

COMMITTEE MEMBERS PRESENT

John L. Geesman, Presiding Member

Jackalyne Pfannenstiel, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Gary Fay, Hearing Officer

STAFF AND CONSULTANTS PRESENT

Robert Worl, Project Manager

Paul A. Kramer, Jr., Staff Counsel

Keith Golden

PUBLIC ADVISER

Mike Monasmith

REPRESENTING THE APPLICANT

Scott Galati, Attorney
Galati and Blek, LLP

Doug McFarlan
Gerard P. Loughman
Jerry Lockman
Larry Kostrzewa
Edison Mission Energy

INTERVENOR

Gloria Smith
California Unions for Reliable Energy

ALSO PRESENT

Yukio Fujimoto

Eugene O'Brien, President
Harvest Valley Community Council

ALSO PRESENT

Bob Duke
Romoland Community Council
Voices

Tor Lidar
Eastern Municipal Water District

Harry Kreul

Frank Whitfield

Bennie Lunstrum
Harvest Valley Citizens Patrol

Roland Skumawitz, Superintendent
Romoland School District

Joe Daugherty

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P R O C E E D I N G S

4:30 p.m.

HEARING OFFICER FAY: The informational hearing is now reconvened and we're back on the record. I'd like, just for the benefit of any of you who may not have been here earlier and gone on the site visit, I'd like to briefly go through introductions.

To my immediate left is Commissioner John Geesman, who's the Presiding Member of the Committee designated by the California Energy Commission to hear this matter. And to his left is Commissioner Jackalyne Pfannenstiel, who is the Associate Commissioner on this matter.

I'm Gary Fay; I'm the Hearing Officer. And I will be assisting the Committee throughout the licensing process of about one year.

Mr. Galati, introductions.

MR. GALATI: My name is Scott Galati representing Edison Mission Energy.

HEARING OFFICER FAY: And Mr. Kramer.

MR. KRAMER: I'm Paul Kramer, Staff Counsel, representing the staff. Bob Worl is walking in front there; he's the Project Manager for the Commission.

1 HEARING OFFICER FAY: Right, and then
2 the other introductions as the presentations are
3 made by the parties. And Mike Monasmith is here
4 from the Public Adviser's Office, and he'll be
5 addressing you a little later.

6 On February 1, 2006, the Energy
7 Commission accepted as complete the application
8 for certification proposed by the Valle Del Sol,
9 LLP, or VSE, as I'll refer to it, as the
10 applicant.

11 Their application was for the Sun Valley
12 Energy Project, which is a 500 megawatt, natural
13 gas-fired, simple cycle power plant proposed for
14 construction near the existing SCE Valley
15 substation along Matthews Road southeast of
16 Romoland in Riverside County.

17 Notice of today's events was mailed on
18 February 7th of this year to all parties,
19 adjoining landowners, interested governmental
20 agencies and other individuals.

21 In addition, notice of the informational
22 presentation and site visit was published in The
23 Riverside Press Enterprise on February 22nd; and
24 in addition, the Public Adviser's Office
25 publicized this event, as well.

1 Today's event is the first in a series
2 of formal Committee events that will extend over
3 the next year. The Commissioners conducting the
4 proceedings will eventually issue a proposed
5 decision containing recommendations on the
6 proposed project.

7 It's important to emphasize that the
8 Committee's proposed decision must, by law, be
9 based solely on the evidence contained in the
10 public record.

11 To insure that this happens, and to
12 preserve the integrity and impartiality of the
13 Commission's licensing process, the Commission's
14 regulations and the California Administrative
15 Procedures Act expressly prohibit private contact
16 between parties and the Committee Members.

17 This prohibition against off-the-record
18 communications between parties and the Committee
19 is known as the ex parte rule. And what this
20 means is that all contacts between parties in the
21 case and the Committee Members regarding a
22 substantive matter must occur in the context of a
23 public discussion such as today's event; or in the
24 form of a written communication that is
25 distributed to all parties in the case.

1 The purpose of the ex parte rule is to
2 provide full disclosure to all participants of any
3 information that may be used as a basis for a
4 future decision on this project.

5 Additional opportunities for the parties
6 and governmental agencies to discuss substantive
7 issues with the public will occur in public
8 workshops to be held by the Commission Staff at
9 locations here in Riverside County and elsewhere.
10 The Commission Staff will send out public notices
11 of these workshops before they take place.

12 Information regarding other
13 communications between the parties and
14 governmental agencies is contained in written
15 reports or letters that summarize such
16 communications. These reports and letters are
17 distributed to the parties and are made available
18 to the public.

19 Information regarding hearing dates and
20 other events in this proceeding will also be
21 available on the Commission's website, and I'm
22 going to give it to you, but you'll see it again
23 many times today, this evening:
24 www.energy.ca.gov. And if you go to that website
25 and click on the licensing, and then click on the

1 name of this case, Sun Valley project, you'll get
2 a full listing of all the documents, notices and
3 that sort of thing that have been published.

4 Application for certification or the AFC
5 process is a public proceeding in which members of
6 the public and interested organizations are
7 encouraged to actively participate and express
8 their views in matters relevant to the project.

9 The Committee is interested in hearing
10 from the community on any aspect of this project.
11 Members of the public are also eligible to
12 intervene in the proceeding, and if there are
13 potential intervenors we encourage you to file
14 petitions to intervene in the very near future to
15 allow the Committee to consider those and allow
16 you to have full participation.

17 And I'll just mention, we have had one
18 petition to intervene filed by the California
19 Unions for Reliable Energy. It was filed on
20 February 8th; and that petition was granted on
21 February 16th. And at this point that's the only
22 intervenor in the case.

23 Now, I'd like Mike Monasmith to explain
24 the public participation process, and to provide
25 an update on the efforts of his office to reach

1 out to the public. Mike.

2 MR. MONASMITH: Thank you, Gary,
3 Commissioners. My name is Mike Monasmith and I'm
4 with the Public Adviser's Office at the Energy
5 Commission. I'll be relatively brief.

6 First, I just wanted people from the
7 community to know we're grateful for the turnout
8 today in the rain. And for all of you to feel
9 free to come up to me later or in the future to
10 work with you on any aspect of the process that we
11 are now beginning.

12 The Public Adviser is charged with
13 facilitating full and meaningful participation on
14 behalf of the public. And that takes a number of
15 forms.

16 The Energy Commission takes pride in the
17 work that we do with the communities. And it can
18 vary. It can be as simple as providing your name,
19 which will go on a list and you'll be updated
20 periodically on the proceedings as they evolve.

21 We will send it to you on email or mail
22 it, if you need. You can physically show up to
23 any of the hearings that we have here in the
24 community or in Sacramento and ask questions.
25 It's a very open process; we encourage that.

1 The Commissioners and the Hearing
2 Office, they do a very good job of recognizing
3 people's interest and their questions, as well as
4 the applicant. Because it makes for a better
5 project ultimately when you're involved.

6 Gary also mentioned briefly the
7 intervenor process. The Public Adviser is my
8 boss, Margret Kim. She's not here right now. She
9 is appointed by the Governor to a three-year term.
10 And while she's not charged with providing the
11 public with legal counsel, she is charged with
12 advising you on the process so that you feel that
13 your voice is heard and you can become as involved
14 as you want, including becoming an intervenor.

15 Now, to become an intervenor you first
16 of all have to petition the Committee. They may
17 grant your petition to become a full party, as
18 CURE already has, and many might follow.

19 And with that there are certain rights
20 and obligations. You are then a legal party to
21 this process. You can file evidence; you can
22 cross-examine the evidence that is presented by
23 the applicant and staff. You are a full partner
24 in this as we move forward.

25 And it's a right and a privilege, but

1 you also have obligations. But those we will help
2 you with, the Public Adviser's Office. That's
3 what we're charged with.

4 There are a couple handouts on the
5 table. One deals with the acronyms, because the
6 process many times is full acronyms for words you
7 may not be familiar with. And it'll provide you
8 just a quick background; it's in the back; it's
9 just a little two-page sheet. And there's also a
10 quick sheet on Q&As, questions that may be
11 answered for you, in the back.

12 And you can also, like I said, feel free
13 to approach me on anything. Smile, if you don't
14 want to get up here and talk, just, you know, look
15 at me and I'll come and help you, and put you in
16 touch with the appropriate staff. And like I
17 said, we're here for you, and my card's in the
18 back. So, any questions, just like I said, come
19 up and approach me.

20 HEARING OFFICER FAY: Thanks, Mike. Now
21 we're going to move to the presentations by the
22 applicant and the staff. And this will be
23 somewhat informal, but we want to be sure
24 everybody gets all their questions answered. And
25 I know that both the staff and the applicant will

1 be open to answering questions.

2 And rather than wait until the end,
3 we're going to take questions after each
4 presentation, so you don't have to remember what
5 your question was for too long.

6 Are there any questions before we go
7 ahead on how we're going to proceed?

8 MR. FUJIMOTO: I got a question.

9 HEARING OFFICER FAY: Yes, sir.

10 MR. FUJIMOTO: Say if the citizens of
11 Romoland object and oppose this project, you guys
12 are going to still do it, aren't you?

13 HEARING OFFICER FAY: Okay. Were you
14 able to get his question?

15 THE REPORTER: -- question, just say --

16 HEARING OFFICER FAY: Yeah, if you want
17 to come up and ask that again into one of these
18 microphones, that would be better, to get it on
19 the record.

20 MR. FUJIMOTO: This mike?

21 HEARING OFFICER FAY: Either one. Yeah,
22 that would be fine. Just be sure that it's turned
23 on.

24 MR. FUJIMOTO: My question is if the
25 people of Romoland object to this Edison project,

1 is it going to do any good? I mean you have all
2 this (inaudible).

3 PRESIDING MEMBER GEESMAN: It might.

4 MR. FUJIMOTO: It going to stop?

5 PRESIDING MEMBER GEESMAN: It might.

6 Depends on what the nature of your objections are.
7 What we're charged, by the law, to do is apply all
8 of the state and local and federal environmental
9 public health and safety legal requirements to
10 this permit application.

11 If the applicant satisfies all those
12 requirements, and Commissioner Pfannenstiel and I
13 feel that the project should go forward, we'll
14 make a recommendation to our colleagues at the
15 Energy Commission, there are five of us. And then
16 the full Commission will vote on whether or not
17 the project should go forward or not.

18 We'll hold our evidentiary hearings on
19 the issues that are contested here in the
20 community. And depending on what different
21 individuals say, what evidence is brought in front
22 of us, we may approve the project, we may
23 disapprove the project.

24 MR. FUJIMOTO: You already started,
25 haven't you?

1 PRESIDING MEMBER GEESMAN: Today's the
2 first hearing.

3 HEARING OFFICER FAY: But what has been
4 started is this process of looking at the project.
5 the project hasn't been started.

6 MR. FUJIMOTO: Oh, --

7 HEARING OFFICER FAY: They're not
8 allowed to begin the project until after the
9 Committee makes its recommendation and the
10 Commission votes to approve the project. So until
11 that happens Edison, or the VSE, cannot begin
12 building the project.

13 MR. FUJIMOTO: So we got to keep
14 complaining as much as possible, huh?

15 (Laughter.)

16 HEARING OFFICER FAY: You may do that.
17 And what I would tell you, if your complaints are
18 just, I don't like it, that's harder for this
19 Committee to deal with, than a specific thing,
20 where you point out the details of why you don't
21 like it. It's more useful for them to understand
22 what exactly it is you don't like about the
23 project.

24 MR. FUJIMOTO: Because The L.A. Times
25 say you guys will be spilling a lot of carcinogens

1 in the air.

2 HEARING OFFICER FAY: Well, I think
3 we're going to hear about the emissions from the
4 project from the applicant and from the staff
5 today. And then that's one of the things that the
6 Commission will be examining as the months go by.

7 MR. FUJIMOTO: All right.

8 HEARING OFFICER FAY: Thank you. Okay,
9 any other questions before we get started?

10 All right, we'll first ask the
11 applicant, VSE, to describe the project and
12 explain its plans for developing the site.

13 Then the Commission Staff will give an
14 overview of the licensing process and what role
15 the staff will play in reviewing the applicant's
16 proposal.

17 Then we'll hear comments from any
18 intervenors who are here; and then we'll discuss
19 the proposed schedules that have been proposed by
20 both the applicant and by the staff.

21 So, if there's no further questions,
22 I'll turn it over to Mr. Galati and we'll see the
23 applicant's presentation.

24 MR. GALATI: At this time I'd like to
25 introduce Mr. McFarlan; maybe he can introduce

1 himself.

2 MR. McFARLAN: Good afternoon, everyone.
3 My name is Doug McFarlan and I am the Vice
4 President of Public Affairs for the Edison Mission
5 Group. And I will have just a couple minutes of
6 comments and then introduce some colleagues who
7 will take you into more detail about our company
8 and about this specific Sun Valley Energy project.

9 Edison Mission Group is a company that
10 has about 2000 employees across the United States.
11 We have experience in building and operating all
12 types and sizes of power generating facilities
13 that you'll hear more about in a few minutes. But
14 our roots are here in southern California. We're
15 headquartered in Irvine. We've been providing
16 power in this state for 20 years. And so it's a
17 source of hometown pride to us to have an
18 opportunity here to help address the increasing
19 demand for energy in this part of the state, and
20 in our home state.

21 The Edison Mission team that's here
22 today has been working for several months on
23 preparing precise details about this project, its
24 environmental profile and other information for
25 review by the Energy Commission and by the South

1 Coast Air Quality Management District.

2 So we welcome the very rigorous review
3 process that these agencies have, and that really
4 kick off at some level today, so that you can be
5 assured that a project like ours would be built in
6 a manner that fits in with the surrounding area
7 and will protect the environment.

8 Communication and public outreach
9 obviously is a critical piece of this project and
10 a burden that we have. Some of us from the Edison
11 Mission Group have had an opportunity to meet with
12 a few citizens and community groups over the past
13 few months since we first filed our application.

14 We've been able to create some awareness
15 of the project through working through the local
16 press and doing some interviews. A couple weeks
17 ago, I hope most of you in this room received a
18 mailing we sent to several thousand residents and
19 business owners in the general area to give you
20 some more details; and to give you a toll-free
21 information number that you can use. We have
22 copies of that letter for anybody to pick up, if
23 you haven't already. And we urge you to take down
24 that toll-free number and call us with any
25 questions over the next several weeks and months.

1 And so today we enter into kind of the
2 next stage and level of this public dialogue
3 through the Energy Commission's process.

4 And before I hand things over to my
5 colleagues to take you deeper into our company and
6 our specific proposal here, I want to introduce a
7 few people again that are from the Edison Mission
8 Group, some of whom you've already met. But I
9 want to encourage you, as the formal process here
10 ends today, to seek us out afterwards with
11 questions. Make sure you have that toll-free
12 number so you can have follow-ups, because what
13 this really is all about is our being available
14 and accessible to you, and making sure that this
15 community has every opportunity to get to know us
16 and learn more about this project.

17 So, a few people, if they could identify
18 themselves for you so you can be looking for them
19 after the meeting. Charles Parnell is our lead
20 representative for local government and community
21 relations and affairs.

22 And then from our business development
23 group and our environmental health and safety
24 organization, we have three folks you already met:
25 Tom McCabe, for those of you on the bus tour, was

1 conducting that. And then we have Derek Bennum
2 over here. And Bernie Piazza. So they will all
3 be around for the duration.

4 And in a few moments you're going to
5 hear from someone who introduced himself to you
6 earlier, Larry Kostrzewa, who is our Regional Vice
7 President and Project Manager.

8 And at this time I want to introduce one
9 other colleague who will tell you a little bit
10 more about the Edison Mission Group, and that is
11 Jerry Lockman, who is our corporate Vice President
12 for Business Development. Jerry.

13 MR. LOCKMAN: Thanks, Doug. My name's
14 Jerry Lockman. Afternoon or evening to you all.
15 Good to be here. I just wanted to introduce the
16 Edison Mission Group you met on the bus. Although
17 you've probably heard of our sister company,
18 Southern California Edison, or our parent company,
19 Edison International.

20 I want to tell you we are not Southern
21 California Edison, we are not Edison
22 International, we are Edison Mission Group, which
23 is the non-regulated subsidiary of Edison
24 International. We are non-regulated by the
25 California Public Utilities Commission, although

1 we are regulated and we work with the California
2 Energy Commission in getting projects licensed.
3 We work with the Federal Energy Regulatory
4 Commission in getting projects approved. But we
5 are not regulated, and you don't have to buy any
6 electricity from us. So we are an independent and
7 non-utility owner, operator and developer of power
8 generation projects.

9 We sell electricity on a wholesale
10 basis. We do not sell retail. We just sell
11 wholesale to utilities or to local service
12 entities, or anybody who will buy the power from
13 us at the wholesale level.

14 We were formed about 20 years ago in
15 1986. We currently have \$6.6 billion in assets;
16 that's our share. Southern California Edison's
17 got a lot more. We're smaller than they are. And
18 that's part of the Edison International family.

19 We currently own 18 power plants in
20 California and Illinois, Pennsylvania, Minnesota
21 and Iowa, and in a couple of other states. Most
22 of our projects are in Illinois and mostly are
23 coal-fired generation. Although recently we have
24 been more involved in the wind energy business.
25 The last couple of projects we've done have been

1 powered by wind.

2 We are a California-based company; we
3 are based out of Irvine. Our parent company is
4 based out of Rosemead. And our sister company is
5 based out of Rosemead in California. So we're all
6 California-based. But our group is in Irvine.

7 We own and operate about eight
8 cogeneration plants, those are gas-fired
9 cogeneration plants, in the Central Valley. And
10 we started operation of those projects in 1985.

11 The last project we built was built
12 during the crisis. In fact, it was the Sunrise
13 project. It was the first major new power plant
14 built in southern California in 13 years. We were
15 responsible, many of the team, Larry and some of
16 the team who are here today were responsible and
17 instrumental for getting that project built.

18 So, with that I'm going to stop; take
19 any questions you have about who we are, if you
20 like. And then pass to Larry.

21 MR. KOSTRZEWA: Hello, everybody. I
22 think before I talk too much more about our
23 project I wanted to straighten out a couple of
24 areas of confusion.

25 There was a gentleman stood up earlier

1 an asked about the power plant that was under
2 construction. We're not here to talk about that
3 power plant, we're talking about a power plant
4 that we would like to build. It is not currently
5 under construction.

6 Also, The L.A. Times article was about
7 the power plant that's under construction. It's
8 not about our power plant. So I hope that helps
9 to straighten that out.

10 I think the other thing that was maybe a
11 little confusing was you've heard about Edison
12 Mission and about the Sun Valley Energy project,
13 and a company called Valle del Sol, LLC.

14 Edison Mission Group is my employer;
15 Valle del Sol, LLC is a company that Edison
16 Mission formed to hopefully own the power plant
17 we're going to build. In our business every power
18 plant is its own business, gets its own name. Why
19 is it Valle del Sol? Well, that's Spanish for Sun
20 Valley, because Sun Valley was already taken. So
21 that's what that's all about. So I hope that
22 helps a little bit.

23 What I'd like to walk you through now
24 are really the series of questions that we went
25 through when we were trying to decide what to do

1 here. And the first question is well, why is new
2 generation needed now.

3 There are three main agencies involved
4 in electricity in California, the California
5 Independent System Operator. They are the traffic
6 cop for the high voltage highway that runs across
7 the whole state.

8 The second is the California Energy
9 Commission, which is represented here today. And
10 the third is the California Public Utilities
11 Commission.

12 I'll walk you through what they're all
13 saying about electricity right now. Some of the
14 slides are a little complicated so I'll go through
15 them rather quickly. If you have questions about
16 them afterwards, just come on up.

17 The first here is from the California
18 Independent System Operator. Each year, as summer
19 comes, because electricity demand is the highest
20 in the summer, the California Independent System
21 Operator looks to see whether there's enough power
22 generation available to meet the coming summer
23 loads.

24 And you probably can't see the numbers
25 too well, but green is good and red is bad. And

1 yellow's kind of in-between.

2 Southern California is the column on the
3 right there; that's what we care about, down here.
4 And look at two cases. One is called the one-in-
5 two load case; that's an average summer, not too
6 hot, not too cold. And then the other case we
7 look at is the one-in-ten case, which is a really
8 really hot summer. That's really what the system
9 is designed for, because in ten times it's a
10 really really hot summer.

11 And as you can see from this, which was
12 their 2005 assessment, so it's for last summer,
13 they said that well, in a one-in-two case it's
14 yellow. There's enough capacity, but not a big
15 surplus. If it would have been a one-in-ten
16 summer they were predicting that we would be as
17 much as 1725 megawatts short. That would have
18 been statistically the size of the rolling
19 blackouts that might have occurred.

20 Fortunately, it wasn't that bad of a
21 summer. And so those outages didn't occur in
22 2005. They're now working on their 2006
23 assessment. We don't have that yet.

24 The California Energy Commission looks
25 at the problem, too. And this is an even more

1 complicated slide. The left axis is a measure of
2 how much surplus capacity there is. It's called
3 reserve margin. And the horizontal black dashed
4 lines there, stage 1, stage 2, stage 3, I'm sure
5 most of you are familiar with the power
6 emergencies; a stage 1 emergency; a stage 2
7 emergency; a stage 3 emergency. If the reserve
8 margin, the amount of excess power we have
9 available, gets below those lines, then we're
10 going to have emergencies.

11 And in the outlook that the Energy
12 Commission published towards the end of last year,
13 they showed that in the one-in-ten case, which is
14 the yellow -- I'm sorry, the one-in-two case,
15 which is the yellow line, things are looking
16 pretty good through 2006, all the way through
17 2010.

18 But, again, the system is designed for
19 one-in-ten, which in this chart is the adverse
20 scenario. And as you can see, some of the adverse
21 scenarios start to dip below the point where you
22 see stage 1, stage 2, stage 3 emergencies.

23 So, we look okay for 2006, although if
24 it's a one-in-ten emergency we -- sorry, one-in-
25 ten summer in 2006 there may be some interruptions

1 of customers that have agreed to be interrupted.
2 They get a discount for that, but, of course, it
3 does stop businesses when that happens.

4 This is another chart that looks at it
5 in a different statistical direction. And I won't
6 go into it in too much detail, but it's the
7 probability of there not being a stage 1, stage 2,
8 stage 3 emergency. And right now they're showing
9 an 84 percent probability of there not being a
10 stage 1 emergency this summer. You would like
11 that to be a 90 percent, because that would cover
12 the one-in-ten case.

13 So there are circumstances where we
14 could either -- there's even a 95 percent
15 probability of not being a stage 3, which means
16 there's a 5 percent possibility of there being a
17 stage 3 emergency this summer. Again, this is
18 focused on southern California. And this is from
19 the CEC's summer of 2006 electricity supply and
20 demand outlook that was published back in
21 December.

22 I guess that convinced us we needed to
23 do something. The next question is well, what
24 kind of generation. There's different pieces of
25 load and as you can probably imagine, the

1 electricity demand in the middle of the night is
2 less than it is during the middle of the day.
3 Power demands are higher, the businesses are
4 operating, appliances are operating much more so
5 than during the night. And on hot days, of
6 course, electric demand is higher than on cool
7 days.

8 Well, the green line on that chart is a
9 very light load days; that might be a really
10 comfortable spring day when nobody needs air
11 conditioning, nobody needs heating, there just
12 isn't that much demand for electricity.

13 The blue line is an average day, kind of
14 in between. And then the red line is a really
15 really hot summer day.

16 The electric planners divide the
17 electrical load into baseload, stuff that runs all
18 the time. Intermediate kind of runs on and off;
19 typically turns off at night, runs during the day.
20 And peak load, which only runs at peak demand.
21 And if you look at this chart, on an average day
22 very little peak load generators would operate.
23 They would just run a few hours in the middle of
24 the afternoon. On a peak day when it's really
25 really hot, they might run 10, 12, 14 hours.

1 During the spring and winter maybe not much at
2 all.

3 But that is the part of electricity load
4 in southern California that's growing the fastest.
5 As more and more of the population moves into the
6 Inland Empire you got to have air conditioners.
7 And those are driving up the peak load much faster
8 than they're driving up the baseload.

9 That is why we have targeted a peak load
10 generator for this site. Another reason for it is
11 state energy policy is encouraging more and more
12 use of wind and solar and other renewable
13 technologies, which is great. But, wind and
14 solar, by their nature, are intermittent supplies
15 of energy. On a windy day there's plenty of wind
16 power available. When the wind doesn't blow,
17 well, you've got to do something else.

18 And as a matter of fact, in southern
19 California, there's not a great correlation
20 between -- well, there's a poor correlation
21 between hot summer days and windiness. So when we
22 need the power the most it's generally not very
23 windy where all the wind turbines are.

24 So, a peak load power plant like ours
25 that can start up quickly, ours can actually start

1 and get to full load in ten minutes, is a
2 necessary complement to renewable energy. Clouds
3 can pass over solar fields. It's part of what we
4 need to do in order to accommodate the renewable
5 energy that we all want to have.

6 The next question we had is well, what's
7 the best technology for peaking generation. And
8 there is a brand new machine that's come on the
9 market that is the most efficient peaking turbine
10 that's ever been made available. And that's the
11 one that we're permitting to use here. It's based
12 on aircraft turbines.

13 Aircraft turbines start very quickly and
14 come up to full load very quickly. And those have
15 been converted for stationary use. I should say
16 they don't sound like jet turbines because we have
17 all kinds of silencers on the front end; we have
18 all kinds of silencers on the back end. But deep
19 inside, in the heart of the machine, is a jet
20 engine.

21 It uses natural gas, so it operates very
22 cleanly; has a low emission combustor; and we use
23 catalytic, not too much different than the
24 catalyst on your car, to further reduce emissions.

25 Next question I'm sure many of you ask

1 is why build it here. Well, we'd all like to have
2 power imported from someplace else. That way it's
3 somebody else's problem. And in California we
4 import an awful lot of our power. But it's a fact
5 of electrical engineering that you can't import it
6 all.

7 There has to be, under California
8 Independent System Operator safety guidelines,
9 about 40 percent of the electrical demand being
10 used in southern California has to be generated in
11 southern California. That's for reliability
12 reasons. If one of those transmission lines that
13 brings the power in were to interrupt, and there's
14 not enough power plant spinning in the basin to
15 pick up the slack, the whole area can go black.
16 And, of course, you can't have that. So it's
17 designed around safety.

18 So, this map that kind of looks like
19 West Virginia is actually the portion of southern
20 California that is inside the boundary where that
21 40 percent rule applies. And the red circle there
22 is Romoland. It's not because the Independent
23 System Operator thinks romoland is the center of
24 the universe, that's the Valley substation. And
25 so they note it there as being in Romoland.

1 Another reason for why it has to be
2 here. Well, this is a chart of residential
3 building permits that are being issues by the
4 fastest growing counties in California. And the
5 first one on the list, no surprise again to
6 anybody here, is Riverside County. And at least
7 this month it was issuing 17,000 building permits
8 a month. There's actually higher numbers since
9 then.

10 So 17,000 building permits a month,
11 believe it or not, you divide by 30 days; that's
12 530 families a day. Electric demand in Riverside
13 County is growing very rapidly. And actually if
14 you look at the first six counties on the list,
15 five of the six are in -- well, they're SP-26,
16 that's the California Independent System
17 Operator's designation for southern California.
18 So five of the six fastest growing counties are in
19 this southern California area. A big reason why
20 we need power plants here because we need the
21 energy infrastructure to support the homes that
22 are being built.

23 More specifically, this chart here shows
24 the amount of peak demand power that is
25 distributed out of the Valley substation. Those

1 of you who were on the tour saw the Valley
2 substation. It's at Menafee and Route 74.
3 Currently, 500,000 volt power lines bring power in
4 from out of the state. It's dropped down to lower
5 voltage and distributed out as far north as Moreno
6 Valley and as far south as Temecula. So that's
7 kind of an electricity hub there where power is
8 distributed out.

9 And in 2005 the peak load that was
10 served to local customers out of that substation
11 was 1300 megawatts. And Southern California
12 Edison's projection is for that to exceed 2000
13 megawatts by 2015.

14 We're doing okay importing power there
15 now, but there will come a point where you've got
16 to have more power. And this is a great place to
17 put it.

18 What I've put on here also in blue,
19 those of you who know about the GE plant that's
20 being built that was discussed earlier, that one
21 is projected to come online at 2008. It's about
22 an 800 megawatt power plant. That's the blue
23 block there.

24 Our power plant, being a peaker, if
25 we're successful in getting it permitted, should

1 be built faster and would also potentially be
2 online for summer of 2008. It would be another
3 500 megawatts.

4 But as you see, even those two power
5 plants together does not serve all of the customer
6 load that is distributed out of the Valley
7 substation. There will still be power imported
8 into the Valley substation to meet local load.

9 There's plenty, but we're obviously not
10 exceeding the local infrastructure or the local
11 needs.

12 Now we're getting really down close.
13 This is a map that looks a lot better on paper
14 copies, and there will be some paper copies out on
15 the table later on for you to look at.

16 The big red rectangle there in the
17 center, that's the Valley substation that I talked
18 about earlier. The red lines, which just kind of
19 look muddy from here, sorry about that, are the
20 major transmission lines coming in and then going
21 out from the substation.

22 The Menifee Road is that yellow line;
23 it's vertical next to the block. That's where the
24 high-pressure gas lines are that we talked about
25 on the tour. And the diagonal is Matthews Road.

1 Matthews Road is where the recycled water pipeline
2 is.

3 So, as we talked about on the tour,
4 everything crosses just in that one spot. Which
5 is great for us, but it's also good for the
6 community in that we're not going to be tearing up
7 people's roads or running new transmission lines
8 to get the power to where it needs to be. We just
9 have to run a glorified extension cord across the
10 railroad tracks, and it's where it needs to be.

11 And I think, as we talked about, the
12 area around there is designated for industrial
13 land use. Currently it's an agricultural use.
14 But Riverside County's plan is for that to be part
15 of the industrial block there. That portion of it
16 is designated for lighter industry.

17 Well, these pictures are on the board,
18 and so they might be easier to see later. This is
19 if you were on that residential development, well,
20 before the wall went up, looking in the direction
21 of our site, the stacks from the power plant would
22 be barely visible over the existing land uses that
23 are there. And kind of dwarfed by the Valley
24 substation which is off to the right. And even
25 the transmission lines in the foreground, as you

1 saw on the tour, were actually set back quite a
2 bit from Menifee Road.

3 The front row of properties there would
4 likely be developed for light commercial, light
5 industrial use. So, we did a simulation of what
6 that might look like. And once that's built out
7 it will be very hard to see our power plant at
8 all.

9 If you were in the Hamshaw Farms parking
10 lot, the big Motts Barn over there, looking
11 towards the power plant. The big green arrow
12 shows where it is. You can just see some little
13 stubs there. Again, dwarfed by the big
14 transmission line that's there already.

15 Air quality wise. Any project that's
16 built in southern California, air quality is a key
17 issue. We have to apply best available control
18 technology. For us that means using natural gas
19 which burns very cleanly. We inject water into
20 the actual combustor of the turbine to reduce the
21 amount of pollutants that are formed during the
22 combustion process.

23 For those that are formed during the
24 combustion process, we then put them through two
25 catalysts, an oxidation catalyst and a selective

1 catalyst, to reduce the emissions to the lowest
2 possible level.

3 And we also have to have on the stack a
4 continuous emission monitor so that we're always
5 24-hours-a-day monitoring how much emissions are
6 coming out. And we have to report that on a
7 continuous basis. Of course, most of the time the
8 plant won't be running, but when it is, it has to
9 be measured.

10 For any remaining emissions after all
11 the pollution control technologies, we have to
12 obtain offsets. So that net, in southern
13 California, there's no increase in emissions.

14 The process, of course, takes us both
15 through the California Energy Commission and
16 through the South Coast Air Quality Management
17 District. And we will not get permits to build
18 that plant unless we have valid offsets for any
19 remaining emissions, we comply with all laws and
20 regulations, as Commissioner Geesman mentioned,
21 and we have to have proof that there's no material
22 harm to local air quality. And we have done the
23 computer, sophisticated computer modeling in order
24 to prove that.

25 In terms of community benefits, I'll

1 skip through these kind of quickly because it's
2 maybe not too germane to the Energy Commission,
3 but to all of you, the plant will cost about \$250
4 million to build. That's in addition to the local
5 tax base, and will be a hefty property taxpayer.

6 We'll also have to pay sales tax or use
7 tax on the equipment that we buy. Most of the
8 equipment will be made out of state, so it'll be
9 use tax that would be credited to Riverside County
10 locally.

11 The plant is not a big job producer
12 because it's a peak load power plant, it doesn't
13 run all that many hours of the year. We only have
14 about ten full-time staff. But there will be 200
15 or so construction jobs during about a 14-month
16 construction period.

17 We talked about the energy
18 infrastructure benefits. There will also be some
19 revenue for our friends here at EMWD, as we
20 purchase recycled water for some plant cooling
21 purposes there.

22 And I think this might be the last
23 slide. The Riverside Press Enterprise has given
24 us some great editorial support. I won't read
25 that for you, but we're very pleased with that.

1 One thing I would add that I missed
2 earlier, we talked about the California
3 Independent System Operator's view about the
4 California Energy Commission's view. I was at a
5 speech given by California Public Utilities
6 Commission Commissioner John Bohn on Thursday, and
7 I'll quote what he said. He said, "Simply put, we
8 need investment in additional infrastructure.
9 Energy efficiency gains will reduce the scale of
10 that need, but neither that nor an increase in
11 renewable energy will forestall the need for new
12 fossil-fuel generators."

13 And if we're successful in satisfying
14 everybody's concerns, we hope to be part of that
15 solution.

16 HEARING OFFICER FAY: Thank you, Larry.
17 I'd like to ask if there's any questions of VSE or
18 Edison Mission at this time? Yes, sir.

19 Mike, could you get that gentleman a
20 microphone? It might be easier for him --

21 (Pause.)

22 MR. O'BRIEN: I'm Eugene O'Brien. I'm
23 the President of the Harvest Valley Community
24 Council.

25 Most of what I had gathered from my

1 board members is it's a little close to the
2 school. And we already have a power plant being
3 built. I'm not against it and I don't believe my
4 board is.

5 What we want to know, and without
6 waiting till the last minute when they are ready
7 to start building, is what, if any, in the
8 summertime when the children are out playing and
9 we get a high output, is this power plant going to
10 produce enough to affect our children. I haven't
11 got any children here in school, but I'm sure a
12 lot of you do, and a lot of you think that way.

13 Grandfathers have grandchildren going to
14 school here. I think they need to think about
15 that.

16 And I believe it would be a better thing
17 if they could move it a little further away from
18 the school. That's my personal opinion. From the
19 site you can look straight out and you see the
20 school. And we already have one already being
21 built.

22 And I have to bring this back to my
23 board when once they make, you know,
24 recommendations for this.

25 And that is the biggest thing, I think,

1 not only from my board, but I think the Romoland
2 boards probably, and I'm not speaking for them,
3 but I believe they feel the same way. It's they
4 already got one; now we're going to have two. But
5 we're already building a high school the other
6 way. Ten, 15, maybe 20 years from now what is
7 going to be produced out of this power plants.

8 And I think that's what this board needs
9 to look at. And as far as Harvest Valley
10 Community Council, we're going to look at it and
11 we're going to keep an open mind. And like I
12 said, personally, it's a thing that it's awful
13 close to that school.

14 And I appreciate the chance to be up
15 here. Thank you very much.

16 HEARING OFFICER FAY: Thank you, sir.
17 I'm just going to mention, for any of you who come
18 up, please begin by stating your name and spelling
19 it, and that will help the court reporter so that
20 we're sure to have it all in the record.

21 Larry, do you want to briefly address
22 the kind of examination that concern is going to
23 take place?

24 MR. KOSTRZEWA: Sure. I guess my first
25 question is which school did you mean?

1 MR. O'BRIEN: Well, we have the one
2 directly -- was it, south of there? That's just
3 finished --

4 AUDIENCE SPEAKER: The Boulder Ridge.

5 MR. KOSTRZEWA: The Boulder Ridge
6 School?

7 MR. O'BRIEN: -- the one being built
8 over here which is approximately three miles away
9 from it. Then you have the Romoland school.
10 That's the one thing we need to, you know, come
11 out of this meeting. If the schools at least -- I
12 haven't, I've been trying to get ahold of somebody
13 on the school board, and tomorrow night I will
14 because she'll be at the meeting -- and find out
15 what the school board is thinking. And then --
16 and our board will know.

17 HEARING OFFICER FAY: Excuse me, sir.

18 MR. O'BRIEN: Yes, sir.

19 HEARING OFFICER FAY: I'm going to
20 interrupt you because we need everybody who says
21 anything to say it into the microphones. And I
22 think we got what you said, but let's try to avoid
23 speaking from our seats because you probably won't
24 be recorded in the public record. And we really
25 want to get your remarks.

1 Do you want to address the --

2 MR. KOSTRZEWA: Sounds like the answer
3 to the question was your primary concern was the
4 distance to the Boulder Ridge School. Land use
5 and distances from schools and other facilities
6 like that are an important part of the CEC
7 process. And there's actually a chapter in our
8 application that lays out the distances to each
9 school.

10 So, if you haven't gotten that section,
11 be happy to provide that section to you.
12 Hopefully that will help allay your concerns.

13 Secondly, sounds like your concern was
14 air emissions. And we have to do very
15 sophisticated air emission modeling to simulate
16 what the effect on local air quality will be.
17 That's all part of the application. That's being
18 reviewed by the California Energy Commission and
19 by the South Coast Air Quality Management
20 District.

21 And I can say without doubt if we would
22 have any impact on air quality we won't get a
23 permit.

24 HEARING OFFICER FAY: Okay. Any other
25 questions?

1 MR. DUKE: I have a question.

2 HEARING OFFICER FAY: Yes, sir, please
3 come up, state your name and ask your question.

4 MR. DUKE: My name is Bob Duke; I'm a
5 resident of Romoland. I'm a member of the
6 Romoland Community Council, and a new group being
7 formed called Voices.

8 We are totally concerned with the kids.
9 I don't now, and I never have, believed in
10 offsets. If you can't run a clean operation, as
11 far as I'm concerned, don't run it.

12 The other thing that I'm concerned with
13 are the turbines. I have no idea what kind of
14 decibels they put out. I don't know if they will
15 affect the school that's close by, that is Boulder
16 Ridge, or not. But those are two concerns that
17 come to my mind immediately.

18 And it would be a good idea if someone
19 would contact the Romoland Community Council and
20 have someone there to speak to those people who
21 are totally in the dark at this point.

22 So, thank you very much.

23 HEARING OFFICER FAY: Thank you, sir.

24 PRESIDING MEMBER GEESMAN: Did our
25 representative from the Public Adviser's Office

1 pick up that last reference?

2 MR. MONASMITH: Yes.

3 PRESIDING MEMBER GEESMAN: Okay.

4 MR. KOSTRZEWA: We would, of course, be
5 happy to meet with the Romoland Community Council.
6 We've reached out to as many people as we've been
7 able to, but we haven't covered all the bases.

8 Just like with land use, there i a
9 chapter in our application just strictly entitled
10 noise. And I'd be happy to provide you a copy of
11 that chapter to satisfy those concerns.

12 As far as offsets go, technology exists
13 to reduce emissions to very very very low levels.
14 But there is unfortunately no such thing as a
15 power plant that doesn't emit anything. So, when
16 we get it down to the lowest technically
17 achievable level, we're still required to find a
18 way to offset the remainder. And, you know,
19 that's just the reality of technology. There is
20 no such thing as zero.

21 HEARING OFFICER FAY: Yes, sir.

22 MR. KREUL: Yes, my name is Harry Kreul;
23 last name is spelled K-r-e-u-l. I think a lot of
24 people concerned, and I know we were, years ago,
25 it's not necessarily the air quality, but what's

1 in the air that's transmitted electrically.

2 Because years ago I was President of
3 Alia (phonetic) Corporation, and we were able to
4 successfully block the 500 kV lines going through
5 the Meadowbrook area between Elsinore and Perris.
6 They had to go around us. We did have lawyers.

7 And we were told at that time, I think
8 putting it simply, that you could take a
9 fluorescent light bulb and hold it close to the
10 power lines, okay, and I mean just the towers from
11 below, out to a half a mile away or more, I don't
12 know, I don't remember the exact figures. But the
13 light bulb would light. And so that's going
14 through our bodies, also.

15 Thank you.

16 HEARING OFFICER FAY: Thank you.

17 MR. KOSTRZEWA: Well, if we don't have
18 power generation within the local area, then we
19 do, of course, have to bring it in on high voltage
20 lines from someplace else.

21 Our power plant will not result in any
22 big new transmission lines being built. We only
23 need to run a very short line, as you saw, across
24 the railroad tracks to get to the substation.
25 Everything else will be distributed out on the

1 lines that are already there. I can't do anything
2 about the lines that are already there. But we
3 will not further impact the situation.

4 As a matter of fact, by providing local
5 generation we would reduce the need, should there
6 ever be one, to build new transmission lines into
7 the area.

8 HEARING OFFICER FAY: Yes, sir.

9 MR. WHITFIELD: My name is Frank
10 Whitfield, W-h-i-t-f-i-e-l-d. I'm not averse to
11 your project. But every project -- or hearing
12 that we've had, they tell us how many jobs are
13 going to be created. Look at Calpine's, produced
14 no employment for the people of Homeland-Romoland
15 area. They import them all.

16 Look at the housing developments. They
17 tell us the same thing. We're going to have jobs
18 for you. There are no jobs. They bring in the
19 large companies. Our people are still unemployed.

20 On the slide you said there's going to
21 be jobs for 200 people, 14 months. How many of
22 those 200 people are going to be employed from
23 Homeland-Romoland area?

24 Thank you.

25 MR. KOSTRZEWA: That's a very good

1 question, and I don't know.

2 HEARING OFFICER FAY: I'll just mention
3 the staff may be able to address that in some
4 requirements that they've had in previous cases.

5 Other questions? Okay. Thank you very
6 much, Larry.

7 I'd like to ask now Mr. Kramer and Mr.
8 Worl to present the staff's approach.

9 (Pause.)

10 MR. WORL: My name is Bob Worl; I'm the
11 Project Manager for the staff for the project for
12 the year or so that we'll be going through this
13 review process.

14 And as has been mentioned before, the
15 staff is one of the integral parts of this
16 process. Staff's primary job is to evaluate the
17 project and to make recommendations throughout the
18 process or through the process in a couple of
19 published documents. One called a preliminary
20 staff assessment; and the other one called a final
21 staff assessment, that will go to the Committee
22 that's here.

23 These staff recommendations essentially
24 are based on the analysis that each technical
25 person in one of 23 different areas perform. And

1 those are presented in those papers.

2 What I'm going to do briefly is just go
3 through a process here. The purpose of the siting
4 process is to insure a reliable supply of
5 electrical energy is maintained at a level
6 consistent with the need for such energy for
7 protection of the public health and safety, for
8 the promotion of general welfare, and for
9 environmental quality protection.

10 And this is a quote from the Warren
11 Alquist Act that is essentially the guiding light
12 for the process that the Energy Commission goes
13 through.

14 The Energy Commission permitting
15 authority essentially begins with thermal power
16 plants 50 megawatts or greater. And all the
17 related facilities, transmission lines, water
18 supply systems, natural gas pipelines, waste
19 disposal facilities that includes primarily solid
20 waste as well as oversight of the process of
21 getting rid of any liquid waste from the site;
22 also access roads.

23 We act as the lead agency for the
24 California Environmental Quality Act, often known
25 as CEQA. And we are a certified regulatory

1 program by The Resources Agency. And our analysis
2 parallels CEQA.

3 We go through a three-stage licensing
4 process beginning with determining whether or not
5 a submitted project is data adequate. That's the
6 first step in the analysis. We identify
7 deficiencies in the initial information presented
8 to us, and reflect that back to the applicant
9 through our recommendation to the Executive
10 Director, who then provides that recommendation to
11 the Commission.

12 And if the project is not data adequate
13 they then answer the deficiencies in a supplement.
14 And in this instance the project was deemed data
15 adequate on February 1 at the Commission business
16 meeting.

17 Staff discovery and analysis is the
18 second step. We go through identification of the
19 issues that we see in the project, potential
20 issues. We issue data requests to the applicant
21 and we conduct workshops. And the end result is
22 the staff assessments, preliminary and final,
23 which I earlier had mentioned to you.

24 The third stage is the evidentiary
25 hearing and decision process. At this point in

1 time the Committee becomes the primary focal
2 point. They hold evidentiary hearings. the
3 Committee then produces a Presiding Member's
4 Proposed Decision. And this decision
5 recommendation goes to the full Commission for a
6 vote.

7 This is basically a graphic presentation
8 of the potential participants in our process. In
9 the discovery and analysis process staff develops
10 staff testimony, staff assessment, which is
11 primarily an analysis of all the information
12 that's presented from all the various sources.

13 You'll see represented on there the
14 applicant, local, state and federal agencies, the
15 public and intervenors. And you'll notice there's
16 a little ellipse there that says Public Adviser in
17 the middle. And the Public Adviser, as Mike
18 Monasmith presented earlier, is there to assist
19 any members of the public in determining, number
20 one, where you can get information or how you can
21 participate in the process either informally, as
22 some of you have done today, or formally as
23 intervenors, such as CURE. At this point CURE is
24 the only formal intervenor we've received.

25 The evidentiary hearing and decision

1 process, as again I stated earlier, the Committee
2 essentially has the primary responsibility here to
3 develop a proposed decision that's presented to
4 the full Commission for a final decision.

5 And, again, you'll see who the
6 participants are in this process. There's staff
7 testimony, applicant testimony, local, state and
8 federal agency comments, and again, public comment
9 and intervenor testimony. And the Public Adviser
10 is also involved in assisting anybody in
11 participating in the process.

12 I'd like to make a distinction here. We
13 use the word testimony and analysis. And staff
14 performs an analysis, and based on that analysis,
15 the Committee will, in their proposed decision,
16 will recommend a set of findings to the full
17 Commission.

18 And once we've prepared our final staff
19 assessment, that essentially becomes staff
20 testimony. And testimony is different than
21 regular comment.

22 And you'll notice that the intervenor up
23 here has intervenor testimony; and public is
24 public comment. And, again, public comment we try
25 to take into consideration as best we can. But in

1 terms of the process, testimony from an
2 intervenor, you know, carries some weight, and as
3 was earlier stated, some responsibilities, as
4 well.

5 Testimony is the basis upon which the
6 Commission actually makes its final
7 recommendation, it's proposed decision, which
8 moves forward to the Commission.

9 Staff's analysis of the AFC is oriented
10 towards determining if the proposal complies with
11 the laws, ordinances, regulations and standards.
12 We often use the word LORS in the proposed
13 project.

14 We conduct an engineering and
15 environmental analyses. We identify issues;
16 evaluate alternatives; identify mitigation
17 measures. Again, mitigation is a process and is
18 the means by which significant impacts are reduced
19 to levels of less than significance.

20 Recommend conditions of certification.
21 The conditions of certification that are
22 recommended by staff in each of the technical
23 analyses are essentially the means by which the
24 Energy Commission will, if the project is
25 approved, monitor and keep the power plant

1 operating within the boundaries that are set
2 through the Commission process.

3 The Commission's license is a license
4 for the life of the project, which is normally
5 stated to be approximately 30 years. And the
6 conditions of certification are continuously
7 monitored by the Commission Staff for the life of
8 the project. And that's, I think, an important
9 part of the role of the Commission.

10 We facilitate public and agency
11 participation. Meetings such as this, and also
12 the noticed workshops where you can come and not
13 only hear, but also ask questions and voice your
14 comments, concerns at any time. We make our
15 public workshops accessible to the public.

16 In some instances, if there's not been a
17 lot of shown interest in a particular area, a
18 workshop almost always has, if it's not
19 accessible, we'll have phone access so that you
20 can participate via telephone.

21 The staff products. The staff products
22 are preliminary and a final staff assessment. And
23 there are workshops and hearings on these
24 products. Hearings are always conducted by the
25 Committee assigned to the project. And, again,

1 the staff makes recommendations to the Committee.
2 We do not make findings. Findings are essentially
3 a legal term which essentially are the
4 responsibility and the role of the Committee to
5 recommend, and the Commission to vote on.

6 We also coordinate with local, state and
7 federal agencies. We work as closely as possible
8 with each of these areas. In this instance we're
9 working with the County of Riverside Planning
10 Department, as well as some other departments.
11 There's a habitat conservation program that the
12 County administers.

13 And there's the South Coast Air Quality
14 Management District. And we've certainly heard
15 some discussion about their role in this, in terms
16 of doing the initial analysis or the primary
17 analysis of the project's emissions. And the
18 recommendations regarding mitigation that could be
19 required. And in this instance the District also
20 is in the process of going through a rule change
21 that will affect the way emission reduction
22 credits for this project are secured.

23 The state. We have the California Air
24 Resources Board, which exercises oversight. And
25 the California Department of Fish and Game. And

1 on the federal level there's the Fish and Wildlife
2 Service and the Environmental Protection Agency.

3 Each of these agencies has a vital role
4 in insuring that a project is compliant with all
5 of the laws, ordinances, rules and standards that
6 apply to equipment of this nature.

7 The Committee, after we issue a final
8 staff assessment, we being the staff, the
9 Committee then issues a Presiding Member's
10 Proposed Decision. This decision contains
11 findings that relate to the environmental impacts,
12 impacts on public health, the engineering
13 strategies and the validity and strength of those
14 parts of the project.

15 And then also the project compliance
16 with laws, ordinances, regulations and standards
17 at the various levels that we've discussed.

18 The Committee then recommends conditions
19 of certification. Some of these recommendations,
20 or usually most of these recommendations will come
21 from the staff assessment, staff's
22 recommendations. But not in every instance does
23 all of the staff's recommendations hold sway.

24 The Committee has the right to weigh
25 testimony from all of the sources and come to

1 conclusions that may be contrary, or may be more
2 restrictive of those conditions that, in fact, the
3 staff has recommended.

4 The full Commission, the five
5 Commissioners, take the Presiding Member's
6 Proposed Decision and vote on it, and come up with
7 a final decision. And from that point on the
8 California Energy Commission monitors the
9 compliance with all of the conditions of
10 certification in each of the technical areas for
11 the life of the project.

12 And our jurisdiction also involves
13 monitoring any project that closes down. The
14 shutdown, any demolition that's associated with
15 it, whether it's a shutdown and demobilized, or
16 shutdown and mothballed, put in storage for
17 potentially modification at another point in time.
18 Should that happen, that would require another
19 application.

20 Ways that you may participate are to
21 submit written comments or statements to the
22 Commission; provide oral comments at public
23 meetings; become a formal intervenor. And through
24 this process to be a formal intervenor you contact
25 the Public Adviser, and also you provide written

1 comments on the preliminary and the final staff
2 assessments.

3 Again, this just reiterates what's
4 already been said, but I think it really bears
5 notice. We have a very open public process. We
6 encourage public participation. The way that the
7 licensing process is stretched out over time and
8 the different stages, we think, are very very
9 supportive of community and public members
10 participating in the process and providing input,
11 not only to technical staff, but to the parties,
12 that includes the applicant, the staff and the
13 Committee, in this instance.

14 All the documents, again workshops and
15 hearings, I should say, we notice ten to 14 days
16 in advance. It's a requirement that we do that.
17 And it's also a requirement that to the extent
18 possible we make those hearings and in our case
19 workshops, the staff conducts some workshops, the
20 Committee has the role of establishing the time
21 for hearing evidence at formal hearings.

22 And we have a mailing list that's
23 similar, almost identical to the one that the
24 applicant has used. We have extensive mailing
25 lists, property owners to agencies, and to any

1 member that signs up. You know, if you want to be
2 on a mailing list we'd be very happy to include
3 you and make sure that you get the information
4 that you are interested in.

5 Documents are available. The
6 application for certification and any documents
7 that we produce are available at public libraries
8 in Perris and Riverside. And then also at
9 Sacramento, Los Angeles, San Francisco, San Diego,
10 Fresno and Eureka at university libraries. And
11 then at our Energy Commission library in
12 Sacramento. And the documents are always
13 published on the website.

14 And the website is here, and there is a
15 handout, if you didn't get one, or if you want
16 one, that does have this information on it.
17 Please let me know.

18 All of the information that's presented
19 in the case is usually filed with our dockets unit
20 and kept on file in our dockets unit so that it's
21 accessible to any party that wishes to view the
22 information.

23 And, again, the ways that you can
24 participate are by submitting written comments,
25 oral comments at public meetings, formal

1 intervention and provide written comments on the
2 preliminary and the final staff assessment.

3 And thanks for catching the (inaudible)
4 twice.

5 These are the contact people that are
6 most accessible. Myself, the Project Manager, and
7 my information is here. Gary Fay, who is the
8 Hearing Officer for the project. And Margret Kim,
9 the Public Adviser.

10 We also in the early stages of the
11 project we issue a staff issues identification
12 report. The purpose of that issues identification
13 report is to inform participants of potential
14 issues, and to provide an early focus on important
15 topics. And this serves to essentially call
16 attention to our staff's initial analysis of these
17 important areas for purposes of being addressed by
18 the applicant, by staff, by the Committee, and
19 also by the public, and by intervenors and anyone
20 who has a stated interest in the project.

21 The criteria for a potential problem
22 becoming an issue is whether it impacts -- it
23 identifies impacts that may be difficult to
24 mitigate. If the issue indicates that there's
25 noncompliance problems with laws, ordinances,

1 regulations and standards. And if the issue
2 becomes an issue if it's potentially contentious.
3 If there's a wide disagreement over the analysis
4 presented, or if there is wide disparity in
5 opinions on a particular point.

6 And we also identify an item as an issue
7 if it can impact the schedule for this case. We
8 have a 12-month process that's legislatively and
9 regulatorily mandated. We try very hard to adhere
10 to that schedule.

11 The potential issues that the staff has
12 identified at this point in time are air quality.
13 The air quality issue primarily rests on the Air
14 District's proposed rule change, which would
15 affect the way that mitigation is applied to the
16 project.

17 And then the air emissions strategy,
18 that would be essentially how our staff's
19 conditions of certification and how the ERCs or
20 the emission reduction credits are achieved, that
21 are recommended are achieved by the applicant.

22 We have essentially in our issues
23 identification paper presented staff's proposed
24 schedule. And I might note that in one of the
25 earlier documents, in a published document, we had

1 indicated a date of March 24th, I believe, for the
2 issuance of the staff issues first set of data
3 requests. That's not going to happen until March
4 5th.

5 But basically as you go down this, as I
6 mentioned, the project was deemed data adequate
7 February 1. Staff has issued its issues
8 identification report and the schedule, proposed
9 schedule, on the 21st of February.

10 We're now here at the third item on the
11 agenda, which is the February 27th informational
12 hearing and site visit. And the next thing would
13 be the issue of the first set of data requests,
14 which, as I said, will be delayed until March 6th.

15 We then hold a data request and issues
16 resolution workshop. The applicant provides data
17 responses, and the data responses we also hold a
18 workshop on those. And the dates that are up
19 there are approximate. We try very hard to adhere
20 to these dates, but there are other things over
21 which we have no control that could impact these
22 dates.

23 One of those is this June 1 South Coast
24 Air Quality Management District filing its
25 preliminary determination of compliance. That's a

1 key document for our air quality staff in
2 performing their analysis of potential impacts of
3 the project. And, again, as I had indicated
4 earlier, South Coast is going through a rule
5 change; and that could have some impact on the
6 issuance of their preliminary determination of
7 compliance.

8 We've also, at the same time, June 1,
9 asked for all federal, state and local agencies to
10 file their preliminary determinations. And once
11 we have those in hand we can then publish our
12 preliminary staff assessment or PSA.

13 We then hold our first workshop on the
14 PSA. We may hold one, we may hold more than one
15 workshop. And we may hold a workshop in more than
16 one location depending on what the circumstances
17 are.

18 The anticipated filing date for the
19 South Coast Air Quality Management District's
20 final determination of compliance is scheduled for
21 July 31st. Now, whether they can -- again, we
22 don't know whether they can meet that date. A lot
23 depends upon their ability to complete their rule
24 change process. And that's a very critical,
25 again, a critical document that our air quality

1 staff need to complete their analysis.

2 They not only rely on that document, but
3 they also provide a great deal of input to the Air
4 District in terms of what we see as potential
5 problems or potential issues that need
6 strengthening or addressing in their determination
7 of compliance.

8 Again, I put to be announced, the
9 Committee prehearing conference. After we've
10 issued our final staff assessment, it's the
11 Committee here that will determine when they will
12 hold hearings and take formal testimony from both
13 staff, the applicant, intervenors and we'll also
14 have, I'm sure, a period allowing public
15 commentary, as well.

16 And there are some other events that
17 occur with our Committee events leading up to a
18 Commission decision that basically allow for
19 modification or the completion of a Presiding
20 Member's Proposed Decision. A hearing on that.
21 And then the recommendation to the full Commission
22 and the action at a business meeting by the full
23 Commission.

24 Currently staff believes that the issues
25 that we've identified are capable of successful

1 resolution in a timely manner. All indications
2 from the District are that they are moving to --
3 from the Air District they are moving to complete
4 their rulemaking in a fashion that will allow us
5 to maintain our 12-month schedule for this
6 project.

7 Again, as I point out, this requires
8 aggressive effort on the part of the staff, the
9 applicant and the agencies involved, as well as
10 participation from people such as yourselves, as
11 well as formal intervenors.

12 And one of the things that I like to
13 point out is sometimes issues surface in the
14 process which do delay, exceeding the proposed
15 timeline. And the timeline is, in fact, adjusted
16 appropriately when we find something that's
17 blocking successful movement.

18 And basically that's the end of my
19 presentation on process.

20 HEARING OFFICER FAY: Okay. Thank you,
21 Bob. Would you mind staying up here --

22 MR. WORL: Not at all.

23 HEARING OFFICER FAY: -- and responding
24 to any questions that come up. Does anybody have
25 a question about the way the process works?

1 Commissioner, you had a comment?

2 PRESIDING MEMBER GEESMAN: Actually my
3 comment is as much substance as process. But,
4 let's start with the process one. You've
5 mentioned the South Coast Air Quality Management
6 District's contemplated rule change a couple of
7 times.

8 Does the staff plan to be an active
9 participant in the District's rulemaking, or an
10 observer?

11 MR. WORL: Our staff have been in close
12 contact with the Air District in terms of what
13 their proposed rulemaking is. And basically at
14 this point in time the structuring of their
15 rulemaking will determine the access that the
16 applicant will have for getting the required
17 emission reduction credits.

18 And also will, you know, essentially
19 affect any motion forward beyond that point.
20 Because at this point the applicant has no way to
21 determine what ERCs or reduction credits they're
22 going to need to purchase on the open market, or
23 what might be available through the priority
24 reserve.

25 And these are all things that are

1 District-related at this point in time. There's
2 no way, until they've completed their rulemaking,
3 that we'll know which way they must proceed.

4 PRESIDING MEMBER GEESMAN: So is the
5 staff taking substantive positions in that
6 rulemaking, or simply observing a process until
7 the District actually completes it?

8 MR. WORL: We have some air staff here;
9 I think Keith Golden is here, and he probably
10 would have a more accurate representation of what
11 their current involvement with the District is.
12 Keith.

13 MR. GOLDEN: My name's Keith Golden; I'm
14 with the CEC air quality staff. We will be
15 monitoring the rule changes that's going on, the
16 initial study on the priorities or rule change
17 that's just come out.

18 We will, if management agrees with us,
19 the staff will prepare comments on the initial
20 study. But we haven't come up with a
21 determination of how actively we're going to
22 participate in this process. We do have,
23 undoubtedly, some issues we want to have
24 discussions with the Air District about to fully
25 understand the breadth and detail of the changes

1 that are going to occur.

2 But I think it's premature for me to
3 comment right now whether in fact our management
4 will say how active we will participate in that
5 process.

6 PRESIDING MEMBER GEESMAN: While you're
7 up here, I wanted to raise something that was
8 contained in the filing that Mr. Worl submitted to
9 the docket, the issues identification report.

10 In the air quality discussion under NOx
11 mitigation, you've got the statement: Based on the
12 Energy Commission decision for the Inland Empire
13 Energy Center project, VSC, the applicant, will
14 need to provide proof that they have obtained
15 sufficient NOx reclaimed trading credits for the
16 first year of operation by the time of the
17 evidentiary hearings."

18 And I wanted to make certain that Mr.
19 Galati was aware of that statement; and I wanted
20 to get some sense. Do you agree with that? Do
21 you intend to do that?

22 MR. GALATI: No, we do not. And we
23 intend to follow the District rules. And we
24 believe the District rules do not require us to
25 purchase the first year prior to the evidentiary

1 hearings.

2 And we were hoping that that issue, like
3 all the other issues in the issues identification
4 report, would be vetted in the PDOC and FDOC
5 process so that at the time the staff prepares its
6 final staff assessment, it could give its
7 recommendation to the Committee, and that
8 recommendation -- be compared with how the
9 District would interpret its own rules.

10 PRESIDING MEMBER GEESMAN: Yeah, I would
11 like to have any of those types of differences
12 aired as early in this process as possible.

13 My last comment was a water comment, so
14 probably doesn't involve you, Mr. Golden. But
15 thank you.

16 MR. GOLDEN: Sure.

17 PRESIDING MEMBER GEESMAN: Mr. Worl, and
18 I apologize if you're not able to answer this
19 tonight. But, as I think you know, Commissioner
20 Pfannenstiel and I are going over to the City of
21 Industry tomorrow for a similar hearing on the
22 Walnut Creek Energy Project. A very similar type
23 of project, proposed by this same applicant.

24 In that proceeding the staff has
25 identified as a potential issue the reliability of

1 the reclaimed water supply. And as I understand
2 it, these concerns have stemmed from some
3 experience that the Commission has had with the
4 Palomar Energy project in San Diego County, where
5 the reliability of that reclaimed water supply has
6 been called into question during the commissioning
7 and startup of the facility.

8 You don't identify that issue as being
9 pertinent in this case. What distinguishes this
10 application from the Walnut Creek application?

11 MR. WORL: The Eastern Municipal Water
12 District, whose lovely building we just happen to
13 be enjoying right now, have provided a letter that
14 indicates that they have sufficient capacity over
15 the long haul to provide the necessary water.

16 Our water quality people have looked at
17 the information on the changes in the EMWD's
18 reclaimed water supply. The addition of four or
19 five, I'm not sure which, additional plants that
20 supply water to the reclaimed water line indicates
21 that they have sufficient long-term supply for the
22 reclaimed water, Title 22 water for this project.

23 PRESIDING MEMBER GEESMAN: Thank you
24 very much.

25 MR. KRAMER: Probably add to that, I

1 think the Walnut Creek is also an issue of whether
2 there's enough total reclaimed water available.
3 It is not the same issue here.

4 PRESIDING MEMBER GEESMAN: Okay.

5 MR. KRAMER: They have three plants that
6 generate the water, all interconnected, and the
7 area's growing so fast that obviously they're
8 going to be treating more reclaimed water.

9 In the Inland case, they really wanted
10 to have a use other than pumping it into the
11 ground.

12 PRESIDING MEMBER GEESMAN: Thank you,
13 Mr. Kramer.

14 HEARING OFFICER FAY: Mr. Worl, does the
15 staff have extra copies of the issues
16 identification report available?

17 MR. WORL: I have a couple more left if
18 anybody needs one.

19 HEARING OFFICER FAY: Okay, --

20 MR. WORL: Certainly can get one to you.

21 HEARING OFFICER FAY: -- I think Mr.
22 Worl has pretty much covered the contents, but if
23 anybody needs one, please contact him when you
24 have a chance.

25 MR. WORL: I just wanted to leave

1 everybody with a taste of Alaska. You know, we
2 had a hot summer coming, and I just wanted to show
3 you springtime out on the ice.

4 (Laughter.)

5 MR. WORL: This is my alternative energy
6 plan. We're bringing coal to keep the tents warm
7 where we sleep.

8 HEARING OFFICER FAY: All right, thank
9 you. Now, are there any questions on the process
10 or on the staff's issues identification report,
11 how the staff will be conducting themselves during
12 this proceeding?

13 Okay, I see no indication. If a
14 question comes to mind later, I encourage you to
15 contact Mr. Monasmith with the Public Adviser's
16 Office, or you can contact Mr. Worl, or contact
17 me, and we will get you some answers.

18 Yes, ma'am.

19 MS. LUNSTRUM: I have a comment.

20 HEARING OFFICER FAY: Please come up and
21 make your comment.

22 MS. LUNSTRUM: I'm Bennie, B-e-n-n-i-e,
23 Lunstrum, L-u-n-s-t-r-u-m. And I live at
24 Homeland; we've been here since (inaudible). I'm
25 a homeowner. I was requested to hand you this

1 endorsement, and it's from the Citizens Patrol,
2 Harvest Valley Citizens Patrol. Who do I hand it
3 to?

4 HEARING OFFICER FAY: I'll take it.

5 MS. LUNSTRUM: Thank you.

6 HEARING OFFICER FAY: Thank you. All
7 right, any other questions or comments regarding
8 the staff's presentation? We're still going to
9 have more time for comment later on.

10 All right, is there a representative
11 from CURE here?

12 MS. SMITH: Gloria Smith, California
13 Unions for Reliable Energy. Can you hear me okay?

14 THE REPORTER: No.

15 MS. SMITH: Shall I come up?

16 HEARING OFFICER FAY: Please.

17 MS. SMITH: Gloria Smith, California
18 Unions for Reliable Energy. As you noted, we just
19 only recently intervened. We're still studying
20 the project. I don't have a presentation for you
21 this evening, but we will stay involved, and we'll
22 comment as soon as we formulate some formal
23 opinions on the project.

24 Thank you.

25 HEARING OFFICER FAY: Thank you. Okay.

1 The staff has gone over its proposed schedule
2 that's part of the issues identification report.

3 Mr. Galati, do you -- you provided a
4 report for the applicant, or a proposed schedule.
5 Do you want to comment on how it differs or agrees
6 with the staff's?

7 MR. GALATI: Yes. Can you hear me at
8 this one at all?

9 (Pause.)

10 MR. GALATI: Does this one work?

11 THE REPORTER: Yes.

12 MR. GALATI: Okay, thank you. Yes, we'd
13 like to comment that I think one of the benefits
14 of this particular project is it doesn't have a
15 lot of local, state and federal agency
16 determinations. In fact, there are two critical
17 path items that we've identified to staff being
18 able to prepare its staff assessments.

19 And those critical path items are the
20 preliminary determination of compliance that we
21 believe would address each and every one of
22 staff's issues in its issues identification
23 report. And the final determination of
24 compliance, both by the South Coast Air Quality
25 Management District.

1 Our proposal for you is to provide a
2 schedule that has flexibility, recognizing those
3 are the critical path items. We could estimate a
4 date when we get those, and then build a schedule
5 based on that. I think our experience has been
6 that those dates sometimes slip. And what we
7 don't want to do is have to reconvene the
8 Committee to try to understand what our schedule
9 is.

10 So what we'd ask is that the schedule
11 would float. That the staff would prepare it's
12 preliminary staff assessment 30 days after the
13 preliminary determination of compliance is
14 received.

15 Even if the preliminary determination of
16 compliance does not resolve all of staff's issues,
17 we can go forward and be very very productive in
18 all other 22 technical areas with the preliminary
19 staff assessment, and be prepared for the final
20 determination of compliance, which then staff
21 could amend its preliminary staff assessment,
22 focusing mostly on air quality and the work that
23 we've done in our workshops, and issue its final
24 staff assessment at that point in time.

25 I think that we have drafted this

1 schedule in a way to be creative, to recognize
2 that a full vetting is important for this project.
3 But we also need to move expeditiously if we are
4 going to provide a peaking power in time for when
5 it's needed.

6 So, we characterized this project at the
7 beginning of the project as in all other technical
8 areas we believe that we would have met the six-
9 month criteria, both on LORS compliance and both
10 on impacts, mitigation.

11 The area that is of most concern and the
12 area where there is that rule change is what is
13 driving this schedule for this project. So we'd
14 ask you to consider a schedule such as the one we
15 provided.

16 HEARING OFFICER FAY: All right, thank
17 you. Does the staff have any comment or reaction
18 to that suggestion?

19 MR. KRAMER: I think it's still a little
20 tight as far as the air quality analysis goes.
21 For instance, the applicant's schedule assumes the
22 final determination of compliance would be July 1.
23 And then wants the FSA to come out 25 days later,
24 which would be near the end of July. And talks
25 about having a prehearing conference a week or so

1 after that.

2 So I think it's a little too compressed.
3 If we go with the approach, and I can't speak for
4 the air quality staff, whether they're willing to
5 drafting the preliminary staff assessment with the
6 air quality issues pretty much wide open. We
7 certainly can't do that with the final staff
8 assessment. And 25 days, I believe, is going to
9 be a little bit tight to receive the final
10 determination of compliance, turn it around, and
11 produce the final staff assessment, which is more
12 than just a simple regurgitation of what the FDOC
13 says.

14 So, my point is I think we need a little
15 bit more time. Perhaps with the PSA, but
16 certainly with the FSA, in processing the
17 information from the Air District.

18 HEARING OFFICER FAY: Do you have a
19 recommendation?

20 MR. KRAMER: Well, we recommended -- we
21 were basically 30 days; but, Keith, are you
22 comfortable with that or --

23 PRESIDING MEMBER GEESMAN: I think you
24 were 45 days after the PDOC came out.

25 MR. KRAMER: The FDOC, I'm talking July

1 31 to August --

2 PRESIDING MEMBER GEESMAN: Oh, you're 30
3 days after the FDOC, 45 after the PDOC. Mr.
4 Galati separates the PDOC and the FDOC by 60 days;
5 you separate them by 90 days. Not certain either
6 one of you have a crystal ball on that.

7 MR. GALATI: Just to clarify, I
8 estimated the days, but I actually would ask you
9 to do a schedule that uses a floating --

10 PRESIDING MEMBER GEESMAN: Yeah.

11 MR. GALATI: -- whenever it's due, then
12 plus 30. And whenever it comes in, then plus --
13 whether it's 25 or 30, I think we're comfortable
14 with those timeframes.

15 With a prehearing conference to be
16 announced.

17 PRESIDING MEMBER GEESMAN: Yeah, and I
18 have to tell you, we've been in enough cases
19 together that I would anticipate the prehearing
20 conference being pretty quick after the final
21 staff assessment is issued. We don't need a lot
22 of time separating the FSA and the prehearing
23 conference.

24 MR. KRAMER: Probably need at least the
25 ten days to notice it, though.

1 PRESIDING MEMBER GEESMAN: We do need to
2 comply with our notice requirements.

3 MR. KRAMER: Mr. Golden informs me he
4 thinks 30 days after receipt of the final
5 determination of compliance will be enough time
6 for staff.

7 He's also pretty sure that the District
8 isn't going to finish its rule change until at the
9 earliest sometime in July. So, I think it's going
10 to be, you know, these dates are probably
11 optimistic already.

12 HEARING OFFICER FAY: What is the
13 relationship, in your estimation, between
14 finishing the rule change and issuing an FDOC?
15 Will they come out about the same time?

16 MR. KRAMER: They might be able to. But
17 right now he understands they're projecting, at
18 the earliest, to finish the rule change July 7th,
19 I think he said. And with this latest controversy
20 that's arisen, you know, it's very likely that
21 that's going to slip some.

22 HEARING OFFICER FAY: Okay.

23 PRESIDING MEMBER GEESMAN: And will that
24 drive the PDOC as well as the FDOC?

25 MR. KRAMER: In this scenario I guess it

1 won't. Although by definition it creates more
2 uncertainty, which then, you know, may leave more
3 open issues that delay the processing of the final
4 determination of compliance.

5 PRESIDING MEMBER GEESMAN: Would there
6 be value in coming out with the preliminary staff
7 assessment 30 days after the PDOC in contrast to
8 the 45 days you've proposed, in order to take
9 certain non-air quality issues off the table?

10 MR. KRAMER: That'd be fine.

11 PRESIDING MEMBER GEESMAN: Okay. I
12 think you make a good point, Mr. Galati. We ought
13 to strive for a schedule in this case that is
14 driven by the PDOC and the FDOC, and try and
15 express things in terms of days after the issuance
16 of those Air District documents.

17 MR. GALATI: Thank you. Any further
18 questions?

19 HEARING OFFICER FAY: No.

20 MR. GALATI: Thank you.

21 HEARING OFFICER FAY: Thanks very much.
22 Okay, any comments from CURE on the schedule?

23 MS. SMITH: The schedule seems fine.

24 HEARING OFFICER FAY: Okay. Now, we'd
25 like to offer people a chance for public comment.

1 If you haven't already made a comment and you'd
2 like to make one, please come up. Identify
3 yourself and make your comment.

4 Yes, sir.

5 MR. SKUMAWITZ: Good evening. My name
6 is Roland Skumawitz. I'm Superintendent of the
7 Romoland School District here in this area. And
8 I'd like to just offer up a letter this evening
9 that kind of expresses some of the concerns that
10 we have regarding the additional power plant to
11 the area.

12 They have to do really more with the air
13 quality and health and welfare of the kids. And
14 our school, our existing school, is less than 1000
15 feet from the affected area, and I'm including the
16 already-under-construction IEEC.

17 PRESIDING MEMBER GEESMAN: What's the
18 name of that school?

19 MR. SKUMAWITZ: Romoland School.

20 PRESIDING MEMBER GEESMAN: Okay.

21 MR. SKUMAWITZ: It's part of the
22 Romoland School District.

23 HEARING OFFICER FAY: When you say 1000
24 feet from the affected area, what --

25 MR. SKUMAWITZ: We're looking at the

1 entire industrial area there. We've got, you
2 know, the IEEC is already under construction.
3 That's one power plant. And then here's a second
4 power plant very close to it.

5 So the overall impact of these two
6 projects plus other industrial projects that are
7 in the area are having and will have an effect on
8 the school.

9 We're not necessarily arguing the need
10 for additional power sources for this area. But
11 we do feel that there's an impact that might be
12 mitigatable under the circumstances.

13 So the report, or the letter I have for
14 you this evening is just a placeholder, if you
15 will. And we will have additional documentation
16 for you as the process moves forward.

17 HEARING OFFICER FAY: Certainly.

18 MR. SKUMAWITZ: Who did I give this to?

19 HEARING OFFICER FAY: You can give that
20 to me.

21 MR. SKUMAWITZ: I will mail --

22 HEARING OFFICER FAY: All right,
23 appreciate that.

24 PRESIDING MEMBER GEESMAN: Thank you.

25 HEARING OFFICER FAY: Anybody else like

1 to make a comment at this time?

2 MR. DAUGHERTY: Good evening.

3 HEARING OFFICER FAY: Good evening.

4 MR. DAUGHERTY: I'm Joe Daugherty; I'm
5 with the Perris Union High School District. I'm
6 on the Board of Trustees.

7 HEARING OFFICER FAY: Would you spell
8 your name, please?

9 MR. DAUGHERTY: Yeah, last name's
10 Daugherty, D-a-u-g-h-e-r-t-y, first name Joe.
11 And, of course, I'm not representing our school
12 district at this point; I'm here as an individual.
13 Can't speak for the other board members.

14 We have had a presentation by Edison
15 Mission; came to our school. Nobody on our staff
16 or anything. We have a high school that's going
17 in at Briggs and 74. It's quite a distance, a lot
18 further than the other schools, from this
19 particular site.

20 Nobody has posed a question from staff
21 or from our architectural committee of it having
22 any kind of an impact or problem to us. Of
23 course, we are very concerned about the students
24 of the area and we want to make sure that they're
25 served and they're not harmed. But at this point

1 I don't have any evidence to indicate that.

2 But I would like to say that the lack of
3 power is a problem, and blackouts at a high school
4 site, especially, are a problem. And, of course,
5 you know, we're very impacted. We're not able to
6 stop the development that's coming into the area,
7 so we do have to keep the infrastructure coming.
8 We're having a hard time keeping up with schools.

9 And I'd just maybe point out that
10 another concern would be as to how we would house
11 all the kids in the future if we do have a lot of
12 blackouts. So, you know, from the result of kids
13 that come from blackouts. At least I've heard
14 evidence of that. So just to kind of keep it on
15 the light side.

16 But, anyway, that would be our concern.
17 And I'd just like to point out that we do have a
18 need for power in the area, and I would like to
19 see that, you know, we not suffer brownouts.

20 Thanks.

21 HEARING OFFICER FAY: Thank you.
22 Anybody else like to make a comment? Yes, ma'am.

23 MS. LUNSTRUM: I'm still Bennie
24 Lunstrum. I failed to tell you, I did not receive
25 any information. And I don't know who you sent it

1 to, but -- a P.O. box, and I didn't know until
2 just a couple days ago that this meeting was even
3 being held.

4 We're all working with the flood control
5 thing around here, and everybody thought the
6 meeting was for the flood control. But they did
7 get information about it for March.

8 So if there's some way that you could
9 get more information, I'm sure a lot of people
10 would have been here that aren't.

11 HEARING OFFICER FAY: Okay. There is a
12 way you can get more information.

13 MS. LUNSTRUM: I put my information
14 there.

15 HEARING OFFICER FAY: The information on
16 the --

17 MS. LUNSTRUM: But I don't know who you
18 sent them to, but you said you sent out several
19 letters. None of them --

20 HEARING OFFICER FAY: Okay. And you
21 might want to talk to Mr. Monasmith on the way out
22 to just be sure that you and your neighbors are
23 getting the information you need. Thank you.

24 Okay, anybody else? Any comments?

25 This will not be your last opportunity

1 to comment in this process. There will be staff
2 workshops down in this area. And eventually we'll
3 be holding evidentiary hearings down here. And
4 after we hold an evidentiary hearing where all the
5 lawyers talk and the consultants talk, then we
6 always reserve time for the public to make a
7 comment, whatever they'd like.

8 So, we will make this process open and
9 available to the people who live down here.

10 Any closing remarks, Commissioner?

11 PRESIDING MEMBER GEESMAN: Just want to
12 thank everybody for coming out tonight.

13 HEARING OFFICER FAY: And the Committee
14 will be issuing a scheduling order in the near
15 future. And if you check the website you should
16 be able to get a copy of that.

17 Thank you all for coming. We are
18 adjourned.

19 (Whereupon, at 6:15 p.m., the
20 Informational Presentation was
21 adjourned.)

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CERTIFICATE OF REPORTER

I, CHRISTOPHER LOVERRO, 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 7th day of March, 2006.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345