

BEFORE THE ENERGY RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION)
OF THE)
CHULA VISTA PEAKER GENERATION) Docket No. 01-EP-3
STATION) (Application Found
RAMCO, INC.) Complete on:
) May 22, 2001)
)

Tuesday, May 29, 2001

Conference Rooms 2 & 3, 276 Fourth Avenue
Chula Vista, California

7:10 O'Clock P.M.

Reported by:

Janet B. White, Certified Realtime Reporter
CSR No. 1879
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT:

ROBERT LAURIE, Commissioner, Presiding Member
KARL S. ENGEMAN, Hearing Officer

STAFF PRESENT:

BOB ELLER, Emergency Project Manager
ROBERTA MENDONCA, Public Adviser
DOUG PERKINS, Public Adviser

APPLICANT:

DALE E. MESPLE, RAMCO, Incorporated
JAN E. McFARLAND, Fairhaven Institute
JAMES A. WESTBROOK, Westbrook Environmental, Inc.
PHILLIP HINSHAW, A.D. Hinshaw Associates
SHIRLEY F. RIVERA, Resource Catalysts

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I N D E X	Page
Opening Comments by Commissioner Laurie and Introductions	4
Statement from the Public Adviser (Mr. Perkins)	5
Presentation by Applicant (Mr. Mesple)	8
Staff Presentation (Mr. Eller)	18
Public comments and questions	26
Closing Comments from Staff (Mr. Eller)	63

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 PRESIDING MEMBER LAURIE: Ladies and
2 Gentlemen, good evening. My name is Robert Laurie.
3 I'm the Commissioner of the California Energy
4 Commission, and my job here this evening is to take
5 public comment on the Chula Vista Peaker Generating
6 Station proposed by RAMCO, Incorporated.

7 Based upon this public comment and
8 additional written comment that may be received, it
9 will be my responsibility to provide a recommendation
10 to the full Commission regarding this project, and we
11 will talk about the dates upon which that
12 recommendation will be heard by the full Commission.

13 There are five Commissioners at the
14 California Energy Commission, and I am one of those
15 five. Other Commissioners do their fair share in
16 conducting the same hearings elsewhere in the state.

17 To my right is Mr. Karl Engeman. Karl is
18 the Hearing Officer assigned to this case.

19 It is his job to assist me in the
20 formulation of my proposed decision.

21 The way we are going to proceed tonight --
22 And, by the way, if -- if you all can't hear, let me
23 know -- is we're going to ask for comment from the
24 Applicant; we're going to ask the Applicant to
25 present the basics of their project; we're going to

1 ask staff for their comments; and then we will open
2 it up for public comment.

3 And this is your opportunity to offer
4 technical comment, to offer general comment, to say
5 whatever it is on your mind regarding your wishes or
6 desires or questions as to this project.

7 Our Public Adviser, Ms. Roberta Mendonca is
8 here.

9 Ms. Mendonca, did you want to offer a
10 comment at this time?

11 MS. MENDONCA: I'll refer to Mr. Perkins.

12 PRESIDING MEMBER LAURIE: Thank you.

13 MR. PERKINS: Yes. I'm Doug Perkins. I'm
14 here working with Roberta as part of the team that's
15 been assembled to assist on the Governor's Emergency
16 Siting Order, and we really are here to listen to
17 what you have to say, encourage that you comment.

18 Later tonight, you'll have an opportunity to
19 fill in one of these blue cards. I'll be in the back
20 of the room and hand them out to anyone that needs
21 them.

22 And we will need you to put on this card
23 what you would like to speak about to the Commission
24 at this public hearing and what your thoughts are.

25 We understand that there are going to be

1 lots of points of view about the projects --
2 particularly this project tonight -- and we would
3 like you to have an opportunity to make sure that
4 your comments on put on the record and become part of
5 the deliberation that's going to occur in Sacramento
6 in about two weeks.

7 There are copies of the Application
8 available on the website. I've put outside of the
9 chamber here, where you signed in or checked in --
10 there is a listing of not only Roberta's e-mail
11 address, so that you can get comments into her, but
12 also places on the Energy Commission's website where
13 you would want to go and look for further information
14 about this project and any of the other sitings that
15 will be done in this area or elsewhere in the state.

16 The blue cards I've mentioned, but these are
17 the ways that the Commissioner and the staff from the
18 Energy Commission are able to make sure that your
19 questions are answered, that your ideas are heard,
20 that your thoughts are expressed.

21 And these become part of the public record
22 and the public documents that will occur in the
23 deliberation.

24 So with that, I turn it back to you.

25 PRESIDING MEMBER LAURIE: Thank you, Mr.

1 Perkins.

2 For those of you, as we go through the
3 hearing, that wish to speak, that have not filled out
4 a blue card, you will be duly punished, but we will
5 let you speak anyway.

6 Because we do not have a large number of
7 attendance, we can be a little less formal for
8 convenience; however, I will ask that if you do
9 desire to speak as a member of the public, that you
10 see Mr. Perkins for the purpose of filling out that
11 blue card.

12 Karl, before I call on the Applicant, is
13 there anything you wanted to add at this point?

14 HEARING OFFICER ENGEMAN: No, I don't.

15 Thank you.

16 PRESIDING MEMBER LAURIE: Ladies and
17 Gentlemen, this proceeding is being recorded, and it
18 will be transcribed. So, we will ask you to speak
19 up; we will ask you all to identify yourselves, so we
20 can get your name properly on the record.

21 If at any time there is a difficulty
22 hearing, our reporter will let us know, and we will
23 stop the proceedings until the problem is cured. She
24 is very much the captain of the ship during these
25 proceedings.

1 Mr. Eller, is it your desire that the
2 Applicant go first with their presentation?

3 MR. ELLER: Yes, sir.

4 PRESIDING MEMBER LAURIE: At this time, I
5 would call upon the Applicant for an introduction and
6 for an explanation of the project.

7 MR. MESPLE: Thank you, Mr. Commissioner.
8 Thank you for this opportunity, staff and citizens of
9 Chula Vista.

10 My name is Dale Mesple, representing RAMCO,
11 6362 Ferros Square, Suite C, San Diego.

12 To my right is Jan McFarland, one of our
13 consultants.

14 Against the wall is Mr. Phil Hinshaw, from
15 A.D. Hinshaw Associates, our land use specialist.

16 James Westbrook, from Westbrook
17 Environmental, has done our air modeling.

18 Shirley Rivera, from Resource Catalysts, is
19 our air permit specialist.

20 Gary Veerkamp is our construction
21 individual.

22 And Mr. Fred Yager, of Yager Engineering in
23 San Diego, is our engineering specialist.

24 I have a presentation. Can you all see the
25 screen?

1 This is RAMCO's second project at this site,
2 and we call it Chula Vista II, and we're going
3 through the 21-day permitting process.

4 Just to give some history, RAMCO,
5 Incorporated is a company that was founded by Richard
6 McCormack in 1978, which provided mostly research and
7 consulting services.

8 In the past few years, it has provided
9 development services to PG&E Dispersed Generating
10 Company.

11 PG&E Dispersed Generating Company was the
12 original developer on the Chula Vista site, and in
13 November of 2000, RAMCO purchased the rights to the
14 projects from PG&E Dispersed Generating.

15 As an overview, Chula Vista II is a
16 62-megawatt, simple-cycle combustion turbine with
17 selective catalytic reduction as its pollution
18 control mechanism.

19 It is a brown field site, and it requires no
20 new lateral facilities.

21 It is in a growth area. It meets all of the
22 City of Chula Vista's zoning requirements; it's
23 mitigated; it has an ISO Contract; and we intend to
24 be operating not later than September 30th.

25 Just a brief synopsis of what a peaker plant

1 is and the role that it serves in the generation
2 mix, for our current supply shortage, it is the only
3 generation type that can be available this summer and
4 most likely next summer to meet our peak demands.

5 It is a normal part -- or a peaker is a
6 normal part of the supply mix. They have been around
7 for a long time. They provide -- in addition to peak
8 capacity, they provide transmission and distribution
9 support, and we have the ability to start and stop
10 quickly, which allows them to respond to emergency
11 needs that we have periodically.

12 And they're also, as I said earlier, needed
13 for peak and super peak loads.

14 Benefits for the City of Chula Vista: There
15 will be an expanded property tax revenue for the City
16 Redevelopment Agency.

17 They will have local voltage support from
18 this facility, which will provide better voltage
19 levels that will keep individual circuits from
20 tripping out on low-voltage situations, and it will
21 contribute to the State's supply shortage, as will
22 the other peakers that are being built around the
23 state.

24 This is the Location Map in the Application.
25 This is Appendix B, and we have labeled it

1 "Substation," and what we drove by as we turned down
2 the alleyway in our site visit, that's labeled "S."

3 The power line that you see dotted in red is
4 the 69,000 kilovolt generator that was installed for
5 the first unit.

6 There is also an 8-inch gas line that was
7 installed that goes down Main Street and comes down
8 the alleyway.

9 And what we didn't see was the lay-down area
10 and the construction parking area, which was just
11 beyond, to the west of the site where we were
12 standing.

13 And then the Chula Vista II location and
14 then of course existing facility Chula Vista I.

15 This is the site looking north. We were
16 standing just under the dark arrow. The 69 kV line
17 is marked in red -- that set of wires -- and then the
18 gas line is shown in green, the approximate location,
19 going down the alleyway.

20 The site looking east, we were standing
21 again just underneath the arrow that says CV2, and
22 the existing facility that we pointed out is CV1.
23 We're standing now in the construction parking area
24 where this photo was taken.

25 This is the lay-down area. This currently

1 is being used as lay-down area for the existing
2 facility, and we will continue to use it as the
3 lay-down area.

4 This is a construction parking area. Again,
5 the facility is just on the other side of this area.

6 This is the existing facility that you saw
7 a few minutes ago.

8 Areas of concern: We are addressing and have
9 addressed in the construction of the first facility
10 noise, air emissions, and visual.

11 Noise, the area to the south is a sensitive
12 habitat. It is the Otay River Regional Park Open
13 Space. It has a sensitive habitat that is populated
14 by endangered species, certain types of birds.

15 And the Multi Species Conservation Plan was
16 developed under the U.S. Fish and Wildlife Service,
17 and the California Department of Fish and Game
18 guidelines.

19 And they established a 60 dBa sound level at
20 our southern property line to ensure that the birds
21 are not disturbed during their breeding season.

22 And that guideline is more restrictive than the
23 industrial noise levels established by the City of
24 Chula Vista.

25 To ensure that we make -- meet that

1 guideline, we have developed a six-step mitigation
2 and monitoring plan which we utilized for the
3 construction of the existing facility, and we're
4 proposing to continue to use that same program for
5 the construction of the Chula Vista II.

6 PRESIDING MEMBER LAURIE: Let me interrupt.
7 Mr. Eller, that mitigation monitoring plan
8 is proposed as a condition of the project to the
9 current time?

10 MR. ELLER: Yes, sir.

11 MR. MESPLE: One effort in an attempt to
12 ensure that we make the 60 dBA is, as you saw, that
13 shiny wall that is around the facility is a sound
14 wall designed specifically to mitigate sound, and
15 that's what is pointed out on this slide.

16 On air emissions, we have --

17 PRESIDING MEMBER LAURIE: Mr. Mesple, is
18 there any question regarding noise impacts on
19 surrounding residential neighborhoods?

20 MR. MESPLE: Yes. Directly to the west,
21 beyond the lay-down area, is a residential area, and
22 we have to meet those noise levels, as well.

23 Even though it's -- they are adjacent to an
24 industrial zone, the Code requires -- the City of
25 Chula Vista Code requires -- that we meet the

1 industrial -- excuse me -- the residential noise
2 levels at this property.

3 PRESIDING MEMBER LAURIE: And what is that
4 level; do you know?

5 MR. MESPLE: During the day, I believe it
6 is 55 dBa, and at night, I think it is 45 dBa.

7 PRESIDING MEMBER LAURIE: And do we intend
8 to propose that as a condition on the project?

9 MR. ELLER: That's our intent.

10 MR. MESPLE: That's part of our conditional
11 review.

12 PRESIDING MEMBER LAURIE: Thank you.

13 MR. MESPLE: Back to the Authority to
14 Construct, we filed the original one on March 15. We
15 amended that Application for a small change of
16 equipment on the 14th.

17 It is currently in its 30-day notice period.
18 The notice period started May 2nd and expires on May
19 30th.

20 During the initial operating period -- which
21 is basically this summer and into this fall -- we
22 will be operating without the SCR system, as the
23 equipment is not available. So we'll be operating
24 with dry low NOx combustors. They will be
25 controlling the NOx levels down to the required 25

1 ppm or less, or parts per million.

2 After the peak season, we will then install
3 the SCR system onto the unit, the same as you saw on
4 the first unit. That will take the NOx levels down
5 to 5 ppm, and we will meet the CO and VOC
6 requirements under the CARB guidelines, which are 6
7 NO2.

8 This slide shows the SCR system, and as we
9 pointed out while we were at the site, the bulk of
10 the equipment that's on site is pollution control
11 equipment.

12 On the visual, as part of our initial
13 approvals for the first facility, the City required a
14 quite extensive landscape plan, which is shown in the
15 Applicant binder as Appendix F.

16 Go ahead and show the next slide -- and,
17 Fred, if you have that board -- it doesn't show up
18 well.

19 This is the landscape plan, which you can
20 look at in more detail when we finish, but it takes
21 the entire perimeter of the facility and has many
22 different varieties of trees and landscaping elements
23 that are intended to soften the streetscape of the
24 facility, and that was approved by the City of Chula
25 Vista as part of our original --

1 PRESIDING MEMBER LAURIE: Are trees included
2 in that?

3 MR. MESPLE: Oh, yes.

4 PRESIDING MEMBER LAURIE: And to what
5 height?

6 MR. MESPLE: They're 24-inch box trees, and I
7 don't know if we have a height, the initial height,
8 but they're huge, huge trees. Most of those go up on
9 the northern perimeter.

10 MS. KING: Are they going to be --

11 THE REPORTER: Name, please.

12 PRESIDING MEMBER LAURIE: Ma'am,

13 MS. KING: I'm sorry.

14 PRESIDING MEMBER LAURIE: That's okay. I'd
15 ask you to save your questions, and then we'll take
16 everybody's questions at the same time. Okay? But
17 don't forget your question.

18 MS. KING: Okay, thank you. Sorry.

19 PRESIDING MEMBER LAURIE: That's okay.

20 MR. MESPLE: In summary, our proposal meets
21 all the CEC and Executive Order conditions; we meet
22 all the State, Local, and Federal standards, and as I
23 indicated earlier, this facility is just a small part
24 but a part of the capacity shortage situation.

25 That's the end of my presentation. All of

1 our team is available for questions.

2 PRESIDING MEMBER LAURIE: Thank you, sir.

3 HEARING OFFICER ENGEMAN: Could you explain
4 to folks here what you mean by a brown field?

5 MS. MESPLE: What I mean by brown field is
6 that it's an already developed industrial facility,
7 and all we're doing is adding additional equipment to
8 it. It is -- all of the services that are required
9 to serve that facility are already in existence.

10 HEARING OFFICER ENGEMAN: Thanks.

11 PRESIDING MEMBER LAURIE: When the
12 Application was submitted for Phase I, for the
13 project that's already there, do you know if they
14 took aerial photos and submitted those as part of the
15 project approval process?

16 MR. MESPLE: Yes, we did. In fact, we have
17 it here today, an old aerial photo.

18 PRESIDING MEMBER LAURIE: Okay.

19 MR. MESPLE: The site -- previous to our
20 having control of the site, it was a junk yard. And
21 this is -- this is in the binder, as well.

22 PRESIDING MEMBER LAURIE: Go ahead and turn
23 it around.

24 MR. MESPLE: This was the site right here.
25 And previous use of our lay-down area is here; our

1 construction parking area is here. It's now vacant.
2 It was used as trailer storage before. This is a
3 junk yard, equipment storage, this is a, junkyard and
4 this is where the bulk of our work is taking place
5 right now.

6 PRESIDING MEMBER LAURIE: And the distance
7 between the project and the residential neighborhoods
8 to the south, across the valley?

9 MR. MESPLE: It is 1350 feet or 1500 feet --
10 I don't remember exactly.

11 And then the other residential area that I
12 referred to is right here, which is -- we're down
13 here. It is right in here, about 400 feet away.

14 PRESIDING MEMBER LAURIE: Thank you.

15 Anything else at this time?

16 MR. MESPLE: I have nothing else.

17 PRESIDING MEMBER LAURIE: Thank you.

18 Mr. Eller.

19 MR. ELLER: We have a projector change here,
20 and I'll stand over here. Hopefully this will work.

21 MR. MESPLE: One point I would like to
22 clarify, just to make sure that I made it clear,
23 the first unit, which will be called Chula Vista I,
24 was permitted under the normal City processes and is
25 fully approved and under -- obviously under

1 construction.

2 What we're talking about here is the Chula
3 Vista II, or the second facility.

4 PRESIDING MEMBER LAURIE: While that's being
5 set up, Mr. Eller, when Chula Vista I was approved,
6 do we know approximately when that was?

7 MR. ELLER: I don't have the exact date.

8 MR. MESPLE: September 26th, last year.

9 MR. ELLER: Of last year.

10 PRESIDING MEMBER LAURIE: And did that have
11 a Negative Declaration or an Environmental Impact
12 Report attached to it?

13 MR. MESPLE: Yes. There was an initial
14 study and a Mitigated Negative Declaration.

15 PRESIDING MEMBER LAURIE: Has that been made
16 available to staff?

17 MR. MESPLE: It is in the binder.

18 MR. ELLER: It was made available actually
19 prior to the filing in March, so we had it for some
20 time.

21 PRESIDING MEMBER LAURIE: Did you consider
22 that environmental documentation in preparation of
23 your staff report?

24 MR. ELLER: We are considering that in our
25 preparation, yes.

1 PRESIDING MEMBER LAURIE: Thank you.

2 MR. MESPLE: That document generated the 6
3 point monitoring plan.

4 PRESIDING MEMBER LAURIE: If Power Point
5 cannot be made to work in the next 30 seconds, your
6 project will automatically be denied.

7 MR. ELLER: I will do the presentation
8 without Power Point if need be.

9 By way of introduction, I'm Bob Eller,
10 Emergency Project Manager for Commission staff, and I
11 would like to talk to you this evening about the
12 permitting process and the review of the RAMCO
13 facility.

14 And hopefully I will have a slide here in
15 about two seconds.

16 Who qualifies for the Emergency Permit under
17 the Governor's Order, Executive Order, this past --
18 it seems like winter -- it has been a while now, but
19 it was just this past February and March -- who
20 qualifies as a peaker plant is that who can be on
21 line by September 30th, 2001; it's 50 megawatts or
22 larger -- because our jurisdiction of the Commission
23 begins at 50 megawatts; and there are no fatal flaws,
24 i.e., there are no substantial impacts to public
25 health or impacts in general that are not mitigated

1 as a result of the project.

2 Staff is preparing an analysis, fatal flaw
3 analysis, of the project. We're looking to find out
4 that there are no public health or safety concerns;
5 we're looking to make sure all those environmental
6 impacts are mitigated; that there are no significant
7 adverse energy system impacts; that putting this
8 project on line won't cause the system to go down;
9 that it will comply with all legal requirements; that
10 the Applicant has control of their site; and the last
11 item is that the project and our review is exempt
12 from CEQA.

13 And I would like to talk a little bit about
14 that because there has been some concern expressed
15 about what the exemption means in this process.

16 It means we have a speeded-up time for
17 review. We have -- we're not bound by the noticing
18 requirements of CEQA or the 30-day review period
19 which CEQA requires.

20 The analysis staff performs, though, is
21 typical to what is done for most projects on a
22 mitigated declaration, negative declaration, for
23 local review.

24 The Emergency Permit is for the length of
25 the CEC License, which is for the life of the project

1 if the project has a Contract with the State of
2 California.

3 And that's either with the Independent
4 System Operator, or ISO, or the Department of Water
5 Resources.

6 And that the project, at the end of its
7 Contract life with those entities, meets the Best
8 Available Control Technology for air emissions and
9 has permanent air emission offsets; the project is in
10 compliance with all Energy Commission conditions;
11 that they retain site control; and that the project
12 is a permanent facility.

13 That one there is generally some question
14 about. This project is a permanent facility typical
15 to the one you saw there today.

16 Some projects that have been thought to be
17 proposed -- we haven't actually seen that -- would be
18 skid-mounted or truck-mounted. We have not seen any
19 facilities like that in this process.

20 Our proposed schedule for the process, the
21 Application --

22 PRESIDING MEMBER LAURIE: Excuse me, Mr.
23 Eller. Let me -- can you go back?

24 MR. ELLER: I think I skipped something --
25 yes.

1 PRESIDING MEMBER LAURIE: Did I miss
2 something?

3 MR. ELLER: I'm not sure what happened here.

4 PRESIDING MEMBER LAURIE: You can -- okay,
5 great. That's all right. This language continues to
6 confuse me.

7 When we go to any project approval that
8 might occur, and we talk about the length of the
9 license, and we make reference to the life of the
10 project, I would normally think about it the other
11 way around; that is, the life of the project is the
12 length of the license.

13 Can you explain, for purposes of the record,
14 how you define the life of the project? Are you
15 referring to the natural life, as long as the plant
16 desires to continue to operate? Can you talk about
17 that?

18 MR. ELLER: As with all of the Facility
19 Commission Licenses, the project typically has a
20 useful life, and the equipment can last for generally
21 around 30 years.

22 I know there are older facilities out there,
23 but generally, 30 years is an accepted value for the
24 life of a project.

25 Having a permanent facility mounted on

1 foundations, with a 30-year life, the Project License
2 is good to the point that the Commission or the
3 Applicant wants to cease operation.

4 PRESIDING MEMBER LAURIE: So the intent is
5 that the Commission is not going to impose any
6 constraint on the life of the project?

7 MR. ELLER: As we do for all projects, we do
8 not impose that constraint.

9 PRESIDING MEMBER LAURIE: At such time as
10 the developer chooses to modernize the project or
11 increase the size of the project that would
12 substantially modify the project, that would require
13 a modification to the license, would it not?

14 MR. ELLER: Yes, sir, it would. That would
15 be required to be reviewed by the Commission at a
16 future time.

17 The last item on here is for projects that
18 do not have a license, and I wanted to make sure that
19 I pointed out that one; that anything that does not
20 have -- any project that does not have a license has
21 a Three-Year Permit with an Option to Recertify.

22 PRESIDING MEMBER LAURIE: All right. Did
23 you mean any project that does not have a Contract?

24 MR. ELLER: I'm sorry. Contract with the
25 State of California.

1 PRESIDING MEMBER LAURIE: Thank you.

2 MR. ELLER: Our schedule on this project,
3 the Application was complete on May the 21st.

4 Comments are due to me and the Commission
5 actually on June the 1st.

6 We'll be releasing the staff assessment that
7 will be posted on the website -- which I'll have an
8 address for in a moment -- on June the 5th.

9 The Commissioner's proposed decision will be
10 released around June 8th.

11 And the Commission's decision is currently
12 scheduled and noticed for June 11th at a business
13 meeting in Sacramento.

14 If the Commission decides to approve the
15 project, that will come with a set of permit
16 conditions. The Commission's decision will specify
17 the measures for construction, operation, and the
18 measures that will assure compliance with all local
19 ordinances, regulations and standards. That's what
20 we call LORS.

21 We also assign a Compliance Monitor. The
22 Commission Compliance Monitor will work to assure
23 that the project complies with the Commission's
24 decision and monitor to assure that all the LORS are
25 met.

1 PRESIDING MEMBER LAURIE: And that
2 compliance monitor is a full-time staff position, is
3 it not?

4 MR. ELLER: Yes, it is.

5 If you need more information, you can
6 contact me. There is my number in Sacramento. You
7 also have a toll free hotline there. And there is a
8 long website address, which is hopefully on a piece
9 of paper outside, but if not, we'll leave this up for
10 a moment.

11 PRESIDING MEMBER LAURIE: Did we get your
12 home number for late-night questions?

13 MR. ELLER: Several persons have my cell
14 number, and it rang at between 3:00 to 4:00 this
15 morning. I'm available.

16 That's my presentation. Thank you.

17 PRESIDING MEMBER LAURIE: Mr. Mesple, did
18 you want to add anything at this point before we ask
19 for staff comment?

20 MR. MESPLE: I believe everything has been
21 covered.

22 PRESIDING MEMBER LAURIE: Ladies and
23 Gentlemen, at this point we will open this hearing up
24 for public comment, public inquiry, public statement,
25 whatever you so desire. This is your opportunity to

1 express yourself and to be heard. Your comments will
2 be made a part of the record, and we encourage
3 comments or questions.

4 So let's go. Let's start with the young
5 lady in the front row. I believe you had a
6 question. We need your name for the record, and then
7 if you care to offer your comment or your question.

8 MS. KING: If I ask that question that I
9 had, then can I then think about it while other
10 people ask and come back to me?

11 PRESIDING MEMBER LAURIE: Yes, ma'am.

12 MS. KING: My name is Barbara King. I'm with
13 the Coalition for Affordable Public Power in San
14 Diego.

15 I had a question about the landscaping. Is
16 the landscaping that you are intending to place
17 there, is -- are those trees mature trees, or are
18 they saplings that will take a number of years to,
19 you know --

20 MR. MESPLE: There is a combination. Along
21 the important side, which is the Main Street side,
22 will be 24-inch box trees.

23 I'm not a landscape person, but I believe
24 those are already two or three years old, and they're
25 anywhere from 8 to 10 feet, and they come in a large,

1 24-inch box.

2 Phil, do you know the exact sizing on those?

3 THE REPORTER: Name, please.

4 MR. HINSHAW: Phillip Hinshaw.

5 I have seen 24-inch box trees, and it varies
6 by trees. Some of them are 8, 10 feet, as you
7 mentioned. Some are 12, 15, that I have seen.

8 The ones we are putting on the site, I
9 really can't tell you, but I would say a minimum of 8
10 feet, and they may be as much as 15 when they are put
11 in the ground.

12 PRESIDING MEMBER LAURIE: Does the
13 landscaping plan, as approved by the City, make
14 reference to whether or not the trees, as put in
15 place, are mature or not? Or is no reference made?

16 MR. MESPLE: My understanding -- and I
17 have to go back in time -- but I believe they are
18 designated by size of box, so if it is a one-gallon
19 tree or a five-gallon tree, or 24-inch box, the
20 larger the box, the bigger the tree. And I think the
21 biggest you can get is a 24-inch or 36-inch box.

22 PRESIDING MEMBER LAURIE: And so if you are
23 installing these boxes, by implication, you are
24 putting in trees that are not saplings?

25 MR. MESPLE: That's correct.

1 MR. HINSHAW: Again, if I might add, the City
2 has a landscape architect on their staff, and they
3 have a Landscape Ordinance adopted by the City
4 Council.

5 The plan that was approved complies with the
6 City Landscape Ordinance and Manual and was reviewed
7 and approved by the City Landscape Architect before
8 it went to City Council.

9 PRESIDING MEMBER LAURIE: Yes, ma'am.

10 MS. KING: And so, are these mature trees
11 part of the -- oh, I'm not sure if this is right --
12 the mitigation for the fumes that you will be putting
13 out into the atmosphere? In other words, are they
14 absorbing any part of that?

15 MR. MESPLE: That was not the intent of the
16 landscape. The landscaping is intended to provide a
17 visual screen to soften the view of the equipment.

18 MS. KING: Thank you.

19 PRESIDING MEMBER LAURIE: I'm happy to come
20 back to you if you want to research your questions.

21 MS. KING: Yes, please.

22 PRESIDING MEMBER LAURIE: Does anybody else
23 have questions or comments?

24 Yes, ma'am.

25 MS. MALLGREN: I'm Laura Mallgren, Reporter

1 with the "Star News."

2 The noise limits, if they're both running at
3 the same time, does that mean you can have 120 dBa's
4 or --

5 MR. MESPLE: No. The conditions would be
6 the same with one unit running or with two units
7 running. It would still have to be -- to meet the
8 Regional Park Requirements. It would still have to
9 meet -- with both those units running, the noise
10 level would still be 60 dBa or under.

11 MS. MALLGREN: Is this during nesting or
12 breeding season, only five, six months a year?

13 MR. MESPLE: That's February 15th through
14 August 15th.

15 MS. MALLGREN: What about the rest of the
16 year?

17 MR. MESPLE: It will be at what we designed
18 it, which will still be at 60 dBa.

19 PRESIDING MEMBER LAURIE: Yes, ma'am?

20 MS. HEIDKAMP: My name is Kay Heidkamp. I
21 represent Medical Mission Sisters.

22 My questions are about the air emissions of
23 the plant, the projected plant, and I'm referring to
24 the remark made by the gentleman that spoke here -- I
25 don't know his name -- about the life of the facility

1 can be 30 years.

2 But my question is, what and how are
3 upgrades of the standards for air emission to be met
4 in the outer years of such a facility? Will the City
5 put other requirements on it after it's built to
6 approve its -- to mitigate more the air emissions?

7 Because we know the air emissions are sort
8 of -- the standards are already old -- aren't they?
9 The standards that are being used would be for 2000
10 or before.

11 MR. MESPLE: Shirley, can you respond to
12 that?

13 THE REPORTER: Name, please.

14 MS. RIVERA: Shirley Rivera. And I'm also
15 looking to --

16 PRESIDING MEMBER LAURIE: Ms. Rivera, speak
17 up so --

18 MS. RIVERA: I'm Shirley Rivera, and I'm
19 going to respond and rephrase your question -- Okay?

20 MS. HEIDKAMP: That's all right.

21 MS. RIVERA: And I'm also going to probably
22 look for assistance to James Westbrook, who has done
23 the analysis for looking at the impact of air
24 pollutants.

25 The facility has -- the proposed project is

1 being evaluated with the current standards, and at
2 this point, we can't necessarily predict 10, 20, 30
3 years out as far as what the standards will be.

4 MS. HEIDKAMP: I agree.

5 That's my question.

6 MS. RIVERA: And, as it stands right now,
7 this will be below many of the standards currently in
8 place both at the Federal and State level, so that's
9 one.

10 MS. HEIDKAMP: You're saying it could be a
11 buffer for a while?

12 MS. RIVERA: I'm not sure what you mean by
13 buffer. I guess --

14 MS. HEIDKAMP: It will last maybe several
15 years before there would be something lower? Is that
16 what you are saying?

17 MS. RIVERA: If there is something lower,
18 that would happen from the County agency, and if
19 there is any reevaluation of the project that's
20 necessary, we would be going through that type of
21 reevaluation at that time.

22 I can't speak to what the Agency would
23 require at that time, as well.

24 PRESIDING MEMBER LAURIE: Ms. Rivera, I want
25 to make sure we all understand.

1 The conditions imposed on this project, are
2 the conditions being imposed today?

3 MS. RIVERA: Today.

4 PRESIDING MEMBER LAURIE: Once this project
5 is approved with today's standards, if five years
6 from now there are new standards, those new standards
7 will not be imposed on this project, and this project
8 will not have to be modified to meet those new
9 standards.

10 That is the policies and procedures that the
11 Energy Commission follows on all project approvals;
12 that is, we require that all current standards be
13 met.

14 At such time as technology permits, and
15 there are modified and more restrictive standards,
16 then, if the project is somehow modified, then you
17 are free to impose the new standards.

18 All new projects have to meet the new,
19 modified standards, but a project, as approved today,
20 has to meet the standards of today and not the
21 standards of tomorrow.

22 MR. ELLER: I would just like to add -- and
23 I forgot to mention -- that our air quality analysis
24 is being performed by the San Diego Air Pollution
25 Control District. And that analysis is the same

1 analysis that every project approved by the District
2 goes through.

3 MS. HEIDKAMP: Yes. I understand it is
4 being met now, but hopefully it will go down, is what
5 I'm thinking.

6 But anyway, the other question I have is,
7 are the air emissions -- will they be moved by the
8 wind further east? In other words --

9 MR. MESPLE: I would like to have James
10 Westbrook address that issue. He did the modeling.

11 MR. WESTBROOK: James Westbrook. Yes.

12 Actually, the prevailing winds are from the
13 west to the east, and therefore, the emissions are
14 carried downwind, you know, a far distance.

15 MS. HEIDKAMP: May I add another question,
16 then?

17 PRESIDING MEMBER LAURIE: Yes, ma'am.

18 MS. HEIDKAMP: That is, that the land that
19 is going to be downwind of the emissions, will that
20 be more restricted as far as residential areas?

21 You know what I mean? As long as you live
22 west of it, you won't get the brunt of it, but if you
23 live east, the standards go up, you know, more
24 standards? Or they don't have to comply? Are they
25 in greater jeopardy?

1 MR. WESTBROOK: What you see in that air
2 quality analysis, which was performed and reviewed by
3 the District, is all locations met the standards, and
4 therefore, all locations really are the same or
5 equal.

6 So there is no area that has a brunt, so to
7 speak. Every place is in compliance with air quality
8 standards. And therefore, the health impacts aren't
9 significant.

10 MS. HEIDKAMP: I do not see how you can say
11 the health things will be insignificant, if we have
12 it on line and people are living in the down-winds,
13 If you don't have any real facts on that. Okay.
14 That's all right.

15 PRESIDING MEMBER LAURIE: Thank you.

16 Does anybody else wish to offer comment or
17 ask questions at this time?

18 Yes, ma'am.

19 MS. MALLGREN: Laura Mallgren, "Star News."

20 What do the two plants -- in CV1, how many
21 hours does it run a day, year, and how many days and
22 hours are proposed to run CV2?

23 And then, how many emissions -- how many
24 pounds or tons can they emit a year per plant?

25 MR. MESPLE: The existing facility, or CV1,

1 is currently permitted to operate, I believe --
2 Shirley, correct me if I'm wrong -- is 4600 hours a
3 year. It is limited by a Conditional Use Permit to
4 16 hours per day.

5 When we add the second facility, and have
6 all of the pollution control equipment in -- which
7 would be the permanent operating condition -- I
8 believe the number of allowed hours are 33,255 hours
9 of concurrent operation at both facilities together.

10 Prior to that, the hours, I believe, of
11 concurrent operation were about 1100 hours, and all
12 of that stays within the 50-ton NOx limit per year.

13 MS. RIVERA: It is about 4600 a week for the
14 first unit -- 4620. And we do have an hour limit, as
15 well. 16 hours per day is the Conditional Use
16 Permit. The Air Permit is a 15.75 hours per day
17 limit, a little bit less than 16.

18 MR. MESPLE: Thank you.

19 PRESIDING MEMBER LAURIE: Yes, sir, the
20 gentleman in the front row. We need your name for the
21 record.

22 MR. LEVY: Bernard Levy, with the Coalition
23 for Affordable Public Power.

24 The question I ask is a little bit off base,
25 but I hope it will be responded to.

1 And that's we're talking about technology
2 that's 20th Century technology in the 21st Century,
3 and we now have things like photovoltaic and fuel
4 cells and other kinds of distributive generation
5 possibilities.

6 And I don't see the Commission dealing with
7 these things. For example, at the national level,
8 they have been cut -- that's not your fault. But
9 we're asking what is being done in California to get
10 photovoltaics on the road?

11 For example, there are major industrial
12 entities, British Petroleum being one of them, who
13 say with a 600-megawatt photovoltaic plant, you can
14 get down to a price that would be competitive and
15 probably be a peaker plant.

16 PRESIDING MEMBER LAURIE: Well, let me ask
17 Mr. Eller to comment, to the extent that he wishes to
18 or is capable of commenting today, on the efforts of
19 the California Energy Commission on the subject of
20 renewable energy resources.

21 Is that your basic question?

22 MR. LEVY: Right.

23 PRESIDING MEMBER LAURIE: Mr. Eller.

24 MR. ELLER: I've not been in that field or
25 working on that on a regular basis, but we have a

1 very extensive program that was put in place for
2 research in renewable funding as a result of the
3 Assembly Bill which created deregulation.

4 So there is a number of programs for
5 implementing and for funding PV systems.

6 The 600-megawatters is a good question.
7 Nobody has proposed one.

8 MR. LEVY: British Petroleum has.

9 MR. ELLER: Are they planning on building
10 it in California?

11 MR. LEVY: I think they could be conjoled or
12 coaxed to do it. It could be a very interesting
13 possibility.

14 MR. ELLER: Our jurisdiction for power
15 plants is for thermally-derived. Those are generally
16 burning something, and a PV system would not come
17 through our organization for review.

18 MR. LEVY: We were told there was
19 considerable money. How much?

20 MR. ELLER: I don't have that number.

21 PRESIDING MEMBER LAURIE: For renewables?

22 MR. LEVY: And let's get some perspective.
23 How much -- what is the budget, and what is the total
24 budget?

25 PRESIDING MEMBER LAURIE: The Energy

1 Commission has a renewable budget, and it's all
2 pass-through monies as part of the Energy
3 Commission's renewable program.

4 And basically, the funds act as a subsidiary
5 for renewables, and I think -- but I could be
6 wrong -- that it runs something like a hundred and
7 fifty million dollars a year. It is very
8 substantial.

9 We're all paying for that every time we pay
10 our monthly electric bill because it's a surcharge.
11 These are -- this is funding that the utilities used
12 to do.

13 As a result of deregulation, that's now
14 being publicly funded, so, there is a public policy
15 that promotes the creation of a renewables market,
16 and the idea is to provide subsidiaries to get
17 renewables, to be able to stand on their own, and
18 that continues to be an economic challenge.

19 MR. LEVY: The suggestion is that if some of
20 the major players, for example the State, would be
21 very interested in this, this could change the market
22 dynamics immediately.

23 PRESIDING MEMBER LAURIE: Thank you.

24 Yes, ma'am.

25 MS. KING: And so, to continue on with that

1 thought --

2 PRESIDING MEMBER LAURIE: Can we have your
3 name again?

4 MS. KING: My name is Barbara King.

5 Under the Emergency Order that the Governor
6 has issued, the proposal has been for peaker plants
7 as the solution, and as I understand it now, you are
8 the ones that handle that kind of a situation or that
9 kind of a plant.

10 And I would like to know, you know, all of a
11 sudden, when this came up, there was a multitude of
12 applications for these gas-fired peaker plants.
13 And so how did all of these people come together in
14 a very short period of time and put in their
15 Applications all at once, or, you know, very shortly
16 thereafter? How were they selected, or how did that
17 process come about?

18 MR. ELLER: I don't think it was a selection
19 process. It was a process of developers having the
20 talent, the equipment, the site that could meet the
21 needs on a short, very quick, turnaround.

22 We don't -- the State of California did not
23 select sites. We only receive the Applications as
24 they come to us.

25 MS. KING: Yes. And have you cancelled any

1 sites or have them not gone through your process?

2 MR. ELLER: We have at least one site at the
3 moment that you may have read about in the "L.A.
4 Times," some concerns in Baldwin Hills.

5 MS. KING: In where?

6 MR. ELLER: Baldwin Hills. We have had
7 issues. We had to do extensive mitigation on
8 endangered species.

9 At this point, no, we have not had a site
10 that was not able to be sited. But there has usually
11 been extensive mitigation involved in making some of
12 these occur.

13 MS. KING: And so when you were saying that
14 these peaker plants can last for 30 years, and that
15 they will be subject to the environmental concerns or
16 air pollution quality standards that are in existence
17 right now, when I was reading the Emergency Notice
18 from the Governor, I felt that the standards were
19 dramatically changed from prior to the state of
20 emergency; that there were many air quality -- that
21 all of the standards and codes and rules and
22 regulations have been basically abandoned to move
23 these processes -- these plants through the process
24 extremely rapidly.

25 MR. ELLER: Having been intimately

1 involved -- this is my fifth project under the
2 Emergency Order -- I don't believe that to be true.

3 We have the same air requirements for a
4 regular facility. The only waiver is for a temporary
5 use of the project without an SCR. That's available
6 to anyone who cannot obtain the equipment before next
7 year.

8 That's the only air waiver, and long-term,
9 that's taken care of. But then if you are talking
10 about this summer, there is a number of emergency
11 back-up generators out there that are fired by
12 diesel.

13 So, would you rather have a facility that's
14 25 ppm NOx running, or one that's 50 to 150 ppm NOx?

15 That's the question we're facing right now,
16 because if we do not get any generation on line this
17 summer, those emergency back-ups will run.

18 PRESIDING MEMBER LAURIE: But, in response
19 to the specific question, what air standards are
20 being waived for this project, I hear your answer is
21 none.

22 MR. ELLER: None. Well, in the long-term,
23 none.

24 MS. KING: Well, the -- I'm reading
25 Executive Order 28 here, and it gives the authority

1 provided to Local Air Pollution Control and Air
2 Quality Management Districts, and the Air Resources
3 Board, those rules shall also apply to any power
4 generating facility, but --

5 PRESIDING MEMBER LAURIE: I believe the
6 evidence in the record is that the standards imposed
7 on this project are the current Federal and State air
8 standards, and none of those standards are being
9 lessened, despite the fact that this process is being
10 expedited.

11 HEARING OFFICER ENGEMAN: Ms. King, I think
12 somebody wants to ask a question that has to leave.
13 Can you defer your question?

14 MS. CALDERON: Josie Calderon, and I'm here
15 representing 13, 14 organizations. I wanted this
16 letter read into the record, and unfortunately, this
17 is an awkward time in that we have two very sensitive
18 items before the City Council, one which includes the
19 same topic, so it has made this very awkward.

20 My understanding is that the only way I can
21 get direct input to the CEC is to provide you with
22 this letter.

23 I don't have time to get into the details
24 because I have to make a presentation --

25 PRESIDING MEMBER LAURIE: Do you want to

1 take one minute and summarize the letter, and then
2 you can submit the letter?

3 MS. CALDERON: Okay. It's basically in
4 opposition of siting any more additional peaker
5 projects in the South Bay from what the City -- from
6 what has already been approved.

7 The beginning of the argument is that the
8 South Bay has done its fair share in supporting the
9 energy crisis. We supported the Otay Generating
10 Project, and we supported the first peaker project.
11 And we still have a South Bay power plant to have to
12 deal with, because it's much older and dirtier, and
13 it is having some negative impacts as a result of not
14 having enough natural gas capacity.

15 We feel it is an environmental justice
16 issue; that you really need to look at siting in
17 other areas.

18 I don't think that the Governor meant to
19 have all the peaker projects sited in the South Bay.
20 There is supporting infrastructure in other areas
21 that would support peaker projects.

22 We believe that this is probably the easiest
23 -- the perception we have is that you have taken the
24 path of least resistance.

25 But I -- I'm sorry -- we feel strongly that

1 we've done our fair share. We want to support
2 Governor Gray Davis in what he is trying to do, but
3 we don't feel that this peaker project is the way to
4 do it.

5 PRESIDING MEMBER LAURIE: Thank you, Ms.
6 Calderon.

7 Ms. King, did you have something else that
8 we haven't covered yet?

9 MS. KING: Yes. We were -- we were
10 discussing the air emissions controls that have been
11 approved by one of the toxic experts.

12 And as I understand it, he has approved it,
13 because what he -- and what he is saying --

14 PRESIDING MEMBER LAURIE: No. The
15 Commission approves it. What we're -- what the
16 evidence is, is that Federal and State standards are
17 being met.

18 MS. KING: Are they the San Diego Regional
19 Air Board -- Air Pollution Control District?

20 PRESIDING MEMBER LAURIE: The folks from the
21 regional air office have not testified. These
22 individuals are from the Applicant.

23 MS. KING: I see. And since they are not
24 here this evening, will they put that they're
25 approving this in writing to you?

1 PRESIDING MEMBER LAURIE: Those
2 representatives are present, but frankly, they
3 participated.

4 And, Mr. Eller, what is the position of the
5 local air district?

6 MR. ELLER: The San Diego Air Pollution Air
7 District is the one here this evening.

8 PRESIDING MEMBER LAURIE: That -- that's
9 fine. I'm not going to ask him to comment unless it
10 is necessary. Have they commented to you?

11 MR. ELLER: They are preparing a Proposed
12 Authority to Construct for the project. That will be
13 incorporated by the staff assessment.

14 PRESIDING MEMBER LAURIE: In order to do
15 that, will State and Federal standards have to be
16 met?

17 MR. ELLER: Yes, sir.

18 PRESIDING MEMBER LAURIE: Okay.

19 MS. KING: National, Federal and State
20 standards have been met is what they are going to say?

21 PRESIDING MEMBER LAURIE: Yes, ma'am.

22 MS. KING: And so what that really means is
23 that this project will actually put toxins into the
24 air, 25 to what? It will put toxins into the air, but
25 that the carrying capacity in our air is capable of

1 handling them; is that correct?

2 MR. ELLER: On a simplified basis, yes.

3 MS. KING: I'm sorry. I'm just a citizen
4 and not a toxic expert.

5 Now, has there been an overall assessment of
6 all the toxins going into the air in this -- I want
7 to say bio-region -- because we do consider ourselves
8 a bio-region -- has that assessment been made?

9 Because the toxins don't sit here; they --
10 you know, they are shared, and we're all breathing
11 this air, whether we live in Tijuana or San Diego or
12 whatever, and so it is our air.

13 PRESIDING MEMBER LAURIE: That would be the
14 responsibility of the Air District, but also, the
15 City of Chula Vista and the City of San Diego when
16 they adopted their general plans.

17 They will analyze air quality issues related
18 to that, and that would be the overall regional
19 impacts that you would be asking about.

20 And this Industrial Park, I understand, is
21 consistent with the General Plan of the City of Chula
22 Vista, which means that the impacts of the Industrial
23 Park would have been examined.

24 MS. KING: And the toxic -- the levels of
25 toxic emissions are part of that? And you are stating

1 that Chula Vista has the right to say that we don't
2 want these toxins in the air, and -- and if they were
3 to say that, do you have the power, as I
4 understand -- I believe you do -- to override that?

5 PRESIDING MEMBER LAURIE: We do not have the
6 power to override Federal standards.

7 MS. KING: Not the federal, but the State.

8 PRESIDING MEMBER LAURIE: Yes, we do.

9 MS. KING: And local?

10 PRESIDING MEMBER LAURIE: We are not being
11 asked to override air quality standards in this case.

12 MS. KING: Yet. Because they haven't made
13 their report?

14 PRESIDING MEMBER LAURIE: Well, yes, they
15 have.

16 MS. KING: And they will not say that.

17 PRESIDING MEMBER LAURIE: Do you have
18 anything new, because we're --

19 MS. KING: It is not a general air quality
20 standard?

21 PRESIDING MEMBER LAURIE: No, ma'am.

22 MS. KING: It is done project by project?

23 PRESIDING MEMBER LAURIE: It is the impacts
24 related to this project.

25 MS. KING: And there is no requirement for a

1 general area-wide --

2 PRESIDING MEMBER LAURIE: Not as a result of
3 this project.

4 MR. ELLER: That is an overall
5 responsibility, however, of the Air District, in
6 conjunction with the State Water Resources Board and
7 the Federal EPA -- Environmental Protection Agency.

8 MS. KING: And so this meets the clean air
9 standards?

10 MR. ELLER: Yes.

11 MS. KING: For our region, we are the 7th
12 most polluted --

13 PRESIDING MEMBER LAURIE: Correct.

14 MS. KING: Okay.

15 PRESIDING MEMBER LAURIE: Okay. Does
16 anybody new, that has not as yet spoken, have any
17 comments?

18 Okay. Yes, ma'am, you had another question?

19 MS. HEIDKAMP: My name is Kay Heidkamp. I
20 have another question, because I understand that it
21 meets the requirements now, and it's all acceptable,
22 and it will supply a need for the community,
23 and I'm anxious to read the other statement about
24 the lack of infrastructure to maintain it, but I have
25 a question that is not -- not opposing it, but it is

1 a question that -- something that disturbs me.

2 Is there a process in place by which if the
3 standards go up, that the -- and since you mentioned
4 there is no obligation on it once it receives its
5 license -- to improve its emissions.

6 If the emissions were lower, is there some
7 way of declaring it obsolete?

8 PRESIDING MEMBER LAURIE: No, ma'am.

9 MS. HEIDKAMP: You can't reject it?

10 PRESIDING MEMBER LAURIE: No, ma'am.

11 MS. HEIDKAMP: That leaves us in a bad
12 place. Thank you. I'm not glad to hear that, but I
13 understand what you are saying. Thank you for
14 answering my question.

15 PRESIDING MEMBER LAURIE: Anybody else?

16 HEARING OFFICER ENGEMAN: As a procedural
17 matter, if you have not filled out a card, it is
18 important that you give your name and your
19 organization to the court reporter.

20 Your remarks will be included, along with
21 your name and organization, in the proposed decision
22 in this case.

23 So, if you haven't filled out a blue card,
24 please either do so or make sure before you leave you
25 give them your name, the correct spelling to the

1 court reporter, and the organization. All right?

2 Thanks.

3 PRESIDING MEMBER LAURIE: Yes?

4 MR. YAGER: Fred Yager, Yager Engineering.

5 The letter that was handed in, will it
6 appear in its entirety in the transcript, or is it an
7 appendix?

8 HEARING OFFICER ENGEMAN: It will be docketed
9 as an exhibit in the case and appended to the
10 record. Does that answer you?

11 MR. YAGER: Yes. That would be on the
12 website and/or wherever it is distributed?

13 HEARING OFFICER ENGEMAN: Well, I think
14 ordinarily documents which are docketed do appear on
15 the website; is that correct?

16 MR. ELLER: We do not have the capability of
17 scanning it, that I'm aware of at this point, so we
18 would rely on our docket.

19 MR. YAGER: Who are we going to work with on
20 this, then?

21 PRESIDING MEMBER LAURIE: It will be part of
22 the docket. If you wish to request a copy of it, I
23 suppose you can ask Mr. Eller or contact Mr. Perkins,
24 and he will provide you copies of it through some
25 mechanism.

1 MR. YAGER: Got you. Thanks.

2 PRESIDING MEMBER LAURIE: Okay. Anything
3 else? Do you have anything new?

4 MS. KING: Yes. These were just delivered
5 to me, since the time was so short in the Public
6 Notice, going out on your website on Friday, at 2:40
7 P.M. for a Tuesday meeting, on a three-day weekend --
8 was extremely short notice.

9 And I -- anyway, so these are two people who
10 have not been able to attend this meeting who have
11 sent written remarks.

12 PRESIDING MEMBER LAURIE: Can you --

13 MS. KING: Read them.

14 PRESIDING MEMBER LAURIE: You don't have to
15 read the entire letter. What I would ask you, are
16 they all the same letter?

17 MS. KING: No. This is one and this is the
18 other.

19 PRESIDING MEMBER LAURIE: Okay.

20 MS. KING: Two.

21 PRESIDING MEMBER LAURIE: I would ask you to
22 read their names into the record and to summarize
23 their comments, please.

24 MS. KING: Since they have just been
25 delivered to me at this moment in time, I have not

1 even read them myself, so it would be very awkward
2 for me to try to speak for them.

3 So I would prefer to read them so everyone
4 in the room can also hear.

5 PRESIDING MEMBER LAURIE: Okay.

6 MS. KING: Thank you.

7 "Comments to City Council, Energy, and CEC
8 5-29-01.

9 "The Green Party wishes to commend you for
10 four accomplishments:

11 "Clean running buses;

12 "Compact fluorescent bulk exchanges;

13 "Developing an energy strategy and action
14 plan; and,

15 "Establishment of a MUD.

16 "We are proud of your forward, proactive
17 thinking.

18 "Our concern tonight is with the RAMCO
19 peaker plants, the second of which has completed
20 application this week.

21 "The Air Quality Control Board has already
22 given its approval. Interestingly, the present plant
23 has been running" -- "the present plant has been
24 running so hard that they will have used up all their
25 air quality credits by July, and already they are

1 requesting additional credits."

2 That would be the -- the Duke Energy Plant
3 that has done that.

4 "So pollution control is already out of
5 control. And that's why San Diego is the 7th-most
6 polluted city in the nation.

7 "Also, the PUC is now considering whether to
8 allow San Diego Gas & Electric to fire up 50
9 megawatts of backup generation to use to offset any
10 blackout order.

11 "If backup generators are allowed to be
12 activated, they will run on diesel fuel, doubling the
13 amount of harmful air pollution in San Diego County.
14 Already 18 consumer and environmental groups have
15 sent a letter of protest to Governor Davis.

16 "More pollution news -- Reliant Energy said
17 it would cut its power bids from the high of \$1900
18 per megawatt to as little as \$150 per megawatt,
19 but only if air regulators quickly allow it to
20 exceed pollution standards.

21 "So the question is, will you support these
22 plants and add to our serious air quality problems?
23 Will you permit 20th century technology to be used
24 when 21st century technology will solve the
25 problems? I am speaking of solar and wind power.

1 "We haven't heard them mention CO2 emissions
2 or global warming."

3 To the City Council -- I have given you a
4 report --

5 PRESIDING MEMBER LAURIE: And what is the
6 name of the person who wrote that?

7 MS. KING: It does not have a name on it.
8 It is the Green Party.

9 PRESIDING MEMBER LAURIE: The Green Party.

10 MS. KING: This is someone speaking for that
11 group.

12 I have given you a report entitled,
13 "Investing in an Energy Secure Future for the San
14 Diego Region." When you read it, you will be
15 surprised to learn that when you compare two methods
16 of providing energy for Chula Vista, one is the old
17 fashioned method, polluting power plants, and the
18 second, 21st century method is, investing in energy
19 efficient plants using current proven technology.

20 The energy efficient option saves you money.

21 To summarize, energy efficiency costs 10
22 percent less; and energy efficiency will create 8
23 times more well-paying jobs in four years than the
24 polluting method will create in 25 years.

25 Energy efficiency will guarantee you receive

1 the energy locally.

2 The polluting method will have to sell
3 energy to the grid.

4 Energy efficiency will reduce air pollution
5 by using renewable energy.

6 The polluting method will increase
7 pollution.

8 Energy efficiency will keep dollars
9 circulating here in our community.

10 Polluting will send 8 to 15 dollar -- 8 to
11 15 billion dollars out of our region.

12 In this conclusion, the report will give you
13 examples of how corporations and the Canadian
14 Government are already enjoying the investments made
15 by switching to energy efficient methods.

16 In every nation, there occur critical times
17 of decision, when the leadership or some outstanding
18 person or persons makes the difference, someone with
19 vision and courage.

20 What makes the difference in whether a
21 crisis is handled positively with far-reaching
22 solutions, or whether the decisions made are
23 wrong-headed or mediocre?

24 History tells us that this unusual
25 leadership fortuitously appears. This is the

1 critical time. Will you be thinking out of the box,
2 and will you be thinking of the welfare of the
3 community, the state, the nation -- yes, even the
4 planet?

5 Or will you fall in line with the
6 uninspiring leadership which we now see both at the
7 state and national level?

8 And I believe that that is an appropriate
9 question to ask this Commission.

10 PRESIDING MEMBER LAURIE: And do you have a
11 name attached to that second letter?

12 MS. KING: No. This is one -- one message,
13 and this one is another one.

14 PRESIDING MEMBER LAURIE: And who's the
15 author of that letter?

16 MS. KING: This -- this one does have a
17 first name. I know that this party would prefer to
18 remain anonymous. But, since it is on this document,
19 I will state the first name. I mean that's all
20 that's on here.

21 PRESIDING MEMBER LAURIE: I can tell you
22 that, for purposes of consideration of the comment,
23 we're not going to consider an anonymous document.

24 MS. KING: Well, this is from Melanie.

25 "I am writing on behalf of" -- This is a

1 letter that she has sent to Richard Sommerville, the
2 Director of the San Diego Air Pollution Control
3 District. She has carboned the Governor and the Green
4 Team, which is an energy -- California energy group,
5 state group. The Green Team is a state
6 organization.

7 PRESIDING MEMBER LAURIE: If the letter was
8 sent to the Governor, did she have her name on the
9 letter?

10 MS. KING: Well, I don't -- I see she's
11 using a MacIntosh, and -- and the title of this is --
12 it's "Melanie's document," and Melanie is the
13 author.

14 PRESIDING MEMBER LAURIE: Okay. I'm not
15 going to permit this comment without a name attached
16 to it. That does the record no good, and I'm not
17 going to permit it. Okay.

18 If you want to identify the person, great.
19 If not, I'm not going to allow the comment in.

20 MS. KING: Advice?

21 Okay. She has written to the Governor, so I
22 will give you her full -- her last name.
23 McCutcheon.

24 PRESIDING MEMBER LAURIE: Okay. Thank you.

25 MS. KING: "I am writing to express" --

1 PRESIDING MEMBER LAURIE: Before you go on,
2 if you want to read the letter, you may. It is not
3 necessary that you do so. If you give it to me, I
4 will append it to the record. We will docket the
5 letter. It is up to you. You don't have to read it
6 in its entirety.

7 MS. KING: Thank you. I would prefer to read
8 it so that the public will hear this, so that --
9 because there was some question as to whether it
10 would ever get on the website, and -- and so with
11 that question as to public access to this document, I
12 would prefer to read it, at least for this audience,
13 and for you.

14 "I am writing to express my concerns
15 regarding the siting of the PG&E and RAMCO peaker
16 plants on Main Street in Chula Vista, a city of San
17 Diego.

18 "There are statewide concerns. We're
19 discouraged that the Governor of the State of
20 California has pursued encouraging the building of
21 numerous peaker plants in California and the
22 fast-tracking of larger power plants with the
23 suspension of environmental review and laws, as the
24 primary strategy to avert roll blackouts this
25 summer.

1 "We appreciate the importance of avoiding
2 the public health and economic costs associated with
3 blackouts, but we believe the Governor's strategy
4 does not give priority to the appropriate solutions.

5 "When the first indications of an energy
6 crisis were evident last year, the Governor should
7 have realized that demand-side management was the
8 best and possibly the only realistic way to avert
9 rolling blackouts this summer.

10 "This potential is illustrated by the fact
11 that had conservation and efficiency projects brought
12 before the legislature been passed immediately,
13 California would have saved over 6,000 megawatts,
14 according to a staff analysis prepared for the
15 Assembly Subcommittee on Electrical Energy oversight
16 on March 5th, 2001.

17 "Had the governor used his executive
18 authority to pursue conservation and efficiency
19 improvements to the maximum extent feasible, the
20 5,000 megawatt projected peak shortfall this summer
21 probably could have been met through demand-side
22 management.

23 "Especially given the unethical
24 profit-gouging perpetrated by the energy suppliers, a
25 strategy of demand-side management, of reducing our

1 state's dependence on these generators was, and
2 continues to be, preferable to increasing our
3 dependence on them through the building of more
4 plants that compromise public health.

5 "Evidence of generators withholding power
6 from the grid to drive up prices gives us little
7 confidence that building more plants will result in
8 plentiful energy supplies at times even of peak
9 demand.

10 "To resolve the energy crisis, the Governor,
11 through the newly created State Power Authority and
12 through other means, should pursue demand-side
13 management and the use of renewables more, not less,
14 aggressively than he has encouraged our State to
15 increase its dependence on fossil-fuel plants run by
16 companies of questionable integrity.

17 "We are concerned about the cumulative
18 impacts of generating projects in the South Bay
19 vicinity. The San Diego region is subject to serious
20 constraints in natural gas supplies, resulting in
21 curtailments of natural gas to the South Bay power
22 plant run by Duke Energy that have forced the plant
23 to burn fuel oil on several occasions over the past
24 year. With approximately 400 megawatts of new natural
25 gas-burning projects likely to be built within the

1 next half year in San Diego, and existing natural-gas
2 burning generation running at higher than normal
3 levels, the burning of fuel oil this summer at the
4 South Bay plant without the constraints of pollution
5 limits is a virtual certainty.

6 "The residents of the South Bay have a right
7 to know the potential combined impacts on their
8 health of the approved and proposed peaker projects
9 in their area and burning of fuel oil at the South
10 Bay plant.

11 "The San Diego Air Pollution Control
12 District should perform an assessment of the combined
13 impacts of the Larkspur 90 megawatt facility, the
14 proposed PG&E RAMCO, and CalPeak projects, and fuel
15 oil-burning at the South Bay plant on air quality in
16 the South Bay and Otay Mesa areas," period.

17 PRESIDING MEMBER LAURIE: Thank you very
18 much. Do you want to provide the letters to the
19 Commission, please? Thank you.

20 Mr. Perkins, did you want to get this
21 gentleman's blue card?

22 Anybody else desiring to offer comment at
23 this time?

24 Mr. Eller, any closing comments?

25 MR. ELLER: No, sir.

1 PRESIDING MEMBER LAURIE: Mr. Mesple, any
2 closing comments?

3 MR. MESPLE: No.

4 PRESIDING MEMBER LAURIE: Ladies and
5 Gentlemen, I thank you for your attendance tonight.

6 Mr. Eller, could you review for us what the
7 next steps are, please.

8 MR. ELLER: Again, staff will be releasing
9 their staff analysis, and it will be posted on our
10 website by June 5th.

11 The proposed Commission decision is around
12 June 8, and the Commission decision will occur at a
13 Business Meeting in Sacramento on June the 11th.

14 PRESIDING MEMBER LAURIE: Ladies and
15 Gentlemen, again, thank you. We await the formal
16 comment from the City of Chula Vista, if any.

17 Thank you for your attendance tonight. The
18 meeting stands adjourned.

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STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN DIEGO)

I, Janet B. White, Certified Realtime Reporter,
C.S.R. No. 1879, do hereby certify:

That the foregoing INFORMATION HEARING BEFORE
THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA, was reported
by me at the time and place herein set forth; was
thereafter transcribed, through computer-aided
technology, under my direction and supervision, and
that the foregoing is a true record of same.

I further certify that I am neither counsel for nor
related to any party to said action, nor in any way
interested in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name
this 3rd day of June, 2001.

JANET B. WHITE, C.S.R. No. 1879

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