

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

In the Matter of:)
)
Application for Certification) Docket No.
of SMUD's Cosumnes Power Plant) 01-AFC-19
Project)
_____)

HENDRICKSON HALL
12746 IVIE ROAD
HERALD, CALIFORNIA

WEDNESDAY, DECEMBER 19, 2001

4:45 p.m.

Reported by:
James Ramos
Contract No. 170-01-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert Pernell, Presiding Member

Garret Shean, Hearing Officer

Ellen Townsend-Smith, Advisor

STAFF PRESENT

Darcie Houck, Staff Counsel

Kristy Chew, Project Manager

Paul Richins, Senior Siting Project Manager

PUBLIC ADVISER

Roberta Mendonca

APPLICANT

Steven M. Cohn, Senior Attorney, Legal Department

Colin Taylor, Director, Power Generation

Susan Patterson, Board Director

Jim Shetler, Assistant General Manager for Energy
Supply

Steve Redeker, Plant Manager

Joe Pennington, Superintendent, Gas Pipeline
Operations

Bob Nelson, Superintendent of Thermal Generation

Stu Hussmann

Sacramento Municipal Utility District

Kevin Hudson, Project Manager

Integrated Engineers and Contractors Corporation

EJ Koford, Senior Biologist/Project Manager

CH2M Hill

INTERVENORS

Sky C. Stanfield, Attorney

Adams, Broadwell, Joseph and Cardozo

California Unions for Reliable Energy

ALSO PRESENT

Jane E. Luckhardt, Attorney
Downey, Brand, Seymour and Rohwer

Bill Erickson

Mike Roskey

Kathy Bouchet

Mike Krisman

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P R O C E E D I N G S

4:45 p.m.

PRESIDING MEMBER PERNELL: Good

afternoon. This is the afternoon segment of the informational hearing conducted by a Committee of the California Energy Commission on the SMUD proposed power project.

The Energy Commission has assigned a Committee of two Commissioners to conduct these proceedings. My name is Robert Pernell, Commissioner Pernell. I'm the Presiding Member. Commissioner Art Rosenfeld is the Second Member of the Committee who was unable to be here this afternoon.

To my right is our Hearing Officer, Garret Shean. He will be conducting the hearing this afternoon. To my left is my Advisor, Ellie Townsend-Smith.

On September 13, '01, SMUD filed an application with the Energy Commission to obtain a license to build and operate a 100 megawatt power plant on a site adjoining its Rancho Seco nuclear power plant in the southeastern Sacramento County.

The purpose of today's hearing is, one, to provide information about the proposed power

1 plant; two, to describe the Commission's licensing
2 process in reviewing the application; and, three,
3 receive questions and comments from the public.

4 Before we begin I'd like the parties to
5 introduce themselves and their representatives,
6 starting with the applicant.

7 MR. COHN: Good evening, everyone. My
8 name is Steve Cohn; I'm Staff Counsel with SMUD.
9 And with us today, Colin Taylor, who's the Project
10 Director, and Kevin Hudson, Licensing Project
11 Manager.

12 We have a number of other people here
13 from SMUD, but let me particularly indicate that
14 our Board Director, Susan Peterson, who represents
15 this area, Susan, are you -- is here today and
16 represents the Ward that includes this area and
17 the project area. And we also have Jim Shetler,
18 our Assistant General Manager for Energy Supply.
19 And Steve Redeker, our Plant Manager, who many of
20 the folks who live in this area probably
21 recognize, who's been out at the Ranch for quite a
22 few years.

23 PRESIDING MEMBER PERNELL: Thank you.
24 Staff, will you please introduce your team.

25 MS. CHEW: I'm Kristy Chew, the Energy

1 Commission Project Manager for this case. To my
2 left is Darcie Houck; she's Staff Attorney
3 tonight. She's standing in for Caryn Holmes, who
4 was at another hearing actually.

5 I also have other staff here from the
6 Energy Commission technical areas, are here in the
7 audience, as well as Paul Richins, Senior Siting
8 Project Manager.

9 PRESIDING MEMBER PERNELL: Thank you.
10 Are there any current intervenors? Would you
11 please introduce yourself for the record.

12 MS. STANFIELD: I'm Sky Stanfield
13 representing California Unions for Reliable
14 Energy.

15 PRESIDING MEMBER PERNELL: Thank you.
16 Are there any others? Any agencies, public
17 agencies? Seeing none, and we have a Public
18 Adviser we'll hear from later, Ms. Roberta
19 Mendonca.

20 MS. MENDONCA: Thank you.

21 PRESIDING MEMBER PERNELL: At this time
22 I'd like to turn the hearing over to our Hearing
23 Officer, Mr. Shean.

24 HEARING OFFICER SHEAN: The notice of
25 this afternoon's hearing was mailed to owners of

1 property along both the pipeline right-of-way as
2 well as near and adjacent to the project site. We
3 also ran an ad in The Bee, in the "Neighbors
4 Section" and many of you who are here probably
5 received your notice of this event through one of
6 those three means.

7 Today's hearing is the first kickoff
8 event of an approximately year-long process which
9 will combine an independent analysis by the
10 Commission Staff of the potential community and
11 environmental impacts of the project.

12 They will accomplish this through a
13 series of requests for information from the
14 applicant. The applicant has initially filed a
15 document called an AFC or application for
16 certification. It came in several binders. It
17 would fill about a fourth of the table now. By
18 the time we're done it will probably fill close to
19 half.

20 And through a series of data requests
21 and responses and public workshops which will be
22 in the community here, and in Sacramento, since
23 we're very close, the Commission Staff is going to
24 develop its independent professional analysis
25 through its technical experts. We have everyone

1 from air quality people down to the zoology people
2 that essentially tells you the scope of the
3 expertise at the Commission.

4 They will produce a document called a
5 staff assessment, and that will be, essentially
6 for many of you, the first crack at what the
7 Commission Staff feels about this particular
8 project.

9 At that point there will be a few more
10 public workshops, but eventually the staff's
11 analysis and the applicant's information come
12 before the Committee. And then combined into that
13 mix is your reaction to both.

14 The job of the Committee is to assess
15 the impacts with the best possible information.
16 We may find that the staff agrees with the
17 appraisal by the applicant of what the potential
18 impacts are, and the mitigation that's proposed by
19 the applicant. It may be that staff disagrees.
20 And it may be that you, as members of the public
21 and citizens who are potentially affected by the
22 project, will have your own view as to whether or
23 not the potential impacts of the project have been
24 adequately identified. And then if there are
25 some, whether they've been adequately addressed.

1 Ultimately that all comes before the
2 Committee in a series of somewhat more formal
3 hearings, but you don't need to be a lawyer. You
4 don't need to hire a lawyer. This is an open
5 public process, and we will accommodate your
6 concerns and allow you to make presentation to the
7 Committee on the merits of the project and whether
8 or not you think there are impacts that are not
9 sufficiently covered.

10 At that point the Committee will turn
11 around and issue a proposed decision. That
12 document then begins a 30-day public comment
13 period. It's the closest equivalent probably to
14 what you have in mind as a draft EIR, even though
15 it is not an EIR. Our regulatory program here at
16 the Commission has been certified by the State
17 Secretary of Resources as being equivalent to the
18 draft and final EIR process.

19 And it's made equivalent because we have
20 a series of workshops. We have the documentation
21 that's in the form of the proposed decision.

22 At the conclusion of the comment period
23 on the proposed decision we're getting very close
24 to the time where the full five-member Commission
25 then will take the recommendation of the Committee

1 and vote it up or down or modify it.

2 So, in terms of the critical points for
3 you and your involvement is obviously tonight is
4 the beginning. Get on either the email list
5 server; get on the standard Postal Service mailing
6 list. If you choose to become more involved, Ms.
7 Mendonca is going to explain to you how you can
8 petition to intervene in the proceedings and
9 become a party, which is equivalent essentially to
10 either the staff or the applicant in terms of your
11 ability to ask questions, seek information and
12 eventually at the hearing present witnesses in
13 your favor and cross-examine or question the
14 witnesses of others.

15 That choice is entirely up to you. And
16 you will have a very long opportunity to make that
17 decision of whether or not you want to step up
18 your level of participation and become an
19 intervenor.

20 Tonight's proceeding -- let me just
21 indicate, too, that the Commission's decision, and
22 therefore the recommendation that the Committee
23 will make can only be based upon the record that
24 arises from that set of somewhat more formal
25 hearings that I described.

1 What you should understand is that the
2 Committee cannot make a decision based upon any
3 information that essentially comes through the
4 back door, because there is no back door. All of
5 the information that we have to base our decision
6 on comes through a public process. So we can only
7 make our decision based upon the record, and that
8 record can only be gathered in a public setting.

9 That assures you, and actually assures
10 the courts, if these matters are reviewed, that we
11 have conducted ourselves as we ought to. This is
12 a public process. We are here tonight for you.
13 We are here reviewing the application because SMUD
14 believes it's in the best interests of its
15 customers to create this project to provide
16 service to SMUD and, to some degree, support the
17 state's electrical grid.

18 So, tonight's proceeding will be a
19 presentation by the applicant. For those of you
20 who were on the bus tour, we got a quick look at
21 the site and some more information. This will be
22 a little bit more complete.

23 Then the staff is going to come up and
24 provide its comments, both as to its role as an
25 independent evaluator of the project. And I've

1 probably stolen some of their thunder on that.
2 And discuss the issue identification report which
3 they have filed -- and I think it's going to be
4 available or is available over on the table --
5 which is a preliminary review by the staff of the
6 potential issues that affect this project.

7 With that, then, we're going to open up
8 to questions from you or comments, and before we
9 leave this evening we hope you will have had an
10 opportunity to gain not only a fair understanding
11 of what our process is, how you can be involved in
12 it, as well as what the project is and get a sense
13 of whether you think there's something you want to
14 pursue as an issue.

15 So, with that, unless there's something
16 further, we're going to go to Roberta and have her
17 briefly describe her role as the Public Adviser.
18 She is your, for now, key person to assist you in
19 getting involved in this proceeding.

20 MS. MENDONCA: Thank you, Garret and
21 Commissioner Pernell. Can you hear me okay, I'm
22 coming down with a cold and sort of wallowing
23 around with a cough drop here, but -- and I'll
24 speak up again.

25 Hello. I'm the Public Adviser of the

1 California Energy Commission. And in my scheme of
2 life people often say what is that. So, let me
3 take a brief moment and explain that the Energy
4 Commission is quite unique. Only one other state
5 agency has a person like myself.

6 My job is not to be a decision maker
7 like Commissioner Pernell, nor to do an analysis
8 of the project like the staff. My job is to be
9 available to members of the public who want to
10 understand what is going on at the Energy
11 Commission and how they can best participate in
12 the process. So if you have procedural questions
13 I'm the person to come to.

14 Basically my report this evening will
15 have two parts, Commissioner Pernell. I wanted to
16 talk a little bit about our outreach.

17 The Energy Commission, by law, is
18 required to send notices of this meeting to
19 property owners 1000 feet around the plant,
20 actually the people that own along 500 feet of
21 each side of the lineals.

22 One of the common comments that you hear
23 is I didn't know about the meeting. So, my office
24 worked very cooperatively with The Galt Herald and
25 we distributed 1500 notices as an insert in the

1 newspaper advertising tonight's meeting, telling
2 them about the informational hearing and the site
3 visit.

4 We also sent 4500 notices home with Galt
5 school children working with the school district.
6 And early in the process when the project was
7 announced, before it became data adequate, we were
8 able to work with the Galt Chamber of Commerce who
9 sent home 15,000 notices -- project description of
10 the project.

11 And you're going to hear a lot of
12 information tonight. Some of it will be somewhat
13 technical. I tried to help out by giving you a
14 one-page summary; it's on blue paper. It has how
15 to reach me and kind of the high points of what
16 this project is about. And that was translated
17 into Spanish and went home in the neighborhood.

18 Okay. Some of the terms get a little
19 bit like alphabet soup. One of the common terms
20 will be AFC, which stands for application for
21 certification. This is what the applicant has
22 submitted for analysis to our staff. It's a very
23 large document. And if you're curious about it,
24 can everybody see?

25 The local libraries have a copy. My

1 office will be glad to help you. We can loan you
2 a copy of the application for certification. But
3 the Galt Neighborhood Library, -- the library
4 hours, and the Elk Grove Branch Library have
5 copies of this application for certification. And
6 will also have certain key supplements as they
7 come along -- the project.

8 In addition you've heard mention of the
9 Energy Commission website. We are at
10 www.energy.ca.gov. If you want to find out about
11 what's going on in the siting division, you go to
12 siting cases. And if you want to find out about
13 specific information about this project, you go to
14 Cosumnes.

15 In addition, we have the docket unit at
16 the Energy Commission. They are much like a court
17 clerk. They keep track of every document filed in
18 this case in its docket. We can assist you, they
19 can assist you in getting information about this
20 case.

21 The Energy Commission meetings like this
22 one tonight are all publicly noticed. So you
23 should get something in the mail. I encourage you
24 to sign up on our sign-in sheet. There's a spot
25 there for signing up indicating that you'd like to

1 get mail.

2 I also encourage you to indicate that
3 you'd like to be put on our email list server.
4 Because in today's mail world you often get faster
5 notice by email than you do by U.S. Mail.

6 The public is welcome to come and you'll
7 have your moment this evening after we hear from
8 the applicant and after the staff, to talk to the
9 Committee about your concerns.

10 The Committee, as we've been told, are
11 the decision makers. When they come to a meeting
12 and they're called Committee meetings, they are
13 much more formal. We have a court reporter this
14 evening, and everything that is said this evening
15 will be transcribed.

16 The staff, on the other hand, has more
17 informal workshops. If the staff is conducting a
18 workshop, they will notice their meeting. Their
19 workshops are more informal. Rolled-up sleeves,
20 sit down, come to the table and talk back and
21 forth.

22 So, when you get some of the notices
23 that will help you understand what to expect and
24 how to prepare. As we get to the very conclusion
25 of the decision making process, our Committee will

1 be holding Committee --.

2 Pretty much you've heard the word
3 intervenor, so let me explain the difference
4 between being a member of the public coming to our
5 meetings, and just coming forward with your
6 opinions, your comments, your ideas, your
7 observations. We would call that informal
8 participation.

9 You can show up and comment; you can
10 write to the docket and comment. Or, as Garret
11 mentioned earlier, you can go through the process
12 of becoming a formal party. And that is called
13 the process of intervention.

14 It's done through a petition, and if
15 approved, and most petitions to intervene are
16 approved, you become a party in the case.

17 One of the things that people often ask
18 me is who can intervene. Anybody that has an
19 interest in this case. Generally property owners,
20 people that live in the community have a basis to
21 intervene. It's not a limited situation where
22 only people with scientific degrees or formal
23 training are allowed to intervene. It's not
24 looked at in that case, in that way.

25 The best time to intervene, I would

1 disagree with Garret that you have a long time,
2 the best time to intervene is tomorrow. No -- the
3 best time to intervene is early in the case. And
4 the reason for that is that you are there each
5 step of the way for all of the workshops, all of
6 the meetings, and all of the paperwork that's
7 exchanged.

8 You can intervene up until 30 days
9 before the formal hearings. And it's true, it's a
10 decision you're going to want to think about. But
11 my advice, as the Public Adviser, to members of
12 the public is the best time to intervene is early
13 in the case.

14 And I want to go over the
15 responsibilities of the intervenors. This is just
16 a one-page snapshot of what a petition to
17 intervene can look like. My office will be glad
18 to help you with that. And it's hard to read, I
19 know, sitting at the back of the room. In fact,
20 probably even sitting in the front of the room you
21 can't really read it.

22 But the concept I'm trying to convey to
23 you is that a petition to intervene is not a
24 lengthy legal document. It can be
25 straightforward, a one-page application for the

1 intervenor status.

2 The benefits of becoming a party. You
3 receive all the filings in the case, including the
4 original application for certification. We can
5 help you get that if you don't intervene. But I
6 kind of tried to list the pros of intervention.

7 You also get all of the notices for
8 hearings and workshops. And, again, you can sign
9 up on our mail list. You can get that without
10 intervening.

11 This is one of the major differences.
12 If you do intervene you can fully participate in
13 the exchange of information. It's much like
14 discovery in a lawsuit.

15 PRESIDING MEMBER PERNELL: Excuse me,
16 Roberta. Someone's phone is ringing. I would ask
17 that during these proceedings that you turn your
18 phone off or put it on vibrate. The same thing
19 with your pagers. We are conducting a formal
20 hearing with a record, and we don't need your
21 voicemail or anything on the record.

22 MS. MENDONCA: Thank you.

23 PRESIDING MEMBER PERNELL: Please
24 continue.

25 MS. MENDONCA: So if you are an

1 intervenor you have the right to ask data
2 requests; you can also be asked for data requests.
3 And that's one of the special parts of being a
4 party in the case is that you can fully
5 participate in discovery.

6 You also get to file motions and
7 petitions. Just status is not available --
8 participants. A compelling reason to intervene is
9 should you want to bring an expert witness into
10 the case you would have an opportunity to bring an
11 expert, to introduce evidence and to participate
12 in the formal hearing by cross-examining the other
13 experts in the case.

14 In summary I wanted to give you a good
15 look at my name. A lot of people stumble over
16 Mendonca. Don't worry about it, Roberta is fine.
17 This is my phone number. I also have an 800
18 number. My email, pao stands for Public Adviser's
19 Office, @energy.state -- that's ca.us. My address
20 and again at the website.

21 Several of these handouts are -- sorry,
22 several of my slides are on my handout, so when
23 you pick up the project description tonight, those
24 key addresses and phone numbers are there for you.

25 Thank you very much.

1 PRESIDING MEMBER PERNELL: Thank you.

2 MS. MENDONCA: One very important thing
3 I forgot, to introduce Penny Simmons of my office
4 who will be assisting me in the -- I apologize.

5 PRESIDING MEMBER PERNELL: Also, do we
6 have cards if someone want to speak, blue cards.

7 MS. MENDONCA: I have blue cards at the
8 back of the room, and I'll be glad to pass them
9 out if anybody wants to make a comment this
10 evening. And I'm sorry I forgot to explain that
11 process.

12 In order to facilitate discussion I'll
13 walk around with blue cards. If you think you'd
14 like to make a comment fill it in with your name.
15 I'll turn them in and they'll call on you.

16 Thank you.

17 PRESIDING MEMBER PERNELL: Thank you,
18 Roberta.

19 HEARING OFFICER SHEAN: Okay, at this
20 point let's go to the applicant.

21 MR. TAYLOR: I'll just introduce Kevin
22 Hudson; he's our Licensing Manager. He's taking
23 care of all the issues that are raised, and
24 answers all the data requests. He's the man in
25 charge of the permit application.

1 We've got a couple of other people here,
2 Joe Pennington is the gentleman that looks after
3 the gas pipeline. Bob Nelson looks after the gas
4 turbines and has helped us actually purchase the
5 gas turbines. Stu Hussmann is the air quality
6 expert. Did I miss anybody?

7 (Off-the-record comments.)

8 MR. HUDSON: Thank you, Colin. I'll try
9 to talk a little bit louder, so if I start to
10 drift off go ahead and remind me, or do like this,
11 signal me to raise my voice.

12 I'm going to outline the presentation
13 that I'm going to give. First thing I talk about
14 the Cosumnes Power Plant project information, just
15 some facts and figures for you. And then I'm
16 going to give you a view, a couple of slides that
17 show the power plant, the configuration.

18 And after we get into the configuration
19 I'll show you a slide of the project boundaries in
20 the area. And after that I'll get back into the
21 written portion of the slides where I'm going to
22 give some overview and talk about the site
23 advantages and why we chose the location that we
24 did choose.

25 And after that I'll talk a little bit

1 about pipeline safety and the construction of the
2 pipeline, which is an integral portion of this
3 project.

4 I was going to talk about CEC required
5 areas of study, but the California Energy
6 Commission in Kristy's presentation she'll cover
7 that. So, I'm going to skip that in my
8 presentation.

9 And finally I'll wrap up with some
10 community outreach and involvement. And show what
11 we've done so far. And at the very end I'll
12 entertain any questions and answers for you.

13 (Parties speaking simultaneously.)

14 MR. HUDSON: Just for the record, the
15 power plant will be less noisy than that.

16 (Laughter.)

17 MR. HUDSON: Okay. SMUD is a not-for-
18 profit organization; we're a municipality. This
19 project is very important to SMUD because it's
20 part of our long-term five-, ten-year and beyond
21 plan that was developed and submitted by the
22 General Manager of SMUD.

23 And the Cosumnes Power Plant is an
24 integral portion of that overall plan. The power
25 plant we're proposing will be developed in two 500

1 megawatt phases. And it's kind of important to
2 note that the reason that we're doing that is we
3 want to insure that the power that we produce goes
4 along with the growth in Sacramento County. And
5 we don't want to construct or develop too much
6 power that would go un-used. It needs to be
7 approved by the board members in 2003.

8 The location is about 1600 feet of the
9 Rancho Seco Plant, itself, the site, itself. And
10 the reason that we chose to do that is we didn't
11 want to get in the way of any decommissioning
12 activities at Rancho Seco Plant.

13 Yet, this is close enough that we can
14 re-use some of the existing features of the plant
15 that I'll talk about a little bit later in my
16 presentation.

17 The space requirements for the plant,
18 itself, is about 30 acres. Beyond that we're
19 probably going to disturb about 50 to 55 acres in
20 laydown areas and moving equipment in and out of
21 the plant. But when the plant is complete,
22 itself, we'll be on about a 30-acre parcel.

23 The plant will be fueled by natural gas,
24 and it's going to be brought in by gas pipeline
25 extension of SMUD's existing network which is

1 going to be about a 26-mile extension. The
2 pipeline diameter is going to be 24 inches, so
3 it's a fairly large pipe. And it will bring
4 compressed natural gas to the plant.

5 The water supply that we're proposing to
6 use is from the Folsom South Canal. The Folsom
7 South Canal supplies water through a 66-inch
8 pipeline currently to the Rancho Seco Nuclear
9 Plant.

10 And this water, the headwaters for the
11 Folsom South Canal is at the Nimbus Dam along the
12 American River. So that's where the water comes
13 from.

14 Another point to mention that's very
15 important is land zoning. And the land zoning in
16 the area around the plant is designated as ag80,
17 which means agricultural plots and in 80-acre
18 parcels. And this land zoning does allow power
19 plants.

20 The public is probably interested about
21 what impact this will mean along Twin Cities Road.
22 And to give you a comparison to these numbers that
23 I'm going to describe is when the Rancho Seco
24 nuclear plant was operating about 1200 people
25 commuted daily to the plant. And that would swell

1 up sometimes to 2000 people during refueling
2 outages.

3 So the average number of construction
4 employees that we'll have is about 225 employees,
5 jobs at the site. Peak construction probably for
6 about two months or so we're going to have about
7 328 jobs.

8 The average construction employees along
9 the pipeline, we'll have 53 employees. Now that
10 is, they don't really have a peak there because
11 they just start construction with the 53 employees
12 and then move right along. There's not really a
13 peak to the construction of the linears.

14 In contrast to the number of people that
15 it took to run and operate Rancho Seco, gas power
16 plants, these days, can operate with very few
17 employees, very few people because of the
18 automation and controls. And we'll probably have
19 about 20 permanent staff to operate and run the
20 plant. And that is around-the-clock shifts, as
21 well. So that includes around-the-clock shifts.

22 So at any one time you'll probably have
23 about 15 people at the plant, itself. But, of
24 course, that will probably increase a little bit
25 whenever there's maintenance or outages or

1 something like that.

2 The plant schedule for construction is
3 when we receive our license we hope to receive it
4 by December of '02, this time next year. And
5 there will probably be some groundwork that would
6 be started. And throughout the construction
7 there's about a 24-month construction period, and
8 then there's some testing that needs to go along
9 after the construction.

10 And when the testing is complete then we
11 would hope to have the plant online by the first
12 quarter of '05.

13 Let's talk about money a little bit.
14 The costs for the first phase of the power plant
15 will be about \$350 million. And that includes the
16 natural gas pipeline. The construction payroll,
17 we would expect up to about \$60 million, although
18 it could fluctuate, depending on the way in which
19 the plant is built. If we bring it in in sections
20 we don't need as many people to build the plant.
21 And if it's sectioned out, parceled like that, we
22 don't necessarily need all the construction
23 members.

24 Local materials and supplies, we would
25 expect to have about \$16 to \$20 million purchases

1 made locally. And this would contribute about
2 \$1.2 to \$1.5 million in local tax benefit which
3 would be taken by the state and the county.

4 This is the plant. It's a little bright
5 in here so this might be a little bit hard to
6 read. But I want to point out a couple of things.
7 This is Clay East Road, and of course, the Rancho
8 Seco Plant at the top of this slide. The cooling
9 towers that you see here, the prominent features,
10 are 425 feet high and they're 325 feet wide at the
11 base, each one.

12 The Rancho Seco, to give you an idea of
13 the acreage, is 85 acres in the industrial area
14 right about here. The industrial area means that
15 that's the area that's enclosed by the chainlink
16 barbed wire fencing.

17 Over here you'll see the photovoltaic
18 farm. And this has about 5.5 megawatts in this
19 area. There's also an area that's extended a
20 little bit to the east.

21 Hard to see on the slide, but there is a
22 330 kV transmission line that runs right along
23 here that ties into the switchyard. The
24 switchyard is right here, and we're proposing to
25 parallel the existing PG&E lines from the Cosumnes

1 Power Plant switchyard right here, and tying into
2 the switchyard right up here. And this about a
3 quarter of a mile or so of new transmission line.
4 And that's the only new transmission line that
5 needs to be built for this plant.

6 That's one of the reasons that we chose
7 this site is because this ties us into the entire
8 SMUD grid and provides local voltage support for
9 SMUD. In addition, the PG&E lines coming out of
10 the switchyard here, they come along here and run
11 along the front of the plant. Those tie SMUD into
12 the overall northern California power grid.

13 Some of the features. This plant will
14 be -- this power plant, each power block will be
15 powered by two combustion turbines and one steam
16 turbine.

17 The combustion turbines here are going
18 to be GE Frame 7 turbines. And Mitsubishi will be
19 supplying the steam turbine generator that's shown
20 in the middle here.

21 These are water tanks, okay, that hold
22 the raw water in case we have any pumping problems
23 from the Folsom South Canal water, we'll have a
24 little bit of backup here with these raw water
25 tanks.

1 The first phase will be this one here;
2 it will be the phase to the north. So the
3 construction will be the -- the first construction
4 will be on the north side of the plant parcel; and
5 then the second phase will be the second parcel
6 right here.

7 Along the front we'll have some screens,
8 some vegetation and trees to shield the plant from
9 the road. Along the side here and to the east are
10 the cooling towers. In contrast to the parabolic
11 cooling towers of Rancho Seco, we're going to have
12 forced mechanical draft cooling towers. Each one
13 of these has nine cells. One is a spare. So,
14 actually the plant can run with eight cells
15 operating. And at anytime we can provide
16 maintenance on the ninth cell, so we can have
17 continuous operation of the plant. And there's
18 one set of cooling towers for each portion of the
19 plant.

20 This over here to the west is the
21 switchyard. So basically we'll have two
22 switchyards. The Rancho Seco Plant switchyard
23 that we're tying into, but we also need to have a
24 switchyard right next to where the power is being
25 generated. And that's very important to us. We

1 need to be able to operate the plant having this
2 switchyard here very close by.

3 Between these two switchyards, of
4 course, we're going to have a set of probably
5 three steel poles that are going to support the
6 transmission lines between the two switchyards.

7 Right here is Clay Creek, and Clay Creek
8 is the outfall from the Rancho Seco Reservoir.
9 And Clay Creek is an ephemeral stream, which means
10 that the only time that it holds water, that water
11 runs off is typically during the wet season.
12 During the dry season probably about six or seven
13 months out of the year there's no water in this
14 creek.

15 But you'll notice right at this point
16 this is the Rancho Seco outfall, and water has
17 been circulated in the past, and continues to be
18 circulated through the Rancho Seco Plant, and the
19 discharge goes, after its treated, the water is
20 treated, it goes into Clay Creek right here.

21 Hopefully this will give you a little
22 bit of overall perspective for the Rancho Seco
23 Plant property. This red outline is the SMUD
24 property boundary. And this encompasses 2480
25 acres.

1 And a couple of the features for this,
2 here's the PV generation. Here's the proposed
3 site boundary right here in this dotted blue line.
4 This is Clay East Road that we were on, on the
5 tour. Twin Cities Road runs up along here. And,
6 of course, the cooling towers are right here.

7 This is the reservoir, and the reservoir
8 is about 164 acres in area. And it contains about
9 2800 acrefeet.

10 In addition, SMUD is very active with
11 the Nature Conservancy and they call it the
12 Performing Animal Welfare Society. And what we've
13 done is we've set up a wildlife refuge just here
14 at the base of the reservoir. In addition, we
15 have a conservation easement area in this area
16 which is an area for vernal pools, and it's
17 basically set aside to insure that those vernal
18 pools are kept for generations to come.

19 In addition in this area we have some
20 sensitive habitat. This area contains vernal
21 pools, as well. And we were looking at siting the
22 plant and locating the plant, we wanted to stay
23 away from this area, as well. So, if you ask why
24 we put the plant here, that's one of the reasons.
25 We wanted to stay out of this area.

1 In addition, this area property right
2 here, SMUD has been leasing this to somebody for
3 many many years. And we needed to be away from
4 this area. We didn't want to get too close to the
5 Rancho Seco Plant, itself, or Rancho Seco Park,
6 itself. And we wanted to allow room for expansion
7 of the photovoltaic generation area, as well.

8 So, we wanted to stay out of this area.
9 So it made sense for us to put the plant right
10 here, very close to the switchyard and the plant.
11 And, of course, this has good access for
12 construction and eventual operation of the plant.

13 Very briefly I'm going to talk about the
14 way a combined cycle plant operates. And what
15 happens is we have -- this shows a configuration
16 of combustion turbine generator here and here, and
17 along here this is our steam turbine. And this is
18 the cooling tower that's used to cool the water
19 that goes through the steam turbine.

20 Anyway, basically what we have is we
21 have natural gas fuel coming into the turbine
22 here. We bring air in. We have an inlet fogger
23 to cool the air down a little bit, to make it more
24 efficient. And it comes through, it gets
25 compressed, and the natural gas is combusted.

1 The combustion exhaust runs through what
2 we call the heat recovery steam generator, or the
3 HRSG. And what this does, it allows us to operate
4 the plant efficiently. A combustion turbine
5 generator alone is called a simple cycle. But
6 when you have this HRSG or the heat recovery steam
7 generator, coupled with a steam turbine down here,
8 it's called a combined cycle system.

9 And this increases the plant efficiency
10 considerably. Typically a simple cycle turbine
11 can operate, the efficiency is like 30 to 35
12 percent. But with this we boost it up to between
13 a little over 50 percent.

14 And, of course, this spins the turbine,
15 generates the power, and our volts go to the
16 switchyard, and it goes to our homes and the
17 industry.

18 Again, why did we choose the site and
19 the plant? One, it maximizes the investment of
20 existing equipment. We didn't want to just leave
21 the transmission lines laying there. We have
22 water contracts with U.S. Bureau of Reclamation.
23 The Folsom South Canal is there, and it certainly
24 made good sense for us to site a power plant next
25 to an existing, even though it's being

1 decommissioned, the site of another power plant.

2 It's on SMUD property so we don't owe
3 any money to anybody. It's already near the
4 existing transmission. The Folsom South Canal.
5 And the cooling water that's discharged gets
6 discharged into Clay Creek, and it's convenient
7 because water is already being discharged into
8 Clay Creek. So what we can do is we can benefit
9 downstream users. This water is very clean water.
10 It's basically drinkable when it gets discharged
11 under NPDES permit. It has some beneficial down
12 uses for the riparian habitat. Agricultural users
13 draw from this water. So it's very beneficial to
14 the community.

15 In addition, the location of the plant,
16 it's located out of the flood plane.

17 As you can tell from the earlier slide
18 that I had, the site avoids impacting Rancho Seco
19 Park facilities, both traffic and transportation
20 and visual.

21 Most large equipment we can bring on by
22 rail spur to the existing Rancho Seco Plant.
23 There's a 185-ton crane there that we could use to
24 take equipment off the railroad cars, put them on
25 lo-boy trailers, and then bring them into the

1 plant, into the Cosumnes Plant. So it's very
2 convenient for transportation and keeping the
3 large equipment off the public roadways.

4 And in addition, Clay East Road was the
5 original construction access road for the Rancho
6 Seco Plant. We thought we'd reuse it. We know it
7 can handle the equipment. And we felt it was a
8 good road to use.

9 And as I pointed out, the proposed
10 location allows room for the expansion of the
11 photovoltaic facility, as well. And stays away
12 from the wildlife refuge.

13 This slide tabulates, basically, the
14 amount of water that would be used for the plant.
15 This is -- we take raw water from Folsom South
16 Canal and this is per phase, so this would be half
17 the water use at full buildout. And the water is
18 basically 3975 acrefeet per year would be used per
19 phase.

20 Now, we don't use all of it because some
21 of it gets discharged back and passed through into
22 the waterways under NPDES permit. So basically
23 the portion that is evaporated and what we call a
24 term of drift, basically that's water that's lost
25 along with the evaporation. And it's kept to

1 .0005 percent of the overall water that's cycled
2 through the cooling towers. We use about 2600
3 acrefeet per year.

4 Sometimes it's kind of hard to gauge
5 exactly what an acrefoot is, so I'm going to give
6 you a cartoon drawing here. And what this shows
7 is the flow in acrefeet of familiar water bodies
8 in the Sacramento area.

9 And the number here is 17 million
10 acrefeet per year on an average annual basis since
11 1959 goes the Sacramento River, so you can see
12 that's substantial.

13 The American River runoff is about
14 2,777,000 acrefeet per year. And that actually is
15 the runoff. And Folsom Lake capacity is 970,000
16 acrefeet. So all the water that's runoff from the
17 American River is contained in Folsom Lake before
18 it gets runoff.

19 Rancho Seco, when this plant was
20 operating at well over 900 megawatts, which is a
21 little bit less than what the Cosumnes Plant power
22 output is going to be, they used about 28,000
23 acrefeet per year. Okay. Right now, Rancho Seco
24 is currently cycling for NRC requirements at about
25 14,000 acrefeet per year. And that fluctuates up

1 and down depending on requirements.

2 In contrast, this 8000 acrefeet per year
3 is the Cosumnes Power Plant. And this is at full
4 buildout at 1000 megawatts. And this would be on
5 an annual average basis. And remember that some
6 of that actually gets returned back into Clay
7 Creek into the waterways after treatment.

8 And really to give you an idea, these
9 are weeds; because at the scale that's shown here
10 the plant usage doesn't even show up. It's right
11 on the line here, it doesn't even show up with
12 this scale. So that's why we showed a few weeds
13 there.

14 And I have a table just so you know
15 where my source of information is on this. This
16 is from the USGS gauge stations at Nimbus Dam,
17 that's where I got the information.

18 One of the other areas of interest that
19 everybody's going to ask and I want to point out
20 is noise. How will this affect people nearby.
21 And what we've done in preparation of the AFC is
22 we've developed these noise contours. A model was
23 done based on a conservative estimate of what the
24 noise levels will be.

25 And based on that and the geographical

1 features in the nearby area, we were able to come
2 up with these noise contours. And right at here
3 is the residence one. This is where the first
4 residence is, and that would be about 55 decibels
5 on average for the noise that somebody would see
6 or hear on the outside of that residence.

7 When you get about a mile out, this is
8 at a mile out, this is Kirkwood Street right here.
9 And this is Clay East Road, of course. Right
10 there the average is about 42 decibels.

11 To give you an idea of comparison to the
12 background noise level right now, we did some
13 studies and the noise level, I believe, was
14 anywhere between 39 to 41 decibels. So, right out
15 here about a mile out there's only about a one
16 decibel increase. And that's the second closest
17 public receptor.

18 So I believe that you would find that
19 the noise would be barely perceptible at this R2
20 location.

21 Another topic that comes up that we want
22 to address are emissions. And to give everybody a
23 perspective of the emissions that are generated by
24 power plants in Sacramento County, we developed
25 this slide. And what this is, is all electric

1 utilities currently within Sacramento County,
2 there's a generation of about 500 megawatts. And
3 those are the cogeneration plants that SMUD
4 operates.

5 And to give you an idea, this is
6 emissions in tons per day, is the scale here. And
7 the reason that we showed this upside down is
8 because we don't even show up on the line here.
9 Basically we're right on the line here basically
10 in comparison to the scale that's shown.

11 All industrial processes in the
12 Sacramento County area don't even show up on this
13 scale in terms of tons per day. But once we get
14 it to stationary sources, we get up into -- and
15 this would be sewage treatment, landfills,
16 commercial laundries, those are what I mean by
17 stationary sources, we're upwards, we're
18 approaching about 100 tons per day in emissions.

19 For areawide sources, and that would
20 include farming, asphalt paving, forest fires,
21 things like that, the California Air Resources
22 Board has felt that it contributes a little over
23 100 tons per day to the air quality in Sacramento
24 County.

25 And the largest you'll see here are

1 mobile sources, cars, trucks, trains, airplanes,
2 anything that moves, basically, generates upwards
3 of 700 tons per day in emissions. So Sacramento
4 County, we're a little bit over 700 tons per day
5 in emissions.

6 So I just want to be able to put this in
7 perspective, so when people say, think well,
8 there's a power plant coming into our area, they
9 can feel a little bit more comfortable, I would
10 hope, in terms of emissions.

11 This chart actually is -- I developed
12 the other slide based on this chart. And the
13 numbers here show ROG is reactive organic gas; CO
14 is carbon monoxide; NOx is nitrogen oxides; SOx is
15 sulfur oxides; PM10 is particulate matter that's
16 10 microns or less.

17 And currently all electric utilities, of
18 course this is 500 megawatts or thereabout, emits
19 very little on average, again, this scale here is
20 average tons per day, emits very little in
21 contrast to other sources. And as we can show
22 here, the very last line is percent of power
23 generation emissions compared to the grand total
24 for all of Sacramento County. And basically we
25 are almost imperceptible in terms of generation,

1 or in terms of emissions.

2 So our emissions are very low for
3 existing plants, and it only gets better as you go
4 along, because we're required to use what's called
5 as best available control technology to reduce
6 emissions.

7 Okay. Jumping into another subject here
8 is the pipeline. And this is a part of our
9 application for certification. It's a linear
10 feature that supports the power project, the power
11 plant. Right now our pipeline terminates
12 basically here at what's one of our cogeneration
13 plants. It's the Carson Heights Gen Facility.
14 And it's located right here at the sewage
15 treatment plant for Sacramento County.

16 We're going to extend, we propose to
17 extend the 26-mile pipeline, down here along the,
18 using the railroad rights-of-ways. This is
19 Eschinger Road. There are transmission lines
20 actually from Rancho Seco within or near the
21 transmission line easement.

22 So one of the things that we propose to
23 do, and that we're required to do by -- or we want
24 to work along with the Sacramento County
25 ordinances. And their ordinances state that they

1 would prefer that any new transmission lines are
2 within existing easements and rights-of-way. So
3 we tried to accommodate that.

4 Again, we come along Eschinger Road,
5 along the transmission lines here. We jump down
6 across the preserve, actually under the preserve.
7 This is all buried pipeline. And what we do is we
8 use the process called HDD or horizontal
9 directional drilling to drill well below the
10 Cosumnes River.

11 To come out on the other side we cross
12 Highway 99 here, cross underneath Highway 99. And
13 then we're along a short section of Arno Road
14 here. And Arno Road kind of goes along here, up
15 and then over, and then along Valensin Road, and
16 then down a little ways, and I believe this is
17 Laguna. And so we meet up again with Twin Cities
18 Road right here. And then over until we get to
19 the project site.

20 So that's the path of the pipeline
21 route. And for anybody that's interested, of
22 course this is -- we have more detailed maps in
23 the AFC, itself. There's six pages. And also the
24 maps show up on SMUD's website, as well.

25 Let's talk about pipeline safety. Our

1 pipeline will follow all federal DOT and
2 industrial standards. But in addition to
3 following those standards, we felt, because we
4 were crossing ag land, we wanted to be beyond
5 those standards and bury the pipe with a depth of
6 cover of at least five feet.

7 The federal standards and guidelines
8 have a depth of cover of at least three feet
9 minimum. So we're going beyond those standards
10 and burying it five feet in most places. In other
11 areas where we would expect additional work such
12 as deep plowing, something like that, we'll
13 probably it even deeper, seven or eight feet.

14 As far as safety is concerned, we want
15 to be able to detect if any activity, any digging
16 or anything is going to be taking place along the
17 pipeline. So, we are going to put a trip wire
18 right above the pipe, probably two, three feet
19 above the pipe. And what this trip wire would do
20 is it would sense any activity that's taking place
21 along the pipeline.

22 And that would signal to the gas
23 pipeline operations. And if there is any problem
24 they would be able to send somebody out to that
25 area, they'd be able to locate it, where that was

1 done.

2 If there was any problem they'd be able
3 to close on either side of that disruption, they'd
4 be able to close the valves on either side of
5 that. And basically what you do is there'd be --
6 that's a good safety feature to have to be able to
7 isolate that section of pipe.

8 And the pipeline, itself, I mentioned,
9 is going to be in existing rights-of-way where
10 possible. And we avoid most populated areas of
11 traffic -- with the route that we selected, or
12 that we're proposing.

13 Construction of the pipeline, itself,
14 we've allowed a 15-month window for the
15 construction. This pipeline can actually be
16 constructed in about six months, but we realize
17 that there's some sensitive habitat in the region.
18 We're aware that there are going to be weather
19 delays, so what we've done is we have basically a
20 15-month window for construction between May of
21 '03 and July of '04 is when we're going to have
22 gas to the plant.

23 I mentioned earlier about horizontal
24 directional drilling, jack and bore. We don't
25 intend to be in the roadways at this point. What

1 we're trying to do is to avoid them. And by doing
2 that we'd be able to do jack and bore underneath
3 the roadways and we'd be able to HDD underneath
4 sensitive areas and habitat. The remainder of the
5 pipeline, though, would be trenched; it would be
6 basically open trenched.

7 This is my concluding slide. And I'll
8 briefly explain about the community outreach
9 involvement that we've had. SMUD also being
10 public, we want to be very upfront, we wanted to
11 be very upfront with this. So, what we did is we
12 held an open house on September 20th, and we
13 notified everybody who would otherwise have been
14 notified by the California Energy Commission.

15 We notified 1300 residents along the
16 pipeline route and in the area around the existing
17 Rancho Seco Plant. We've also had public meetings
18 with the County at their Franklin/Laguna CPAC
19 meeting, and the Southeast Area CPAC meeting.

20 We also were represented at a Board of
21 Supervisors public meeting in which the County,
22 itself, took information from the FLAC PAC and the
23 CPACs, and they took that information developer
24 report and reported to the Board of Supervisors
25 that this project was in compliance with all the

1 ordinances. The only area that we didn't comply
2 with was their noise ordinance. And we're
3 addressing that as we get into the plant design.

4 And also we've met with representatives
5 from the various school districts in the area,
6 taking a look at their future plans; where their
7 schools are going to be located in the future;
8 where they are existing. And we want to make sure
9 that we work closely with the school districts in
10 terms of their bus traffic and transportation and
11 any activities that they have.

12 That's my presentation.

13 HEARING OFFICER SHEAN: We had
14 indication of a couple of questions from the
15 audience, and I think what we'll do is take those
16 at this point. If you can't be heard in asking
17 your question by the reporter, I'll merely restate
18 the question.

19 So, at this point, --

20 AUDIENCE SPEAKER: One of the questions
21 I had was on the noise; we're on the next street
22 over on Giusti Road. I'm a little bit concerned
23 about the noise in that area.

24 We have quite a bit of background noise
25 there at different times of the year, but it's

1 nice and peaceful out there and -- most neighbors
2 like it that way.

3 The second comment is the gas line
4 that's going through. When this goes through
5 private property, how is that handled? Does SMUD
6 have to buy the property that that pipeline goes
7 through on rights-of-way? Because I noticed one
8 of these roads that pipeline goes through one of
9 my friend's -- a good friend of mine's property.

10 MR. HUDSON: First I'll address your
11 noise question. Right now the background noise
12 levels are just at about 39 to 41 decibels. And
13 what this is is it shows that along Giusti right
14 here that the expected decibel level would be
15 about 40.

16 And that's nighttime ambient. That's
17 not daytime. Daytime noise levels, ambient noise
18 levels are even higher. So I would expect at your
19 residence here along Giusti that you wouldn't be
20 able to hear the plant. Okay?

21 Addressing the pipeline issue, what I'd
22 like --

23 PRESIDING MEMBER PERNELL: Excuse me,
24 what about the noise level on R1. Closer to the
25 plant.

1 MR. HUDSON: The noise level here at R1
2 is actually a little bit higher than we'd like it
3 to be. So, what we're doing right now is we're
4 working with our detail design engineers to try to
5 reduce the noise levels through some mitigation
6 measures.

7 I'm not sure if we're going to be able
8 to reduce it a whole lot, but we're actually
9 looking at it, and we'll be able to address that
10 later on in the workshops and as we continue to do
11 the detailed design of the plant.

12 PRESIDING MEMBER PERNELL: Right, and
13 what is a little bit higher than you'd like it to
14 be?

15 MR. HUDSON: Well, that's a good
16 question. We would like to be within County
17 ordinance. And we certainly would like to do
18 that.

19 MR. COHN: Well, the only thing,
20 Commissioner, I might add is there may also be
21 mitigation we could do in terms of either
22 soundproofing that house, or relocating a trailer
23 that's there, to another location.

24 PRESIDING MEMBER PERNELL: So is it your
25 intent to get those levels down within County

1 ordinance, or mitigate that issue?

2 MR. HUDSON: Yes, that is our intent to
3 try to reduce it below -- to County ordinance
4 levels, or mitigate it by some other measures.

5 And followup to your pipeline question,
6 Joe, I'd like to turn that over to Joe Pennington,
7 who is our gas pipeline operation superintendent,
8 and perhaps he can address that.

9 MR. PENNINGTON: Normally what we do is
10 we look at the property -- use and make sure it's
11 compatible. If that's determined to be okay we
12 then --

13 (Parties speaking simultaneously.)

14 PRESIDING MEMBER PERNELL: Perhaps we
15 should set up a mike for --

16 MR. PENNINGTON: Normally what we do is
17 in this process we're going across and determine
18 common use or what's appropriate for the actual
19 pipeline and the land use.

20 Once that's determined that that
21 property's going to be utilized, we then do an
22 appraisal upon it and come up with what we think
23 is a proper price for an easement that we may
24 obtain from the property owner. We then offer
25 that price to the property owner to purchase the

1 easement.

2 AUDIENCE SPEAKER: So, an existing pond
3 that is within that right-of-way would have to be
4 moved?

5 MR. PENNINGTON: No. If it -- again,
6 common use. Ponds could be utilized, but what
7 we'd probably do in that situation is bore under
8 it.

9 AUDIENCE SPEAKER: The reason I ask is
10 because this particular property has a ten-acre
11 pond --

12 MR. PENNINGTON: I noticed it. No.
13 That would not be our intent to utilize that area.

14 AUDIENCE SPEAKER: So probably the other
15 side of the street --

16 MR. PENNINGTON: Yes, that's correct.

17 HEARING OFFICER SHEAN: That correct
18 being utilize the other side of the street is what
19 you said?

20 MR. PENNINGTON: Yes, right. No, we
21 have no intentions of going beneath the pond.

22 HEARING OFFICER SHEAN: In the back.

23 AUDIENCE SPEAKER: I noticed there were
24 a few -- to address the issue of -- there are no
25 numbers. Where are the numbers?

1 MR. HUDSON: The numbers, the emissions.
2 Okay, the emissions numbers that we have are very
3 similar to those charts. I don't have a slide
4 prepared that has the exact emissions figures or
5 emissions numbers.

6 If you'll hold on a minute I can try to
7 retrieve those.

8 HEARING OFFICER SHEAN: Why don't we do
9 this, rather than that approach, we'll get back to
10 your answer. He can research this while the staff
11 is doing its presentation. And then we'll come
12 back to the issue in question.

13 MR. HUDSON: Okay, very good.

14 HEARING OFFICER SHEAN: Yes, sir, here
15 in the front.

16 AUDIENCE SPEAKER: What are the County's
17 standards for noise? I don't know what it is
18 compared to the 60 or 42 or 45, what are we
19 talking about County standards for noise?

20 (Parties speaking simultaneously.)

21 MR. HUDSON: Yeah, we'll get back to you
22 on that one, as well. But I believe the
23 background, the County ordinance is 45 decibels.
24 Right, for nighttime noise level.

25 HEARING OFFICER SHEAN: All right, we

1 had another question over here. Yes, ma'am.

2 AUDIENCE SPEAKER: Yes, I'm kind of
3 concerned about the access road that you -- when
4 Rancho Seco was being constructed they -- no
5 homeowners or homes built in that area. Now they
6 have quite a few homes in that area that are --
7 Road. Why, and in fact, when you get down to the
8 Y at the end of Twin Cities, to make that turn,
9 it's very dangerous within the fog time. And also
10 just approaching it.

11 With all that construction that you have
12 going on there, why don't they take the entrance
13 to this construction all the way to Twin Cities
14 where it's nice and open and in front of Rancho
15 Seco, since you're utilizing their property
16 anyway, and run it through that way. You get
17 through that way and it's going to just be a
18 nightmare for a lot of people that are trying to
19 get out of there in the morning. And also for
20 school buses, and with the weather taken into
21 consideration, it's not feasible.

22 MR. HUDSON: We've taken a look at
23 traffic and transportation issues along that
24 roadway, as well. And one of the reasons that we
25 prefer not to come along Twin Cities Road in front

1 of the plant up here is because of the
2 decommissioning activities in here.

3 And we basically -- we didn't feel that
4 it would be suitable for us to come in through the
5 plant because of the decommissioning and the NRC
6 involvement.

7 Along Clay East Road here we do
8 recognize, and as a matter of fact as a result of
9 the public meeting we held on September 20th, we
10 do recognize that the buses go along that roadway.
11 And it was brought to our attention.

12 And our traffic engineers have been
13 studying that. We don't have an answer or a
14 solution at this time. But we are looking at
15 that. We have your concerns in mind as we're
16 doing this, and we really do take it to heart
17 because we can't compromise the safety of the
18 public, and we can't compromise the safety of our
19 children along the roadway.

20 So, I don't have an answer or a solution
21 at this time, but we are looking at it.

22 AUDIENCE SPEAKER: Well, wouldn't it be
23 even more feasible to take another road in through
24 the property at Rancho Seco, other than put all
25 the other traffic that has to go around that Y

1 turn in jeopardy there?

2 I mean when they -- to Rancho Seco they
3 have their driveway going in from the farthest
4 point, also. And then they turned around and made
5 an access onto the other side. They also had a
6 batch plant there, and there was no other homes
7 there. It was just the cows and batch plant,
8 pretty much.

9 Now you're taking in a lot of other
10 people and that Twin Cities is much much more --
11 than it was 20 years ago, too, when they were
12 constructing that. There was nothing really
13 between Ione and Galt at that time, and so you did
14 have the -- now you -- on those corners it is very
15 dangerous out there. You've got -- construction
16 trucks going around those corners. It's just
17 not --

18 MR. COHN: If I may add, what Kevin was
19 saying earlier, the problem going Twin Cities Road
20 and then through Rancho Seco, the fenced site, the
21 security there is very tight -- if I may finish --
22 for purposes of the nuclear safety to prevent any
23 kind of activity that would jeopardize the plant.

24 So we really don't want to take
25 construction traffic for the power plant through

1 the nuclear site. That would be a major problem.

2 You also asked would it be possible,
3 though, to build a new road around the fenced
4 site. And, yes, it's possible to do that. The
5 problem is now you are tearing up a whole other
6 area, and it has biological issues and so on.

7 So we think probably the better solution
8 is to come the road that was originally designed
9 for construction and that was used for
10 construction of the Rancho Seco plant, but, you
11 know, mitigate the concerns that you're talking
12 about. And we'll continue to work with you, make
13 sure we do that.

14 AUDIENCE SPEAKER: Well, you're going to
15 be tying into a lot of the Rancho Seco existing
16 portions of that plant anyway.

17 MR. COHN: But not through the fenced
18 area, though; not through the area that's actually
19 regulated by the Nuclear Regulatory Commission.

20 HEARING OFFICER SHEAN: Let me just
21 indicate we're not going to be able to settle this
22 here this evening, but I know the staff is here.
23 I've seen them take notes. They understand that
24 for people who are here locally who either have
25 children that may be using school buses or

1 otherwise driving the roads, or commuters both in
2 and out of this area, that there's an issue that
3 you have in mind.

4 And so now that their interest is piqued
5 and they understand something of the nature of it,
6 I'm sure that with your future involvement, either
7 in the workshops or contact with the staff, you
8 can explain to them in some detail what your
9 specific concerns are. And they will attempt to
10 address them.

11 Yes, sir.

12 MR. HUDSON: I was just informed the
13 County noise ordinance is 45 nighttime, and 50
14 decibels during the daytime.

15 So at R2 here basically right at this
16 point for the daytime noise level we're within the
17 County ordinance. The nighttime level would be
18 within the County ordinance here, which is a few
19 hundred feet to the east of Kirkwood.

20 Yes.

21 MR. ERICKSON: Yes, you said you're
22 going to be draining that off from Clay Creek.
23 Does that mean that will be a year-round flow out
24 of there, then? That creek does run by my house.
25 And I don't know if I want water there during the

1 summer for all the mosquitoes and everything.

2 MR. HUDSON: Okay, --

3 MR. ERICKSON: It usually dries up
4 during the summer.

5 MR. HUDSON: Okay. Clay Creek, what we
6 would be doing is we'd be discharging basically
7 into Clay Creek close to the outfall of the
8 current Rancho Seco discharge.

9 So there is continual water running
10 through Clay Creek now, and has been since Rancho
11 Seco plant has been operating that continually
12 runs through Clay Creek. And we would be just
13 probably a couple hundred feet upstream of the
14 current outfall.

15 So, we wouldn't be -- I wouldn't expect
16 that we'd be contributing too much more, or any
17 less to the discharge now. So, I don't think
18 you'd see any difference.

19 MR. ERICKSON: I -- the pipeline --
20 Road, you said it's going to go along the
21 railroad. What about when you get over by --,
22 Twin Cities, where's the pipeline going to run
23 there?

24 MR. HUDSON: Okay, on Twin Cities Road
25 it's going to -- we expect that it's going to be

1 between Twin Cities Road and the railroad tracks,
2 the UPR Railroad tracks.

3 So it would be running along that --

4 MR. ERICKSON: -- property. What about
5 well -- seepage into our wells and stuff?

6 MR. HUDSON: I'm sorry, I didn't hear?
7 Seepage?

8 MR. ERICKSON: What if we get any leaks,
9 you know, is that going to contaminate our wells?
10 We're not public water out here. We all have
11 wells.

12 MR. HUDSON: No. I wouldn't expect
13 there'd be any contamination. Even if there was a
14 leak, which is highly unlikely because what we do
15 is we patrol and monitor the gas pipeline. And we
16 take specific measures and steps, including
17 cathodic protection, to make sure that there
18 aren't any leaks.

19 And basically what happens is the gas
20 leak would go -- any gas that was emitted would
21 obviously race to the surface. My understanding
22 is that the groundwater in this area is between
23 150 feet all the way down to about 300 feet.

24 So we don't expect that there would be a
25 possibility of any contamination of the

1 groundwater, even in the event of a leak.

2 MR. ERICKSON: Okay, so that one's going
3 to run along the railroad track up to Rancho,
4 across the road up there?

5 MR. HUDSON: Right. What it would do is
6 along Laguna Road, that's where the pipeline would
7 come in, buried pipeline. To Twin Cities Road.
8 From Twin Cities Road going up to Clay East Road,
9 and then Clay East Road running into the plant.

10 MR. ERICKSON: Okay, so it would cross
11 Twin Cities at say the corner of --

12 MR. HUDSON: Correct, yeah. And it
13 would be underground and what we would propose to
14 do is do a jack and bore so that we don't trench
15 through Twin Cities Road there.

16 Yes, sir?

17 PRESIDING MEMBER PERNELL: Before you
18 make your comment will you please state your name
19 so we can have it in the record. And, I know that
20 people have signed in, but we want to know who has
21 what issues.

22 MR. ERICKSON: My name is Bill Erickson.

23 PRESIDING MEMBER PERNELL: Okay.

24 MR. ROSKEY: My name is Mike Roskey, and
25 I noticed the stall about giving us the numbers.

1 I would also like to ask is there any kind of
2 scrubbing for the emissions planned, or, you know,
3 has there been any requirement from any agency for
4 scrubbing of emissions?

5 We live in a high smog area and I'd like
6 to know about that.

7 MR. HUDSON: I can address the scrubbing
8 issue right now. In the heat recovery steam
9 generator, right here as the exhaust gases exit
10 the combustion turbine, we do have what's called
11 SCR, selective catalytic reduction. And that
12 actually scrubs any exhaust that comes out of the
13 turbine.

14 What's done is there's an ammonia/gas
15 grid, and the ammonia grid combines with any
16 nitrogen oxides and goes through the selective
17 catalytic reduction to reduce the emissions before
18 it goes outside of the stacks. So, yes, there is
19 the intent to do that.

20 In addition, we follow all rules and
21 regulations set up by the Environmental Protection
22 Agency. And if we don't follow the rules and
23 regulations we don't get a license. And I can
24 tell you and assure you that their rules are very
25 very stringent.

1 MR. ROSKEY: -- the NOx, what about the
2 others?

3 MR. HUDSON: The others, basically there
4 are emissions in a power plant. We reduce those
5 to the extent that we can, while still -- we still
6 need to meet the EPA requirements.

7 Some other emissions that you might see
8 are PM10 and carbon monoxide. And what we've done
9 is we've allowed room for a carbon monoxide
10 catalyst. So if the EPA says that we need to
11 reduce the amount of carbon monoxide, then we do
12 have a section of the HRSG that's designated for
13 the catalyst to reduce that.

14 PM10, as well. Basically there's a
15 ceramic that the emissions go through. And that
16 actually knocks out a little bit of the PM10, as
17 well.

18 MR. ROSKEY: And sulfur oxides?

19 MR. HUDSON: Sulfur oxides. Because
20 this is natural gas and the natural gas has very
21 low sulfur content, it's almost minimal, any SOx
22 that's emitted. Sulfur oxides, you typically get
23 in coal power plants, but you don't get them in
24 natural gas power plants.

25 PRESIDING MEMBER PERNELL: Okay, I have

1 a couple of questions. Some of them have been
2 answered. The hazardous material on the site.

3 MR. HUDSON: There will be some
4 hazardous materials on the site, on the property.
5 What I'd like to do is I'd like to introduce Bob
6 Nelson. Bob Nelson is the Superintendent of
7 Thermal Generation for SMUD's cogen plants. He's
8 very familiar with materials that are on sites of
9 power plants. And I think he'd be able to address
10 your question.

11 MR. NELSON: Just in general terms,
12 hazardous materials on the site would be governed
13 by hazardous material business plan, and that
14 would be administered, of course, by Sacramento
15 County.

16 As is the case with our other plants,
17 the hazardous materials on this site would
18 primarily amount to water treatment chemicals
19 would be a primary constituent and aqueous
20 ammonia.

21 We would not employ at this site any
22 acid or caustic, which is sometimes utilized with
23 water treatment systems. And, again, the
24 hazardous components, as listed and as regulated
25 by the hazardous material business plan would

1 amount of aqua ammonia.

2 In relative terms, anhydrous ammonia,
3 which is essentially pure water-free ammonia, is
4 typically used in agricultural applications. And
5 we chose to use aqua ammonia in this case, which
6 is a less reactive substance, and much easier to
7 handle.

8 The organic -- or the water treatment
9 chemicals are typically organic based polymers
10 that are used for treatment of the ultra pure
11 water.

12 PRESIDING MEMBER PERNELL: And how would
13 that be stored?

14 MR. NELSON: They'd be stored in either
15 tankage with a containment vessel, or in double
16 contained tanks. The requirements for storage of
17 all these materials would involve full drainage
18 into a containment that would hold the tank, any
19 potentially accumulative rainwater, or chemicals
20 that might be say spilled during the delivery
21 would also be delivered over a containment, as
22 well.

23 PRESIDING MEMBER PERNELL: Okay. And
24 you said either/or. Do we know that whether it's
25 a double wall or what is it in the AFC? Anyone

1 know?

2 MR. NELSON: They're aboveground tanks
3 with containment.

4 PRESIDING MEMBER PERNELL: With
5 containment, okay.

6 MR. NELSON: With containment.

7 PRESIDING MEMBER PERNELL: And do you
8 have a evacuation plan?

9 MR. NELSON: Part of the emergency
10 response plan that the site would be mandated to
11 have a place, and that it would include an
12 evacuation plan. That plan would list several
13 points of evacuation, primarily governed by wind
14 direction at the site.

15 PRESIDING MEMBER PERNELL: Okay.
16 Another question is what type of security
17 perimeter will you have around the plant? And
18 this might be for someone else.

19 MR. NELSON: Kevin's more familiar with
20 that, so I'll --

21 MR. HUDSON: Right now the perimeter
22 will have at least an eight-foot fence topped with
23 probably razor wire, barbed wire. And that would
24 be all around the perimeter of the plant.

25 PRESIDING MEMBER PERNELL: And on the

1 drawing it showed the plant pretty close to the
2 road. And on the tour you said it's about 25 feet
3 setback.

4 MR. HUDSON: Right. There's about a 25
5 setback from the roadways to the fence. And
6 that's in accordance with the County regulations,
7 the County ordinances.

8 And the County had reviewed the AFC and
9 they found that we were in compliance with that
10 particular ordinance.

11 PRESIDING MEMBER PERNELL: And in
12 relationship to the employees, both constructing
13 the facility and operating the facility, SMUD
14 being a good neighbor, I would assume that you're
15 going to attempt to get some of those employees
16 from this local area? Or do you -- I don't know
17 that I'm putting you on the spot here, but --

18 MR. HUDSON: No, not at all. In
19 accordance with the work that we had done in
20 preparation for the AFC we would expect that the
21 construction crews would come from the local area.
22 We wouldn't expect that they'd all be from within
23 Sacramento County, but they could also be from the
24 San Joaquin County, as well.

25 And as far as the operation of the plant

1 I don't believe that issue has been determined
2 yet, how the plant will be operated and who will
3 be hired for the operation of the plant.

4 PRESIDING MEMBER PERNELL: Okay, and
5 last question I have is you talked about the
6 approximately 30 acres. Did that include the
7 laydown areas?

8 MR. HUDSON: No. The 30 acres does not
9 include the laydown area. It just includes the
10 final plant site. The laydown areas we would
11 expect to be approximately up to about 20 acres.
12 So we figured we would probably disturb about 55
13 acres total of the land in that area.

14 PRESIDING MEMBER PERNELL: And on both
15 the laydown area and the footprint, are there any
16 endangered critters?

17 MR. HUDSON: What I'd like to do is
18 introduce EJ Koford. He is a biologist for CH1M
19 HILL, who is SMUD's consultant on the topic.

20 MR. KOFORD: Hi, thanks, I'm always
21 happy to talk about endangered species. We knew
22 that the project would be somewhere in this
23 general region. So in preparation for the site
24 planning we did full endangered species surveys
25 for about 200 acres right around the site, and the

1 site, itself.

2 And then we did some similar studies for
3 the linear corridors that were coming in. And for
4 the laydown area, originally the laydown area that
5 was proposed was one where we kind of looked at
6 the habitat and said, you know, there's a
7 possibility there's some stuff here that we
8 wouldn't want to disturb.

9 So we ended up changing that laydown
10 area. We have two that we're working with. This
11 part of the plant would be constructed so it can
12 use that, and the second one is straight across
13 the street.

14 And we chose that because it's very
15 short drafts, no vernal pools, really no
16 opportunity for any sensitive species. There's no
17 riparian habitat, no ephemeral washes that would
18 lead us to have a bunch of endangered species in
19 there.

20 We actually selected that because it had
21 very low potential for any endangered species.

22 PRESIDING MEMBER PERNELL: Okay, thank
23 you. I don't have any further questions. We can
24 go do --

25 HEARING OFFICER SHEAN: Yes, ma'am, go

1 ahead. If you want to you can identify yourself.

2 MS. BOUCHET: I'm sorry, my name is
3 Kathy Bouchet. I am R2, by the way, out there on
4 the corner. And is the perimeter -- around this
5 30 acre parcel going to be constructed before the
6 construction is completed or after the plant is
7 completed?

8 MR. HUDSON: I don't know if we've
9 actually looked at that. It would definitely be
10 in place after the plant was completed. And
11 probably sometime during the period of
12 construction.

13 So when they actually -- I'm sure there
14 would be security fencing, but when the final
15 fence goes up, I don't have that answer for you.

16 MS. BOUCHET: Is there any vibration
17 that would go along with the noise factor here --

18 MR. HUDSON: No. We wouldn't expect
19 there to be any vibration. The foundations are
20 very large and massive and solid. And during the
21 operation -- now, are you talking during
22 construction or operation?

23 MS. BOUCHET: Well, actually I'm
24 thinking more of the pipeline, itself. You know,
25 it's going to go right down that road.

1 MR. HUDSON: Right, the --

2 MS. BOUCHET: That soil has been brought
3 in there and compacted. It's not the original
4 soil, but -- kinds of compaction along that land,
5 and you know, with that you get vibration, you get
6 soil movement?

7 MR. HUDSON: No, we don't expect there'd
8 be any soil movement as a result of our
9 operations.

10 MR. COHN: One thing we could offer is
11 to take you to a tour of any of our other three
12 new gas plants that have been built in the last
13 six, seven years. And we also built a 50-mile gas
14 pipeline. We'd be happy to take you to visit
15 those, and you could see for yourself.

16 This plant's not exactly the same as
17 those, but it gives you some idea.

18 MS. BOUCHET: And maybe tour the land
19 around it --

20 MR. COHN: Right, right. Yeah, we
21 actually have residences much closer in those
22 other areas.

23 HEARING OFFICER SHEAN: Okay, in the
24 back.

25 MR. KRISMAN: I actually have two

1 questions, one's for either one --

2 PRESIDING MEMBER PERNELL: State your
3 name, please.

4 MR. ROSKEY: My name's Mike Roskey. Is
5 that, I don't know what you called it, where the
6 wires all connect section there.

7 MR. HUDSON: Oh, yeah, the switchyard
8 and the transmission lines?

9 MR. ROSKEY: Switchyard, is that
10 included in the 30 acres?

11 MR. HUDSON: No, no, it's not. Actually
12 the transmission -- oh, I'm sorry, the switchyard
13 here? Yes, this is included in the 30 acres. The
14 switchyard, itself, is. The transmission lines
15 from here to here, no, they're not.

16 MR. ROSKEY: Okay, --

17 MR. HUDSON: Yes, the switchyard is
18 included.

19 MR. ROSKEY: I had another question
20 about the hazardous materials containment vessel.
21 I assume that it's open air because you said
22 something about rain water, so I'm asking what is
23 the lining on the containment facility.

24 MR. NELSON: It would vary. For aqueous
25 ammonia, typically the containment is concrete.

1 And with some of the synthetic chemicals, the
2 organic polymer chemicals you're dealing with
3 containments that may be either stainless steel
4 that may be concrete with an epoxy liner. Or that
5 may be of a, you know, plastic substance that
6 could withstand it. That would be typical.

7 With regard to the rain water, just a
8 comment. The plant will have what's called an
9 SPCC, or a spill prevention control and counter-
10 measures plan. The SPCC involves, for open air
11 containments, involves daily walk and pump-downs
12 where the water is both visually and at times
13 chemically tested; and then pumped into the storm
14 water system.

15 So we don't allow an accumulation of
16 rain water that would result in displacement of
17 chemical in a spill. So that's the plan there.

18 For those containments that aren't open
19 air, they're still inspected.

20 MR. ROSKEY: Where does the storm water
21 go? Into the containment vessel?

22 MR. NELSON: The storm water, what I'm
23 saying, if you had an open air containment, the
24 rain water would accumulate and we would pump that
25 off. Storm water discharge is regulated under an

1 NPDES permit, as well.

2 HEARING OFFICER SHEAN: Okay, this
3 gentleman here.

4 MR. KRISMAN: Mike Krisman, for the
5 record. There is a close-by reference plant for
6 any of the public that would like to see it.
7 That's the White Slough Water Reclamation Plant
8 run by the City of Lodi, which also has a 50
9 megawatt cogeneration plant of very similar
10 design. It would only be one-tenth the size, but
11 it's the same style and type of plant as what SMUD
12 is proposing here.

13 There's vegetation growing all around
14 that plant. It's right on Highway 5. Most people
15 don't even know it's there. So it does give a
16 close-by reference if the public wants to look at
17 it.

18 HEARING OFFICER SHEAN: Okay.

19 PRESIDING MEMBER PERNELL: Okay, thank
20 you.

21 HEARING OFFICER SHEAN: All right, --
22 okay, one more.

23 MS. BOUCHET; Again, my name is Kathy
24 Bouchet. Are the existing roads -- are the roads
25 shown on your area there on the SMUD property, are

1 any of those existing that go between the old
2 nuclear plant and the proposed plant?

3 MR. HUDSON: There's a roadway which is
4 an existing construction access roadway here that
5 goes into the back gate of the nuclear plant.
6 That is existing. Yes, but it goes directly into
7 the industrial area. And we would like to stay
8 away from having any traffic go through the plant
9 while decommissioning.

10 MS. BOUCHET: Could you point out the
11 entrance from Twin Cities Road to the nuclear
12 plant, and then the -- yeah.

13 MR. HUDSON: Right. The entrance off of
14 Twin Cities Road, this is Twin Cities Roadway back
15 here. This is the entrance to both Rancho Seco
16 Park and the nuclear plant. Rancho Seco Park gets
17 a couple of thousand visitors on the weekend days.

18 And the roadway to the Rancho Seco Plant
19 comes along here, and the gate for the plant is
20 right about here. Rancho Park, the road to Rancho
21 Seco Park continues on this way. But other than
22 this access road that goes through the plant,
23 there's no existing surface roadway between Twin
24 Cities Road and Clay East Road or between Twin
25 Cities and the proposed plant.

1 HEARING OFFICER SHEAN: I'm pretty sure
2 we're going to direct the staff, if they don't
3 choose to do it, to look for an alternative that
4 would be along the lines I think you're
5 suggesting. So we will at least look at it, and
6 if it's feasible, consider it. If there's some
7 infeasibility, it will all be out there in the
8 public record.

9 All right, thank you.

10 Okay, at this point we'd like to go to
11 the Commission Staff, but we're going to ask the
12 Commission Staff to truncate your presentation and
13 pretty much get to your issue identification
14 report. Please don't do your whole dog-and-pony
15 show.

16 (Laughter.)

17 HEARING OFFICER SHEAN: No, I mean we've
18 been here for two hours, and we know the slides,
19 and they probably do, too.

20 MS. CHEW: Again, I'm Kristy Chew,
21 Project Manager for the power plant project for
22 the Energy Commission.

23 Tonight I'll be talking about staff's
24 role in the planning process. My presentation is
25 also -- there's copies of it on the table for you

1 to take. There's some phone numbers and
2 information in there that you might want for
3 future reference.

4 Generally the Energy Commission has the
5 authority to license power plants that are 50
6 megawatts in size or greater. Also related to
7 that, any facilities that are related, any linear
8 facilities, gas lines, water lines, transmission
9 lines, et cetera. We also have the permitting
10 authority over those facilities, as well.

11 We're the state agency for the
12 California Environmental Quality Act, otherwise
13 known as CEQA.

14 There is a three-step licensing process.
15 First the data adequacy which was mentioned
16 earlier, and SMUD has provided copies of their
17 application. It's a two-set volume, and there's
18 already one supplement to that.

19 So if anybody wants to look at it, it's
20 online on the internet. There's also hard copies
21 available if you would like a copy mailed to you.
22 Or you can come look at it at the public library
23 or at the Energy Commission, itself.

24 So we go through data adequacy. Once
25 their application is deemed complete, then we

1 start a discovery phase. Staff will begin
2 investigating all environmental impacts related to
3 the power plant. And we also evaluate engineering
4 processes of the plant to determine its
5 efficiency, reliability, et cetera.

6 We hold a series of workshops to gather
7 that information; it's a public forum. And we
8 also write and publish data requests. So, the
9 full public can see what kinds of questions we are
10 asking, and we also publish the results and
11 responses that we do get from the applicant. And
12 that is usually all posted on the website, and
13 hard copies are available by mail by request.

14 Then the third phase of the licensing
15 process is evidentiary hearing and decision. And
16 Mr. Shean has discussed that earlier today.

17 Staff's analysis of the project. We
18 cover a wide variety of things. We looked at how
19 the project complies with all laws, ordinances,
20 regulations and standards. We often call them
21 LORS. We also look at all the environmental
22 issues related to the project, and I have a slide
23 that follows that explains that. And also all the
24 engineering related processes, as well.

25 We produce a document with all of our

1 written analyses called a preliminary staff
2 assessment. And then there is a public workshop
3 held to get public input and agency comments on
4 that on our staff analysis. Those comments are
5 then analyzed and are responded to in another
6 document called the final staff assessment. And
7 again that's published for everyone to see.

8 And finally staff makes a recommendation
9 to the Committee on the case.

10 Environmental subject areas that we do
11 analyze in the preliminary staff assessment and
12 the final staff assessment are, as you can see,
13 there's many. We have specialists on staff that
14 review these subject areas.

15 Engineering subject areas that are also
16 analyzed by the Energy Commission are efficiency,
17 facility design, geologic hazards, reliability and
18 transmission system engineering; how the power
19 plant would affect the overall grid system.

20 Staff works in close coordination with
21 other agencies, other local agencies such as
22 Sacramento County, the local air district. We
23 coordinate with the state agencies for this
24 project, the state Air Resources Board, the
25 Department of Fish and Game, Caltrans. We also

1 work with U.S. Fish and Wildlife Service, the Army
2 Corps of Engineers, and the Environmental
3 Protection Agency from the federal level. Their
4 comments are sought and are included in our staff
5 analysis.

6 This next diagram is an illustration of
7 how all the public input and agency input are put
8 into the staff analysis. As you can see, the
9 intervenors and public and applicant and local
10 agencies, state agencies all feed information into
11 the Energy Commission Staff.

12 We take all the comments and we
13 incorporate them into our analyses. As well as
14 the Public Adviser, she spoke earlier today. And
15 there's a connection, just to show that she is
16 involved with working with the public and any
17 intervenors that wish to be part of the process.

18 After staff has prepared our written
19 report, the staff assessment, a few more steps of
20 the process will have to occur. The Committee,
21 which is represented today by Commissioner
22 Pernell, they prepare another document called the
23 Presiding Member's Proposed Decision, which was
24 mentioned earlier.

25 There is another public comment period

1 on that document. And then there's a decision by
2 the full Commission, the full five-member
3 Commission makes a final decision on the project.

4 The Energy Commission, I do want to
5 point out, we do follow the full life of the
6 project from construction all the way through
7 facility closure. So we take and analyze the full
8 lifespan of the project.

9 And this slide just illustrates how the
10 process works with the Committee decision, instead
11 of staff being in the center box, how all the
12 public comments, agency comments, staff comments
13 get fed into the Committee decision.

14 Just to highlight more of the public
15 process, Roberta did a very good job covering this
16 already, but there will be public workshops held
17 by staff. And all those workshops will be
18 publicly noticed. If you do not receive a mailing
19 and want to be on the mailing list, please sign up
20 and we'll make sure that you have a notice for all
21 public workshops.

22 And then the documents are available at
23 the library. The library will have the
24 application for certification and all the
25 supplements. However, they will not typically

1 have all of the staff reports, individual staff
2 reports that are written, or necessarily all the
3 comments and responses from the applicant. Those
4 will be either on the Energy Commission website or
5 can be obtained via mail directly from us.

6 So there are several ways that you, as
7 the public, can participate in this process.
8 Write written comments tonight, there are some
9 comment forms available if you want to take them
10 home tonight and fill them out and mail them in,
11 please do so. If you want to fill them out and
12 leave them here tonight, that's fine, too.

13 You can provide comments, such as
14 tonight, with the questions you've asked. You can
15 become a formal intervenor and provide comments on
16 the actual written documents that staff produces.

17 To date staff has reviewed the
18 application and we have identified some subject
19 areas that we feel could be potential issues for
20 the project that need to be resolved. And there
21 are copies of the report on the table. And I'm
22 going to go over some of the highlights of that
23 report tonight.

24 These subject areas can change, as we
25 work through issues, or as more issues come up.

1 So far we've identified issues in air
2 quality, biological resources, the project
3 description, itself, transmission system
4 engineering and water resources.

5 Air quality issues that staff has
6 already identified as that the proposed equipment
7 for the power plant does not meet the
8 Environmental Protection Agency criteria for best
9 available control technology. We've heard from
10 the USEPA that the control technology is even more
11 stringent. It's possible to have even cleaner
12 technology for the project.

13 There are emission reduction credits.
14 The plant is proposing -- SMUD is proposing to
15 purchase or already have purchased emission
16 reduction credits. They will be removing
17 emissions coming from other area sources in lieu
18 of their emissions that are coming from the plant.

19 So far they have emission reductions for
20 about the first 500 megawatts of the power plant,
21 but they don't have it for the full 1000, the
22 project that they are proposing. And they are
23 still a little bit shy of enough credits for the
24 first 500 megawatts of this project.

25 And then additionally SMUD is proposing

1 to use agricultural burn reduction credits. They
2 propose to reduce some of the ag burning that goes
3 on and capture those credits so that they can emit
4 more emissions to replace emissions for the power
5 plant. And the USEPA has some concern about using
6 those types of agricultural burn credits for this
7 type of emission source.

8 Some biological resource issues. Staff,
9 even though the document for the application is
10 quite voluminous, we did not find that there was
11 sufficient evidence of special status specie
12 surveys for the entirety of the plant, for the
13 construction laydown area, for the power plant
14 site, itself, or for the transmission line. So
15 we'd ask the applicant to provide some more
16 information regarding surveys for those portions
17 of the project.

18 And the project description. As SMUD
19 mentioned, this is a two-phase project. The first
20 phase is 500 megawatts. The second phase is 1000.
21 One of the issues is not having enough air credits
22 being analyzed at this time. Another concern that
23 staff has is the natural gasline. The natural
24 gasline that's starting from the Carson Ice Gen
25 Plant is only sufficient for the first 500

1 megawatts.

2 For the second 500-megawatt phase of the
3 project, another natural gas source will need to
4 be identified. And SMUD is looking at a few
5 options for that, but they have not identified to
6 the Energy Commission which route they propose to
7 use. So we have not looked at any impacts that
8 could be related to a second gasline coming from
9 somewhere.

10 So we would need additional information
11 about cultural resources around the area or
12 biological surveys, that type of information. So
13 that is still lacking.

14 Transmission system engineering.
15 There's a total of four power plants being
16 proposed in the northern California area. There's
17 the Colusa Power Plant, there's the Roseville
18 Power Plant, the Rio Linda Power Plant and this
19 SMUD Power Plant.

20 The system impact study that SMUD has
21 prepared only analyzed two of those projects, the
22 SMUD project and I believe the Rio Linda project.
23 By the time the SMUD project comes on line, if the
24 other three projects get built as proposed, they
25 will also be online. And there could be system

1 impacts related to having all four projects online
2 at the same time. And we are asking that SMUD
3 revised their study and include all four power
4 plants in that study so that we see the full
5 impacts of all four power plants being online at
6 the same time.

7 The last issue area is the water
8 resources. As mentioned in the SMUD presentation,
9 the project would use about 8000 acrefeet of water
10 per year, that's for the full 1000 megawatt plant.

11 It's fresh inland water. There is
12 concern using fresh inland water for industrial
13 purposes. The State Water Resources agency would
14 prefer to see, if feasible, either reclaimed water
15 as a cooling source, or some other alternate
16 source. So we're going to analyze if this is the
17 best use of fresh inland water for an industrial
18 site.

19 Surface water discharge. Kevin talked
20 about the National Pollution Elimination Discharge
21 Permit, the NPDES permit. And staff has some
22 concerns with the amount of pollutants that could
23 be in that water that would be discharged into the
24 waterways. So we will be looking at that.

25 And additionally, the Regional Water

1 Quality Control Board, which issues that permit,
2 has stated that SMUD has an incomplete application
3 for their NPDES permit, and that could cause a
4 potential scheduling delay in the project, as
5 well. So SMUD needs to revise their application
6 and resubmit it to the Regional Water Quality
7 Control Board.

8 This is the proposed schedule staff has.
9 As you can see, we are at December 19th. Sometime
10 mid to late January we will be holding another
11 public workshop; that's called a data response.
12 And an issues resolution workshop. We don't know
13 the exact date yet. We'll pin that down, and once
14 we do we will send out notices 10 to 14 days in
15 advance of that workshop, so that those that are
16 interested can attend.

17 And then if all goes well and we get all
18 the information that we need, we're proposing the
19 outlying schedule. There are some asterisks on
20 here to note that staff does need additional
21 information from the applicant regarding
22 biological resources that we talked about, the
23 additional surveys. We need a revised
24 transmission impact system study. Revised NPDES
25 permit.

1 So there are some information issues
2 that we have. And if there's a delay in receiving
3 some of that information then that would delay
4 staff's analysis and would delay the schedule.

5 That's about it.

6 PRESIDING MEMBER PERNELL: Okay, thank
7 you. Are there any questions for staff? Yes,
8 sir, in the back.

9 MR. ROSKEY: My name is Mike Roskey.
10 I'd like those numbers now if I can get them.

11 PRESIDING MEMBER PERNELL: Do we have
12 the numbers?

13 MR. HUDSON: I have the table here, and
14 it's going to be very hard to read off from the
15 table because there's so many numbers in the
16 tables.

17 And I don't want to confuse anybody with
18 the numbers. So what I could do is I can make a
19 copy of this and give it to the California Energy
20 Commission and they could pass it on. And then
21 that way it would be in the record. Whatever you
22 prefer I can do.

23 PRESIDING MEMBER PERNELL: We could do
24 that, also. And perhaps you could explain the
25 numbers to our guest who's requesting --

1 MR. HUDSON: Okay.

2 PRESIDING MEMBER PERNELL: -- the
3 numbers. I mean we can also docket that and put
4 it in the docket, so we would need a copy of it.
5 But I want to try and get as many questions
6 answered tonight as possible.

7 MR. HUDSON: Okay, that's fine. The
8 numbers are based on a couple of things. They're
9 based on the one-hour average, and they're also
10 based on an annual average.

11 There are numbers that we have to meet
12 for state standards, and in addition for federal
13 standards.

14 So we would expect the maximum project
15 impacts for the full build-out of the Cosumnes
16 Power Plant for NO₂, for NO_x would be basically
17 we're looking at 2 ppm on an annual average for
18 NO_x.

19 For SO₂ we're looking at, and these are
20 in different units, we're looking at the one-hour
21 annual average of 2 mcg/cubic meter. The 24-hour
22 average is less than detectable at less than 1 mcg
23 per cubic meter.

24 PRESIDING MEMBER PERNELL: Could you
25 state what ppm means for --

1 MR. HUDSON: Ppm is parts per million.

2 PRESIDING MEMBER PERNELL: Okay.

3 AUDIENCE SPEAKER: What timeframe was
4 that first one -- parts per million, and what
5 timeframe was that?

6 MR. HUDSON: The 2 parts per million,
7 that's an annual average output.

8 AUDIENCE SPEAKER: Yearly average.

9 MR. HUDSON: Correct, yearly average, 2
10 parts per million.

11 There are periods during startup where
12 the emissions are a little bit greater than that.
13 So, to meet that annual average we actually have
14 to reduce the emissions below 2 ppm to meet that 2
15 ppm annual average for NOx.

16 For CO, the one-hour limit is 918 mcg
17 per cubic meter, and the eight-hour average is 281
18 mcg per cubic meter.

19 For PM10 the --

20 MR. ROSKEY: These are federal limits,
21 state limits or are they actually what your --

22 MR. HUDSON: This is what we would
23 expect as emissions from the power plant, right.
24 But they do meet both federal and state
25 guidelines.

1 For CO I think I was -- for carbon
2 monoxide, I was at the eight-hour limit; the
3 eight-hour limit for that is 281 mcg per cubic
4 meter.

5 For PM10, the 24-hour average is 5 mcg
6 per cubic meter. And the annual average is less
7 than 1 mcg per cubic meter.

8 That's what I have in the table.

9 PRESIDING MEMBER PERNELL: Okay. Are
10 there any -- yes?

11 MR. ROSKEY: Thank you for those
12 numbers. Also, I'd like to find out about the
13 emissions reductions, the credits that you're
14 anticipating that you will use. How will that be
15 used to -- how will that affect the output that
16 you state here? How does that affect the limits
17 that should be in place, and how you exceed those
18 limits based on those credits?

19 MR. HUDSON: Actually we're not allowed
20 to exceed limits set by the EPA. But what we have
21 to do because we will be emitting some pollutants
22 into the air there is, if you will, if you
23 consider the Sacramento County area, or the air
24 basin as a large mixing bowl, and if we put
25 anything into that -- the mixing bowl can't

1 overflow, okay.

2 If the mixing bowl is full of water, in
3 order for us to contribute to the mixing bowl we
4 actually have to take out say a cup and then some
5 in order to add to that mixing bowl. So we can't
6 add, we can't overflow that mixing bowl, if you
7 will.

8 And in order to do that what we do is we
9 purchase air emission credits, or emission
10 reduction credits. And we purchase those from
11 other sources, again ag burn, other industries.
12 We purchase those credits in order to be able to
13 set those aside, the emissions. What we do is the
14 emissions aren't emitted anymore, and that way we
15 can operate our plant and our emissions, with the
16 addition of our emissions, the mixing bowl doesn't
17 overflow.

18 MR. ROSKEY: Who regulates these
19 emission credits?

20 MR. HUDSON: The emission credits are
21 actually regulated by the Sacramento Metropolitan
22 Air Quality Management District. And they very
23 closely regulate and watch what can be done. They
24 also analyze the modeling that's being done for
25 the air emissions. And they perform their own

1 review and their staff assessment.

2 And the information that they come up
3 with they submit to the California Energy
4 Commission as part of their report.

5 PRESIDING MEMBER PERNELL: Okay. Yes,
6 sir.

7 MR. ERICKSON: There was something I was
8 thinking about --

9 PRESIDING MEMBER PERNELL: Name for the
10 record, please.

11 MR. ERICKSON: Bill Erickson. One thing
12 I was just thinking about, it sounds like a
13 gasline is going to go right in front of my house
14 and alongside of it. What's that going to do to
15 my homeowners insurance?

16 PRESIDING MEMBER PERNELL: If I can
17 address that. There is a -- if you're a property
18 owner and that line is going near your facility
19 I'm sure that SMUD is going to be -- or someone is
20 going to be talking to you about the effects of
21 that pipeline on your property. Not only your
22 property values, but any other questions that you
23 might have.

24 And one of the things that we want to
25 make sure of is that you get your questions

1 answered. And this is not going to be the last
2 meeting. Once we get into the issues, once staff
3 does their staff assessment, and things are not in
4 sync, then you know, what I'd like to do is have
5 them talk to you about your issue in terms of that
6 pipe going near your property, any water
7 discharges, and those types of things.

8 And I know that's an issue that staff is
9 going to be looking at. So, before we get into
10 it, and I'm not sure that you can answer that
11 question, which is -- perhaps Steve can, but I do
12 know that if that pipeline is going across your
13 property or near it that it would have some
14 effect, that SMUD will be talking -- someone from
15 SMUD will be talking to you about that.

16 And I'll let Steve comment on it.

17 MR. COHN: Well, I think you accurately
18 summarized it. I don't know whether it's going by
19 your property or not, but if it is, then certainly
20 we'll be talking directly to you and have to
21 compensate you for the fair market value of the
22 easement that we will use. But we would also try
23 to avoid any impacts and use the right-of-way that
24 would least impact you. Or if there's a way to
25 avoid your property without having a worse impact

1 somewhere else, then we'll do that.

2 So I can't really speculate on your
3 insurance. I've never seen your insurance policy.
4 But I can tell you that --

5 MR. ERICKSON: Well, it don't say
6 anything about no gas pipeline running --

7 (Laughter.)

8 MR. COHN: It probably doesn't. But to
9 put your mind at ease, I mean we've built 50 miles
10 of gas pipelines prior to this. So this is not
11 the first time we've built a gas pipeline.

12 So, we'll definitely work with you to
13 minimize the effect.

14 MR. ERICKSON: Thank you.

15 PRESIDING MEMBER PERNELL: And then also
16 whatever resolve there is, submit it to the docket
17 so we have a record of that.

18 MR. COHN: Sure.

19 PRESIDING MEMBER PERNELL: Are there any
20 government agencies that would like to comment?

21 Would CURE like to comment on this
22 application?

23 Okay, let's talk schedule. And,
24 applicant, you've seen the schedule that staff put
25 up. I understand that we all have some additional

1 work to do. Is that schedule satisfactory to you,
2 or do you think it might slip?

3 MR. COHN: Let me say this. First of
4 all we very much appreciate the staff's attempting
5 to keep this project on a 12-month schedule. I
6 think what they have proposed looks like it would
7 be consistent with a 12-month schedule.

8 We, of course, are investing millions of
9 dollars of ratepayer funds into this project. And
10 so from our perspective the sooner we can get
11 certainty on this project the better.

12 So, if there's any way to do even less
13 than 12 months that's something we would obviously
14 very much appreciate. And certainly would like to
15 hold to the schedule being no later than what's
16 shown.

17 The other thing I might just indicate,
18 there was some concern, I know, from the staff
19 that was indicated in the slide in the issue
20 identification report about the second phase and
21 the uncertainty about how to analyze the impacts
22 of the gas pipeline route, not knowing what that
23 would be.

24 And after discussing this with Colin
25 Taylor, our Project Director, I think we can help

1 clear that up for staff, the Commission and the
2 public.

3 We actually don't need to build another
4 pipeline in order to have that second 500 megawatt
5 phase. Through compression, through compressors
6 we can actually boost the pressure to have
7 sufficient capacity for the second phase, as well.

8 We also want to look at the possibility
9 in the future if a new interstate pipeline comes
10 into California, we'd like to connect. And if we
11 did, we obviously would come back and amend the
12 application to do that.

13 But, we believe that we don't need a new
14 interstate connection. We do not need a new
15 pipeline in order to serve that second phase. So
16 we can provide that information to the staff, the
17 Commission and the public.

18 PRESIDING MEMBER PERNELL: Okay, then
19 let me just tell you the schedule depends on you,
20 whether you get the information in, and et cetera.
21 We certainly want this to go, you know, I need it
22 off my docket, but again, we want it to go as
23 smoothly and quickly as possible, but we don't
24 want to overlook anything.

25 So I just got to tell you that staff is

1 very thorough in their reviews, and you might say
2 that you don't think you need another line, and
3 you don't have to convince me, you need to
4 convince them.

5 MR. COHN: We're well aware of how
6 thorough your staff is.

7 PRESIDING MEMBER PERNELL: Okay.

8 (Laughter.)

9 PRESIDING MEMBER PERNELL: Is there
10 anyone else who has any questions about the
11 project that haven't been covered?

12 Everyone knows how to get in touch with
13 us, how to get in touch with staff, your Public
14 Adviser? Okay.

15 Let me just say on behalf of the
16 Commission and the Committee that, first of all,
17 we certainly appreciate the accommodations, and
18 I'm assuming this is the Fire Department's
19 property. So we certainly appreciate that.

20 I've always said, and the Commission has
21 maintained, that this is a public process. We
22 want to hear from the community about the project.
23 And we want to be able to answer your questions.
24 And I know a lot of this stuff is very technical,
25 so don't feel like you don't want to ask the

1 questions because you don't understand the whole
2 technical aspects of it. The point is that if you
3 have a concern, we want to be able to address that
4 concern.

5 And as we have done tonight, this is
6 a -- we've had meetings till 2:00 in the morning
7 with some concerns. So I think that knowing SMUD
8 I think that they're a good neighbor and they've
9 done some upfront work in terms of the community.
10 So, I certainly applaud them for that.

11 But, again, this is an open process. If
12 you have any questions let us know. It's a 12-
13 month, and I would certainly like to get it done
14 faster, but we're not going to overlook any
15 concern or any technical area to try and get it
16 done on time. We will be here as long as it
17 takes. And to make sure that all of the
18 environmental concerns are addressed.

19 So, with that, if there's nothing else
20 to come before this Committee, staff, do you have
21 anything else?

22 MS. CHEW: No.

23 PRESIDING MEMBER PERNELL: Applicant, do
24 you have anything else?

25 MR. COHN: No.

1 PRESIDING MEMBER PERNELL: Anyone in the
2 public?

3 Seeing none, hearing none, this meeting
4 is adjourned. Thank you all for coming.

5 (Whereupon, at 6:55 p.m., the hearing
6 was concluded.)

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CERTIFICATE OF REPORTER

I, JAMES A. RAMOS, 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 27th day of December, 2001.

JAMES A. RAMOS

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