for it
4 from the visual perspective, as many of you saw,
5 being out there at the site today. It's
6 surrounded by hills, so it's really not visible
7 from anywhere except in the immediate proximity of
8 the site.

9 Next, please. These are some of the
10 benefits that Steve showed up there earlier.
11 We're just going to leave you with these, the
12 benefits to the project, the economic benefits,
13 and benefits to the grid, as well.

14 HEARING OFFICER CELLI: Thank you, Joe.
15 At this point I'm going to ask the -- normally I
16 would ask the public if there are any questions,
17 but I'm going to ask that you hold onto that in
18 the interest of time. And later when we have the
19 public comment period, we will ask that you bring
20 your questions then.

21 For now the Commission Staff will now
22 provide an overview of the Commission's licensing
23 process and its role in reviewing the proposed
24 Orange Grove project. Felicia Miller, Project
25 Manager.

1 MS. MILLER: Thank you. Good evening.
2 I'm Felicia Miller from the California Energy
3 Commission, and Project Manager for the review of
4 the Orange Grove Energy's small power plant
5 exemption application.

6 My role as project manager is to
7 facilitate the power plant application through the
8 Energy Commission's small power plant exemption
9 process. My presentation will provide you with an
10 overview of that process, following information on
11 how to publicly participate and a review of
12 staff's issues identification report.

13 The Energy Commission has permitting
14 authority over the licensing of thermal power
15 plants 50 megawatts or more, and related
16 facilities such as transmission lines, water
17 supply lines, natural gas pipelines, water and
18 waste pipelines and access roads.

19 The Energy Commission is the lead agency
20 for siting energy facilities under the California
21 Environmental Quality Act, more commonly known as
22 CEQA.

23 The small power plant exemption provides
24 for an exemption of thermal power plants from the
25 certification process if the project is between 50

1 and 100 megawatts and has no unmitigated adverse
2 effects on the environment or energy resources.

3 The Commission's review and decision
4 process for an SPPE consists of various phases,
5 staff workshops, site visits and Commission
6 hearings and conferences, all of which are noticed
7 and open to the public.

8 The SPPE process is an exemption from
9 the Commission's jurisdiction, not a permit or a
10 license to build a project. Under this process
11 staff will prepare an initial study and expects to
12 file a mitigated negative declaration if all
13 environmental impacts can be mitigated and if the
14 applicant agrees to incorporate those mitigation
15 measures into the project description. If this is
16 unattainable, staff will prepare an environmental
17 impact report.

18 During the discovery and analysis phase
19 staff, agencies and intervenors gather information
20 in order to analyze the project and its issues.
21 Staff reviews the project and requests additional
22 information from the applicant in the form of data
23 requests. Then later summarizes the issues in an
24 issues identification report.

25 Staff analyzes the project to identify

1 mitigation measures and recommend conditions of
2 exemption, and issues a draft environmental
3 document. Also during this phase a public comment
4 period will be posted and a number of workshops
5 held, all of which will be noticed to the public
6 ten days prior to the workshop date.

7 Following the issuance of a final
8 environmental document, staff will make a
9 recommendation to the Committee.

10 During the evidentiary hearing and
11 decision phase of the process we will hold a
12 prehearing conference, followed by evidentiary
13 hearings conducted by the two-Commissioner
14 Committee to hear findings and conclusions
15 presented by the applicant, staff, intervenors and
16 other agencies and public comments.

17 After the hearings the Committee
18 prepares and issues a Presiding Member's Proposed
19 Decision, also called a PMPD. And a final
20 environmental document which discusses findings
21 related to environmental impacts and mitigation,
22 with recommendations on conditions of exemption,
23 if any, and a recommendation whether or not to
24 approve the project.

25 This is followed by a hearing on the

1 PMPD for consideration by the full Committee on
2 the decision to approve or deny a small power
3 plant exemption. This decision is typically
4 announced at the Commission's regularly scheduled
5 bimonthly business meeting.

6 Throughout the review process staff
7 coordinates with a number of local, state and
8 federal agencies, including County of San Diego
9 Department of Planning and Land Use and San Diego
10 Air Pollution Control District. Those are just
11 two that we mention.

12 There are a number of opportunities for
13 the public to participate in the Commission's
14 process including submitting written comments on
15 prepared documents, commenting at public meetings,
16 participating in workshops and becoming a formal
17 intervenor.

18 There are a number of ways the public
19 can participate in the process. The Commission
20 holds workshops, maintains mailing lists,
21 including agencies, libraries and landowners. You
22 can also sign up on the Commission's list server
23 found on the Energy Commission's homepage, to
24 receive email notices whenever anything is added
25 to the project website.

1 All project documents are available in
2 various libraries throughout the state, at the
3 Commission and on the Commission's webpage.

4 HEARING OFFICER CELLI: Thank you. At
5 this point I just wanted to see the record reflect
6 that there has been a PowerPoint presentation on
7 behalf of the applicant, and a PowerPoint
8 presentation on behalf of staff. And I was
9 wondering if I could get a copy of that sent to
10 me? Applicant has indicated yes. And staff?
11 Thank you.

12 At this time is Gloria Smith here, or
13 anybody from CURE? Seeing no one. Normally we
14 would have an intervenor speak at this point, but
15 they don't appear to have appeared today. So at
16 this point we're going to focus on scheduling and
17 other matters contained in staff's issues
18 identification report.

19 We will begin by asking staff to
20 summarize the issues identification report,
21 including scheduling proposals. We will then hear
22 Orange Grove Energy's responses. Then intervenors
23 -- well, there's no intervenor. If they show up
24 they can make comments. After which we will then
25 open it up for public comment.

1 So, Ms. Miller.

2 MS. MILLER: Thank you. The issues
3 identification report is developed by staff early
4 in the process. The purpose of the report is to
5 inform participants, including the applicant, of
6 potential issues that may affect the project, and
7 staff's analysis of the project.

8 The criteria used for identifying an
9 issue in this report includes the potential for
10 any significant impacts that might be difficult to
11 mitigate; noncompliance with laws, ordinances,
12 regulations and standards; or if there is a
13 conflict regarding findings or conditions that
14 could affect the schedule.

15 Staff has only identified three issues:
16 air quality, cultural resources and water quality.
17 But other issues may still arise.

18 Staff issued data requests to the
19 applicant on September 5th in nine technical areas
20 in order to get needed information to complete
21 their analysis.

22 First issue, air quality. Although
23 staff is just beginning the discovery phase in the
24 review of the project, staff has identified an
25 issue in the area of air quality pertaining to

1 emission reduction credit mitigation.

2 Staff has requested the applicant to
3 identify enforceable reductions as a mitigation
4 strategy for the proposed emission increases.
5 Without appropriate mitigation measures, staff
6 cannot find that this project would have less than
7 significant air quality effects.

8 The second issue is cultural resources.
9 They're also identified as a potential issue. And
10 staff has issued data requests asking the
11 applicant to identify the project area in order to
12 determine whether or not cultural resources are
13 located close enough to be impacted by the
14 project.

15 The third issue is water quality. It's
16 also been identified as a potential issue. Staff
17 has requested economic and environmental
18 assessments in both water quality and cooling
19 technology options for gas turbine cooling, and
20 also for zero liquid discharge technology for
21 management of project watersheds.

22 The proposed schedule for the project
23 includes upcoming Energy Commission workshops and
24 filings. As noted with asterisks, these dates are
25 subject to change. Actual dates will be announced

1 by staff notices or by Commission orders.

2 And finally, here's a list of Energy
3 Commission contacts including the assigned
4 Committee. This slide show -- there's a copy of
5 the slide show out in the lobby. So if you don't
6 currently have a copy and you'd like a copy, you
7 can pick one up at the desk. It has the contact
8 information on the last slide.

9 Thank you.

10 HEARING OFFICER CELLI: Thank you, Ms.
11 Miller. On behalf of the applicant, Mr. Thome,
12 did you wish to respond to these issues or Ms.
13 Luckhardt.

14 MS. LUCKHARDT: Okay, quickly in the
15 interest of time, we understand the staff's
16 concerns. And in the area of air quality, since
17 there are limited offset options in the area, we
18 are looking at potential mitigation measures; and
19 are working with the Air District to develop some
20 options and plan to present those to staff.

21 In the area of cultural resources, we
22 have been out in the field, in fact today, doing
23 additional work to respond to staff's requests.
24 And our preliminary results do not show that there
25 will be a problem. We will be filing that

1 information with you, as well.

2 In the area of water, we understand the
3 concerns of staff, and as expressed by the Water
4 District here today. And we are evaluating
5 various alternatives and will present our results
6 once we get some more information.

7 HEARING OFFICER CELLI: Thank you. Is
8 there any chance that anyone from CURE walked in
9 while we were talking down here? Okay. I don't
10 see anyone from CURE.

11 At this time we will take public
12 comment. I have 15 of these blue cards that
13 people filled out that wanted to speak. And what
14 I'm going to ask you to do is come down, state
15 your name -- when I call your name off the blue
16 card, state your name in the microphone, and then
17 make your public comment.

18 In the interest of time, and I'd just
19 note that it's 25 after 7:00 now, I'm going to ask
20 that you try to keep your comments down to two
21 minutes, if you could, please. Especially if
22 someone's already said something that you -- so
23 it's not cumulative, saying the same thing over
24 and over again.

25 But you have your opportunity to come

1 down and speak at this time. I'm going to ask
2 Linda Cooper to please come forward. Is Linda
3 Cooper here? Ma'am, if you would approach the
4 podium.

5 MS. COOPER: Hello. Linda Cooper. This
6 plant has the advantage of being right next to an
7 existing substation and an underground
8 transmission line. It's well thought out and
9 planned.

10 The Pala Valley Plant will be state of
11 the art. And it isn't in an area where too many
12 people will be able to see it. Good location and
13 a good solution to our power problems in north
14 County.

15 I'm for building the plant at the
16 proposed site. Thank you.

17 HEARING OFFICER CELLI: Thank you, Ms.
18 Cooper. Nick Hurd, are you here, Nick.

19 MR. HURD: Good evening. My name's
20 Nicholas Hurd. The great thing about these small
21 plants, they use a clean-burning fuel, in this
22 case natural gas. In addition to that, this plant
23 has a state-of-the-art emissions control system.

24 I would also like to point out the local
25 solution aspects of this peaking plants. It's

1 more power when we need it, less pollution. I
2 think it's a very well project and we shall be
3 behind it.

4 Thank you.

5 HEARING OFFICER CELLI: Thank you, Mr.
6 Hurd. Next I have Ted Felicetti.

7 MR. FELICETTI: My name is always
8 mispronounced; you did very well.

9 HEARING OFFICER CELLI: Did I get it
10 right? That's because I'm --

11 MR. FELICETTI: Oh, absolutely, yes.

12 HEARING OFFICER CELLI: -- because I'm
13 Celli.

14 MR. FELICETTI: You're Italian, okay.
15 Well, this project is going to contribute to the
16 local economy with substantial taxes; it may even
17 put a few people to work. That helps to build the
18 infrastructure and maintain it, which we need to
19 pay a lot more attention here in north County.

20 This plant will provide electricity in a
21 minimum amount of investment on facility. We
22 can't afford not to do this in north County.

23 HEARING OFFICER CELLI: Thank you very
24 much, Mr. Felicetti. Sheila Manning, please. And
25 just to start speeding things up, after Sheila

1 Manning I'm going to hear from Jackie McFarland.
2 So if you can prepare to come on down. Thank you.
3 Sheila Manning.

4 MS. MANNING: Thank you for this
5 opportunity. I think we citizens of this north
6 County area need more information than the little
7 bit we received here today.

8 When the CEQA process is developed it's
9 very important for the community to have an
10 opportunity to digest it.

11 I represent River Watch, which is a
12 large, nonprofit, environmental organization. Our
13 mission is to preserve the San Luis Rey River
14 Valley. I'm also the past Director of the Rainbow
15 Municipal Water District and past Director of the
16 San Diego County Water Authority.

17 I have great concerns about the water
18 issue. We are 100 percent dependent upon imported
19 water. We have received notice that our water has
20 to be curtailed by 30 percent.

21 There's some discrepancy here that I
22 don't understand. In one place you talk about 117
23 acrefeet of water annually; in another page you
24 talk about 44 acrefeet of water annually. Where
25 is this water going to come from? And what will

1 the future needs -- you've got a 25-year contract
2 to supply power. Are you going to stay at this --
3 what do you have here -- the two 15-megawatt
4 generators, or are you going to increase to a huge
5 energy or electric supply station, supplying
6 energy to 3000 new homes that are being proposed
7 for the 76 corridor, plus a university, strip
8 malls and other development that is being looked
9 at.

10 We have infrastructure problems here.
11 We have environmental concerns. The 76 corridor
12 is one of the most environmentally sensitive areas
13 in San Diego County.

14 So, until we see more information, it's
15 very difficult for us to be as direct in every
16 single issue that's facing this project. But at
17 this point we don't think it's a good project.

18 Thank you very much.

19 HEARING OFFICER CELLI: Thank you, Ms.
20 Manning. One of the things I want to acknowledge
21 is that I did say that we were going to have a
22 combined comments and questions. And so to that
23 end, if there were questions that the applicant
24 would like to address briefly, --

25 MR. THOME: Very briefly. And the

1 answer is to expansion of the facility, is no.
2 That is not something that we do unilaterally.
3 This is not our property. We lease it from San
4 Diego Gas and Electric. So unless they have other
5 designs, there's no contemplation ever to expand
6 the facility beyond what it does right now.

7 HEARING OFFICER CELLI: Thank you. And
8 everyone should be aware that we have a website
9 where any transcripts and evidence that comes into
10 the record is available for public perusal.

11 Jackie McFarland.

12 MS. MCFARLAND: Hi. My name's Jackie
13 McFarland. Sometimes a project like this disturbs
14 natural habitat that was in its original state.
15 But this one is on an orange grove that has
16 already been there and farmed on. So I think that
17 it's not in its pristine state that it was before
18 the grove. So I think that this is a good site
19 and we need electricity so that we don't get those
20 brownouts that we had last year.

21 Thank you.

22 HEARING OFFICER CELLI: Thank you, Ms.
23 McFarland. Stephanie Lowell or Lovell? Is
24 Stephanie Lowell here? Gena Tweed. Is Gena Tweed
25 here? Thank you. And after Gena Tweed, I'm going

1 to ask David Toone to come up.

2 MS. TWEED: Well, I think as long as we
3 are going to have the area expanding with larger
4 casinos and housing tracts going in, that we need
5 to have more energy.

6 I'm tired of hearing about rolling
7 blackouts and brownouts all the time. And our
8 energy grid in California is taxed to the limit
9 already.

10 We have to have more plants built, and I
11 say if we can build small ones, like this, to do
12 the job, then let's do it. So I feel the
13 community should be behind this project.

14 Thank you.

15 HEARING OFFICER CELLI: Thank you, Ms.
16 Tweed. David Toone.

17 MR. TOONE: Hello; my name's David
18 Toone. People who have specific medical needs are
19 often dependent on equipment that requires
20 electricity to work. Most of these people can't
21 afford to have a backup generator in their house,
22 like a hospital normally does.

23 With our power troubles these days, the
24 power seems to go off more and more during the
25 summer. And I think that building this plant

1 might save lives by keeping the electricity on
2 during the bad times.

3 I think we should approve this plant.
4 Thank you.

5 HEARING OFFICER CELLI: Thank you for
6 your comments. Next I'm going to ask Anthony
7 Arand to please come forward. And after that I'm
8 going to ask Jenna Fransway to please speak after
9 Mr. Arand. I hope I pronounced your name
10 correctly.

11 MR. ARAND: You did. My name's Anthony
12 Arand; I'm a resident of Fallbrook. I am Chairman
13 of the Board and CEO of Enviro -- Inc., which
14 currently has contracts with SDG&E for renewable
15 energy, not gas-fired energy, including a 90
16 megawatts biomass project on this same circuit.

17 I have met personally with the
18 developers in our offices in Vista. I would --
19 well, before I get started on that, I would like
20 to welcome you all to Fallbrook. I hope to
21 welcome you back in the near future for our work,
22 too.

23 And I want to file for intervenor status
24 on this project. We have spent four years and a
25 couple of million bucks doing environmental

1 evaluations of this river valley. The electrical
2 interconnects that we have done and paid for with
3 the utility system interconnect study, the impact
4 study, shows that a project this size cannot go
5 into that circuit without major upgrades.

6 Their contract does not have any
7 provisions in it. This project is going to be
8 owned by SDG&E when the contract runs out.

9 Our project was denied a contract on the
10 same circuit because we could not match the power
11 output of that system. We were, in essence,
12 denied equal opportunity in the RFP process.

13 We're opposing this project at the PUC.
14 And we will be opposing this project here. It
15 does not qualify for the short-circuiting
16 permitting under Title 20, appendix B.

17 I'm very familiar with your document.
18 I've been in front of your agency several times.
19 This project will fall short in the biology areas;
20 it will not meet muster in air quality, 150 tons
21 of NOx and 140 tons of carbon monoxide from two
22 LM6000 power plants will not work in this air
23 basin. It is a nonattainment air basin for ozone
24 and particulate matter.

25 This project site is adjacent to a

1 natural -- or to a Native Indian site, the Pala
2 Reservation, which is marginal right now in its
3 Clean Air Act performance. And this project could
4 easily push it over.

5 We have done the studies for the last
6 four years on air quality, air movement in this
7 basin. And a 96 megawatt project there is a
8 problem. And we will flag this to staff. I have
9 made my solution to PAL in writing and an
10 electronic copy. You have copies of various
11 documents.

12 I stand before the Commission and staff
13 to offer the four years of environmental work that
14 we have done in our project as we prepare to run
15 on a 12-month submission for our project under
16 Title 20, appendix B.

17 We would ask the Commission to
18 incorporate this project in a 12-month evaluation
19 with ours and sort it all out.

20 I apologize for coming in front of the
21 Board for my first formal presentation to
22 basically oppose energy generation that is so
23 sorely needed in this County. This one needs to
24 go through full environmental permitting.

25 Thank you.

1 HEARING OFFICER CELLI: Thank you. Next
2 we have Jenna Fransway. And after Jenna Fransway
3 we'll hear from Keith Lowell.

4 MS. FRANSWAY: Hello. Jenna Fransway.
5 Doing a little research on the website I found the
6 following quote from the California Energy
7 Commission's website regarding these types of
8 peaker plants:

9 Typically these are simple cycle power
10 plants that can be constructed in a relatively
11 small area, and can readily be connected to the
12 existing transmission and natural gas system."

13 This sounds good to me; I'm sick of
14 having the blackouts and it would be nice to have
15 a little more power.

16 Thank you.

17 HEARING OFFICER CELLI: Thank you.
18 Keith Lowell, please.

19 MR. LOWELL: I would like to welcome you
20 all to Fallbrook. My name is Keith Lowell; I'm a
21 Fallbrookian for 23 years now. And I'd like to
22 say that this type of a power plant is called a
23 peaker plant. It kicks in when energy resources
24 are low or when the need for power peaks; that's
25 why it's called a peaker plant. And then it shuts

1 down when there is an adequate supply.

2 So I think that this peaker plant is the
3 wave of the future. And nobody wants a big plant
4 in California. That's why we're having the
5 trouble that we have right now.

6 So that these small plants that operate
7 when only resources are needed, I think that this
8 is the wave of the future, and I think that it
9 needs to be built.

10 Thank you.

11 HEARING OFFICER CELLI: Thank you for
12 your comments. Angelina Jones, are you here?
13 Thank you. And after Angelina Jones we'd like to
14 hear from Joe Chisolm.

15 MS. JONES: Hi. My name is Angelina
16 Jones. And I just wanted to say that I thought
17 that the plant is in the right spot. The location
18 is pretty much hidden from view. And I think it's
19 important that it's not an eyesore.

20 There's just lots of hills and plants
21 surrounding it, and it's in the right place. And
22 I support the plant.

23 Thank you.

24 HEARING OFFICER CELLI: Thank you. Mr.
25 Chisolm.

1 MR. CHISOLM: Good evening. My name's
2 Joe Chisolm; I'm Chairman of the Pala/Fallbrook
3 Community Sponsor Group, which is the next
4 regional community plan to the east of this area,
5 and which this plant is actually within our
6 planning area.

7 And although we can sure use the power
8 with all the Indian casinos and everything else
9 happening on 76, I have some significant concerns
10 about the site, all relative to highway 76.

11 Right now there's 14,000 trips a day on
12 it. It has to be upgraded. Caltrans is trying to
13 figure it out, environmental stuff. All of that
14 will continue to go on.

15 The location of a high-pressure gasline
16 in that right-of-way, especially when we may move
17 the alignment, causes concern both for the cost or
18 expense later, as well as maybe making it
19 difficult to move things later. So I think that
20 needs to be looked at.

21 Additionally, as far as traffic goes,
22 the second access that this shows for the site,
23 itself, there's no reason the access couldn't come
24 off Pala del Norte using a direct driveway to
25 highway 76 as another flow constraint to the road,

1 which already is operating at level of service D
2 or E. We don't need people cross -- I know
3 there's not many trips, but everything that gets
4 on and off that road causes problems. And so if
5 there's any way that could be redone.

6 My planning group got the okay from the
7 board of supervisors last year to begin the
8 process with Caltrans to try and get this
9 designated a state scenic highway. We're in that
10 application process now.

11 I would just mention that the site plan
12 I saw today needs a ton more landscaping. I mean,
13 you can make this thing hide. You can hide it,
14 you can do that. But it's not the way it's shown
15 currently and we need a lot of, you know, native
16 trees and shrubs, big ones, to try and hide it.

17 Another problem or thought is the fact
18 that the site essentially hooks into the grid, all
19 right, and man, we can use power out there with
20 those new casinos. But there is the 69 kV that
21 goes further east that this could provide the
22 power to. And so I wonder at what point someone
23 comes with that.

24 And now my real issue starts to be, if
25 you're going to site a 69 kV line going east, I'm

1 still worried about highway 76 and how that route
2 gets located. Something that they're not having
3 an easy time with. I don't want more trouble
4 locating it. Not that it can't be done, not that
5 you can't make all this work. I think trying to
6 figure out how to make it work is important. But
7 I'm seeing some problems like that.

8 And I guess actually that was all I had.
9 So, thank you.

10 We have a public hearing first Wednesday
11 of next month. This is on the agenda. You guys
12 may not know it, but since you're processing a
13 major use permit with the County of San Diego,
14 those come to us for the local input. It was an
15 informational item. Love to talk to you if you
16 want to come, but you'll get another opportunity,
17 I'm sure, since I think there's some work that
18 could be done easily to make this fit in better
19 and not cause environmental concerns.

20 Thank you.

21 HEARING OFFICER CELLI: Thank you very
22 much, sir. Jack Martin, followed by Justin
23 Lowell.

24 MR. MARTIN: Good evening. I'm Jack
25 Martin. We live in southern California and we

1 have some of the greatest energy needs in the
2 state, maybe even the nation. Besides this Pala
3 Valley plant there are 15 others south of
4 Bakersfield that either online before the
5 Commission, or going to be before the Commission.

6 But there's only one near us and that's
7 down in Escondido. I think we need this Pala
8 Valley plant to keep up with energy consumption.
9 This is one of the fastest growing regions in the
10 state. And so I really do support this plant.
11 Thank you.

12 HEARING OFFICER CELLI: Thank you, sir.
13 Justin Lowell, please. Is there anyone else who
14 wanted to address the Committee who has not filled
15 out a blue card? If you wouldn't mind, Mike,
16 there's a woman down here who would like to say
17 something.

18 MR. LOWELL: I just want to echo some of
19 the comments made today about energy consumption.
20 Although there are some good points on maybe some
21 things that can be improved, I think the overall
22 concern here is there's a lot of growth here in
23 this area, especially with the casinos, as we've
24 heard earlier today, as well as just the
25 development that we, as Fallbrookians, know is

1 going to happen at the 76 and the 15 corridor.

2 We know that's going to happen and we
3 definitely do need to have a power plant in that
4 area to make sure that we can, you know, meet the
5 needs of those consumers out there. People need
6 energy; power plants provide that energy for us.
7 And so we'd like to see a power plant out in that
8 location.

9 HEARING OFFICER CELLI: Thank you, Mr.
10 Lowell. And finally, this looks like our last
11 public comment.

12 MS. ARAND: I'll just introduce myself,
13 how's that? My name is Susan Arand. I just have
14 a question for clarification purposes. Sheila
15 Manning asked a question earlier that I don't
16 think was addressed.

17 And that question was to clarify the
18 discrepancy of whether or not you're going to be
19 using 117 acrefeet of water or 44 acrefeet of
20 water.

21 MR. THOME: What's in the permit
22 actually is 117, but I think where the discrepancy
23 is coming in is projected operations, the plant's
24 permitted for -- is going to have up to 3200
25 hours. These plants don't operate that much, so

1 that might have been where the, you know, probably
2 operate maybe half of that. We don't know, but --
3 that discrepancy. What's in the permit is 117.

4 MR. STENGER: Steve's correct; the
5 permit does identify 117 as the average water use.
6 The 44 I don't recognize, but I, in fact, first
7 saw it in an Energy Commission presentation. And
8 I think that might be cooling water only. So that
9 would be the difference. There is water
10 consumption other than cooling, and I believe the
11 44 acrefeet would be the cooling component.

12 HEARING OFFICER CELLI: Thank you. Any
13 more members of the public who would like to
14 comment or speak to the Committee?

15 I do have one thing I neglected to
16 address, which is scheduling. We have a proposed
17 schedule by the staff, and I didn't ask whether
18 the applicant was okay with that, or would change
19 the schedule, as proposed.

20 MS. LUCKHARDT: Obviously because the
21 project has been -- went through the RFO process
22 to be on this summer, we would like this to move
23 as quickly as possible. Therefore, we would like
24 the schedule to be, if staff can move it up, we
25 would appreciate that.

1 MS. MILLER: The comment's noted; thank
2 you.

3 HEARING OFFICER CELLI: Thank you. At
4 this time, Commissioner Boyd, I think we will
5 allow you to conclude the event.

6 PRESIDING MEMBER BOYD: Thank you. I
7 just want to thank everybody for taking their time
8 to be here tonight and showing your interest in
9 something that's going on in your community. I
10 appreciate the really substantial number of people
11 who have taken the time to actually testify.
12 Believe me, I do an awful lot of these, and
13 there's some very big ones that don't get this
14 many people interested. And I'm very pleased to
15 see you all here.

16 You have heard a description of the
17 process. It's thorough, I won't say confusing,
18 it's quite thorough. This is the beginning and I
19 expect to see some of you perhaps again in the
20 future as we continue with the process.

21 If no one else has anything else, I
22 thank you all. And this will conclude the
23 hearing. Thank you.

24 (Whereupon, at 7:46 p.m., the hearing
25 was adjourned.)

CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of October, 2007.

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