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STATE OF CALIFORNIA  
ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
Application for ) Docket No. 97-AFC-2  
Certification for the )  
Sutter Power Plant Project) )  

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COMMITTEE STATUS CONFERENCE

Veterans Memorial Community Building  
1425 Circle Drive  
Yuba City, CA 95593

Monday, July 13, 1998  
10:00 a.m. to 12:00 p.m.

Contract No. 170-98-001  
Reported by: Debra P. Codiga, CSR No. 5647



1 APPEARANCES

2

3 Panel Members Present:

4 CYNTHIA PRAUL, Commissioner Advisor

5 WILLIAM J. KEESE, Commission Chairman

6 GARY FAY, Hearing Officer

7 MICHAL C. MOORE, Presiding Commissioner

8 SHAWN PITTARD, Commissioner Advisor

9

Staff Present:

10

PAUL C. RICHINS, JR., Siting Project Manager

11

ARLENE L. ICHIEN, Assistant Chief Counsel

12

13 Other Participants:

14 LOREEN R. McMAHON, Project Manager  
Environmental Affairs, Western Area Power

Administration

15

GEORGE CARPENTER, Associate Planner  
Planning Commission, Sutter County Community Service  
Department

17

THOMAS LAST, Associate Planner  
Planning Commission, Sutter County Community Service  
Department

19

20 On Behalf of the Applicant:

21 CHRISTOPHER T. ELLISON, Attorney at Law  
Ellison & Schneider

22

CHARLENE L. WARDLOW, Environmental Manager  
Calpine

23

24 CURT HILDEBRAND, Project Director  
Calpine

25

2

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1 APPEARANCES (Continued)

2

3 On Behalf of the Intervenor:

4 ANN BROADWELL, Attorney at Law  
5 Adams, Broadwell & Joseph  
6 California Unions for Reliable Energy

6

Public Speakers:

7

AUDIENCE MEMBER (Unidentified)

8

LARRY MUNGER, Chairman, Sutter County Board of  
9 Supervisors

10 JOAN BECHTEL, Supervisor, Sutter County Board of  
11 Supervisors

11

BOB PARKINS  
12 Western Area Power Administration

13

KEN CORBIN  
14 Feather River Air Quality Management District

14

CHRIS TOOKER, Supervisor  
15 Environmental Protection Agency Air Quality Unit

16

HEIDI MILLER  
17 Western Area Power Administration

17

18

--o0o--

19

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4

1 PROCEEDINGS

2 MONDAY, JULY 13, 1998 YUBA CITY, CA 10:00

A.M.

3 PRESIDING COMMISSIONER MOORE: Good

morning.

4 My name is Michal Moore. I am a commissioner with

the

5 California Energy Commission. Commissioner Williams

6 Keese will be joining us shortly. Sitting at my far

7 right of the table is Advisor Cynthia Praul; Hearing

8 Officer Gary Fay is immediately to my right, and

Advisor

9 Shawn Pittard, who is on my left.

10 This is the hearing in the workshop to

inform

11 the committee on the status of the case proceeding,

12 including potential delays, as I said; to address

any

13 other party's comments that have come up since the

last

14 time we met, or discuss any other broad issues in

the

15 proceedings that might come up today.

16 I'll note in broad issues on the

proceedings

17 that the preliminary staff assessment workshop is

18 tomorrow morning, not today, and the issues that are

19 very discrete in nature will be discussed at that

time,

20 starting at nine o'clock in this building tomorrow.

21                   With that, I want to say welcome to this  
22                   workshop. We're going to listen carefully to what  
you  
23                   have to say. We don't have a tape recording today;  
we  
24                   don't have a court stenographer, so we'll simply be  
25                   taking good notes.

5

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1 PUBLIC ADDRESS SYSTEM MONITOR: She's here.

missed 2 PRESIDING COMMISSIONER MOORE: Sorry. I

3 that. I didn't see that. We do have a  
stenographer,

4 and she'll be taking good notes. Probably better  
than

5 we would take from up here.

6 Attorney Gary Fay, who is the hearing  
officer,

7 will give an overview of today's workshop.

8 HEARING OFFICER FAY: Thanks.

9 As Mr. Moore indicated, we want to pretty  
much

10 follow the questions that were in the notice of this  
11 workshop or this status conference and -- and really  
12 limit our concerns to items that affect the  
schedule.

13 So while there may be substantive problems  
that

14 you're concerned about, what we'd like to focus on  
15 today, so that we don't spend all day here, is to  
just

16 highlight how getting out the information at the  
17 committee meetings and peer meetings may or may not  
18 delay the anticipated schedule.

19 So if we know that, say, for instance, one  
20 agency that has a vital piece of the puzzle is going  
to

21 be delayed, we'd like to know about that and, if  
22 possible, what the extent of the delay is, and  
whether  
23 it would affect the date we can move to evidentiary  
24 hearings, that type of thing.

25 We want to avoid getting into the details  
that

6

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1 will be discussed tomorrow at workshop in terms of  
2 whether you think the PSA is complete or whether you  
3 disagree with its assessment, that type of thing.

there's  
before  
4 So if there -- and I'd like to ask if  
5 any question about how we can handle things today  
6 we get started.

7 Yes, sir.

to  
8 AUDIENCE MEMBER: When are we going to get  
9 talk?

public  
of  
10 HEARING OFFICER FAY: Well, the time for  
11 comment is at the end, as we always do. At the end  
12 the hearing you can --

13 AUDIENCE MEMBER: Just don't brush over it.

last  
14 HEARING OFFICER FAY: I didn't hear your  
15 comment.

like  
16 AUDIENCE MEMBER: Just don't brush over  
17 the wells. I'm just concerned about my well.

do  
18 HEARING OFFICER FAY: I understand that. I  
19 want to -- to make clear, though, that today, while  
20 we're glad to hear your comments, the -- the  
21 nuts-and-bolts working session, when we will roll up

our

22 sleeves and decide whether or not the staff's  
23 preliminary assessment has adequately addressed your  
24 concern --

had

25 AUDIENCE MEMBER: What about in '77, they

7

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1 all these droughts.

2 HEARING OFFICER FAY: And that is --

3 AUDIENCE MEMBER: All these droughts in '77  
you  
4 haven't take into -- this into consideration. I use  
the  
5 water out of the wells. Now, what if you people  
were --  
6 would have had this thing there back then, what  
would we  
7 have done with our wells?

8 HEARING OFFICER FAY: I understand your  
9 concern. The only problem today is we're trying to  
10 figure out --

11 AUDIENCE MEMBER: Just don't brush over it.

12 HEARING OFFICER FAY: As I indicated, we  
want  
13 you to come tomorrow to explain to the staff if you  
14 disagree with their assessment, explain what they  
left  
15 out, what information they should have added in,  
okay?  
16 So I'm -- I just want to encourage you and others  
who  
17 have specific concerns that --

18 AUDIENCE MEMBER: We don't want what  
happened  
19 here in --

20 HEARING OFFICER FAY: I'm only --

21 PRESIDING COMMISSIONER MOORE: Hold on.

22 AUDIENCE MEMBER: I don't --

23 PRESIDING COMMISSIONER MOORE: Let me lay  
down

24 some ground rules.

25 AUDIENCE MEMBER: Okay.

8

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1 PRESIDING COMMISSIONER MOORE: We are going  
to  
2 let everyone talk who wants to talk, okay? We've  
got a  
3 procedure that we've got to get through.

4 In this kind of hearing, we need to get  
certain  
5 things out on the table. I'll make ample time for  
you  
6 to be able to be heard either today or today and  
7 tomorrow, not a problem.

8 AUDIENCE MEMBER: When's the meeting  
tomorrow?

9 PRESIDING COMMISSIONER MOORE: Nine o'clock  
10 a.m. in this room.

11 AUDIENCE MEMBER: Eight what?

12 PRESIDING COMMISSIONER MOORE: Nine a.m. in  
13 this room. So we'll let everybody speak who wants  
to  
14 speak, but in the meantime, what I want to make sure  
is  
15 that we get as many of the basic concerns at today's  
16 meeting, some of which -- most of which emanated out  
of  
17 my office, and which you'll find on the back of the  
18 hearing notice.

19 I want to make sure that those concerns get  
20 addressed. Today is the discussion of the  
procedures

of 21 that we're going to use. Tomorrow is the discussion

22 the -- as Gary says, the nuts and bolts of the  
matter.

23 But we'll make sure that everyone gets  
heard on

24 every facet of this. We're not going to cut anyone  
off,

25 and I might just admonish the staff I want to make  
sure

9

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this 1 that -- that we declare death to acronyms during  
2 hearing.

with a 3 So if you find yourself in a -- in a --  
Spell 4 tendency to use acronyms like PSA, don't do it.  
and 5 it out. It only takes a couple of extra breathes,  
with 6 let's make sure that everyone who is not familiar  
7 these proceedings gets a -- a fair shake in  
8 understanding what those acronyms and terms mean.

9 So Mr. Fay, back to you.

you. 10 HEARING OFFICER FAY: All right. Thank

of 11 Now, I understand that the -- the chairman  
be 12 the board of supervisors, Larry Munger, is -- would  
13 here to address the committee. Is Supervisor Munger  
14 here among us?

15 SUPERVISOR MUNGER: Yes.

from 16 HEARING OFFICER FAY: We'd like to hear  
17 you now.

you 18 SUPERVISOR MUNGER: Good morning. Thank  
19 for allowing me to speak today. I'm Larry Munger,  
20 chairman of the Sutter County Board of Supervisors.

I'm

21 appearing today to inform the Energy Commission of  
22 concerns that the board of supervisors has heard  
from 23 the -- our constituents regarding the proposed power  
24 plant project.

25 I would like to point out that while we  
have

10

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taken a  
1 six specific areas of concern, the board has not  
2 position on any of these stands or issues.  
water  
3 First, they are concerned with potential  
ground  
4 resource issues. There is a potential impact to  
the  
5 water. Specifically, the amount of water drawn from  
6 proposed on-site wells could result in a significant  
7 drawdown on area wells.  
of  
8 Also, they are concerned with the quality  
is  
9 the water discharged from the site. We believe it  
all  
10 important that all the runoff from the project meet  
11 state and federal clean water regulations.  
be  
12 Second, we believe that the project should  
13 contribute to a -- excuse me.  
not  
14 Second, we believe that the project should  
the  
15 contribute to a deterioration of the air quality of  
16 county. If there is any issue regarding the air  
17 pollution caused by the existing facility, those  
should  
18 be mitigated.  
19  
proposed  
Additionally, we understand that the

and 20 plant has the potential to degrade the air quality,  
21 to offset the impacts, Calpine had proposed to  
purchase 22 available emission reduction credits from area  
23 businesses and farmers.

24 As an industrializing county, we are  
concerned  
25 that if this project acquires all the available  
credits

11

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industries

1 within Sutter County, it may prevent future

2 from building in Sutter County due to a lack of  
3 available credits.

not

4 Third, the noise from the project should

5 cause damage to the surrounding property owners.

6 Specifically, we are concerned with the potential of  
7 disturbing effects of the emergency steam released.

are

8 Also, we have been made aware that there

9 allegations that during the acoustical analysis of  
10 existing green-leaf plant, the noise readings were  
11 fairly low, and this is due to the fact that the

plant

12 was not operating at full capacity. We feel these

test

13 results must be properly validated.

be

14 Fourth, proper transportation routes must

traffic

15 followed. Specifically, construction and truck

16 must use the roads deemed to be most appropriate for

and

17 heavy equipment use in order to protect residents

18 county roads.

19 Fifth, impact to the local -- excuse me.

20 Fifth, the impacts of the location of the  
21 transmission lines must be adequately evaluated.

The

22 effects that the lines will have to residents and  
23 existing farming operations must be determined so  
that  
24 the Energy Commission and the board of supervisors  
will  
25 have the most accurate information for making this

12

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1 decision -- its decisions.

2 constituents

3 devaluation

4 of property values, and may result in significant  
5 negative economic impact to farming. It is  
6 important

7 and

8 mitigated to the extent possible.

9 constituents

10 We  
11 and Calpine to attempt to resolve all these issues.

12 are hopeful that the results of the ongoing efforts  
13 of -- on the part of all parties will be successful.

14 interest

15 We are noting these concerns and our  
16 in resolving them for the commission in order to ask  
17 for

18 identifying

19 their support and appropriate assistance in  
20 potential solutions for these concerns. Thank you.

21 And also we will note that Calpine has been  
22 working on this a lot. I know they were going to  
23 have a

24 meeting, and I know they've been working with the

25 constituents out in that area, and that's -- the

26 board -- we feel this is a positive working towards

21 resolution.

any 22 PRESIDING COMMISSIONER MOORE: Do you have

Are 23 plans to conduct any hearings at the board level?

24 you --

have 25 SUPERVISOR MUNGER: No. We possibly might

13

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1 to. Yes.

2 PRESIDING COMMISSIONER MOORE: Okay. And  
this

3 is -- this is not in your district, is it?

4 SUPERVISOR MUNGER: No. This is -- this is  
5 actually in Joan's.

6 PRESIDING COMMISSIONER MOORE: In Joan's?

7 SUPERVISOR MUNGER: This is actually -- I'm  
8 right there. The boundaries come real close to --  
9 actually, I think Joan Bechtel and I are very close  
to

10 these boundaries.

11 PRESIDING COMMISSIONER MOORE: Is there any  
12 plan to have any town-hall meetings or anything in  
the

13 in the districts?

14 SUPERVISOR MUNGER: At this time, we have  
not,

15 no.

16 PRESIDING COMMISSIONER MOORE: Okay.

17 SUPERVISOR MUNGER: But if deemed so, we  
will,

18 yes.

19 PRESIDING COMMISSIONER MOORE: Okay. I  
note

20 that Supervisor Bechtel is here. Did she want to  
say

21 anything this morning?

22 SUPERVISOR BECHTEL: I think --

23 PRESIDING COMMISSIONER MOORE: Joan, you're

24 going to have to come up, only because we want to  
get

25 this clear on the record.

14

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1 SUPERVISOR BECHTEL: I'm Joan Bechtel.

The

2 We will hold at least two public hearings.

adopt

3 first will be by the county planning commission to

the

4 a recommendation to the board of supervisors, and

5 second will be the county board of supervisors to

6 consider adoption of the general plan and zoning

7 amendments with plan development.

8 And we may have additional hearings dates.

set

9 They may be continued, but at this time, we haven't

why

10 any specific dates that I know of. And so that was

11 I -- I think Supervisor Munger may not have been

12 informed.

13 PRESIDING COMMISSIONER MOORE: Supervisors,

14 thank you very much. Appreciate your time.

staff

15 With that I think we're going to have a

16 report from Paul Richins. Paul, if you're more

17 comfortable just working from there, that's fine.

I'm

18 MR. RICHINS: My name's Paul Richins, and

19 project manager on the Sutter project for California

table

20 Energy Commission. I'll introduce those at the

21 with me.

22                    On my right is Arlene Ichien. She's staff  
23                    counsel for the project. George Carpenter is from  
24                    Sutter County Community Service Department, along  
with  
25                    Tom Last. And then next or between George and Tom  
is

15

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Area 1 Loreen McMahon. She is project manager for Western  
2 Power Administration working closely with us on this  
3 project.

audience to 4 I also have additional staff in the  
5 answer any questions that might come up. Also Ken  
6 Corbin from the Feather River Air Quality Management  
7 District is here as well, that he may be available  
also  
8 to answer questions as we get further into the  
process.  
9 And I have slides and introductory comments and an  
10 overview to make.

those, 11 And for the audience, in the back there are  
12 copies of the presentation. If you want to get  
13 they're at the back on the back table. Just we'll  
14 quickly do an overview to bring us up to date where  
we  
15 are.

held 16 Since the informational hearing that you  
17 in March, we've held three workshops here in this  
18 building, two in March and one in June. Each  
workshop  
19 was well attended. There was approximately about 50  
20 people at each of those workshops. We had lively  
21 participation by the residents that are here as well

as

22 input from local, state and federal agencies.

of

23 We -- we have discussed on -- at each one

to

24 those meetings many of the issues that are important

--

25 the staff, to the county, to Western and also to the

16

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1 to the residents here.

2                   Some of the primary ones that we talked  
about  
3 and discussed are drainage, impact to nearby wells,  
the  
4 water quality, water supply, visual impacts of the  
power  
5 plant as well as visual impacts to -- from the  
6 transmission lines, traffic -- truck traffic  
7 specifically, air quality issues, land use,  
agricultural  
8 impacts, to list just a few.

9                   We have three workshops that are planned on  
the  
10 PSA, and we could have additional workshops. The  
11 first --

12                   PRESIDING COMMISSIONER MOORE: Paul, let me  
13 remind. Let's not use the acronyms on the  
preliminary  
14 staff assessment.

15                   MR. RICHINS: We have three workshops on  
the  
16 preliminary staff assessment, and those are tomorrow  
and  
17 August 4th and August 6th. We also are looking to  
-- to  
18 complete our final staff assessment by August 27th,  
but  
19 it's conditioned upon some of the things that we'll  
talk

20 about today.

21           There's some unique things about this  
22 particular project, and one is that we're in --  
we're  
23 working very closely with Western Area Power  
24 Administration, and we're doing a joint CEQA/NEPA --  
25 CEQA is California Environmental Quality Act, and  
the

17

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We're 1 NEPA is the National Environmental Policy Act.  
2 doing a combined or joint document.

and 3 The preliminary staff assessment was filed,  
4 that was filed jointly with the Western Area Power  
provided 5 Administration. And Western has reviewed -- we  
6 copies of our preliminary staff assessment prior to  
7 release to Western. They have reviewed it, provided  
them on 8 some comments, and we're continuing to work with  
9 any comments that they may have regarding our  
10 preliminary staff assessment and will be  
incorporating 11 additional changes into the final staff assessment.

12 And the final staff assessment, for Western  
considered 13 Area Power Administration's purposes, will be  
14 the draft environmental impact statement. Also, the  
there 15 coordination with Sutter County is unique in that  
16 will be a need for a review by the county on their  
17 general plan, and also a rezone to accommodate this  
18 project.

Sutter 19 And so we are working very closely with  
with us 20 County, and -- and Sutter County's been involved

and 21 on all the workshops. In fact, they've coordinated

22 arranged a meeting room here for us at no charge.

and 23 The PSA -- the preliminary staff assessment

24 the final staff assessment, along with the documents

25 that are produced by the committee and the  
commission,

18

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1 will be used by the -- by Sutter County in their  
2 decision-making process. And we have met with them  
on  
3 numerous occasions to ensure that our analysis  
includes  
4 the areas of concern that they have and that the  
5 analysis is complete for their decision-making  
process.

6           Quickly now, just to go over some of the  
7 potential areas that we see as -- that could have  
8 impacts on the schedule.

9           The first one, just -- they're in  
alphabetical  
10 order; no -- the first one is on air quality.  
There's a  
11 preliminary determination of compliance that the  
Feather  
12 River air district is in the process of developing.  
13           They've indicated to us they would like to  
get  
14 that out as soon as possible, and I think they're  
15 shooting for some time this -- this week. The  
schedule  
16 that you put out calls for it to come out on July  
16th,  
17 1998.

18           We are expecting an offset package from  
Calpine  
19 for the air quality offsets that are necessary for  
the

20 project. They have indicated to us that August 1st,  
21 they would have that package to us. And then the  
22 schedule calls for a final determination of  
compliance  
23 by the Feather River district by September 16th.  
24 Under biological resources, a couple of  
issues  
25 here. We have not received the draft biological  
opinion

19

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1 from U.S. Fish & Wildlife Service. We have received  
2 information from them that they will try to produce  
that  
3 for us by August 12th.

4 We also need a draft biological opinion  
from  
5 National Marine Fisheries Service, and Loreen  
McMahon  
6 had made numerous calls to them to try to identify a  
7 date. And as of Friday, she hasn't received word  
from  
8 them, but we're continuing to work with them to  
identify  
9 when they would have the draft biological opinion  
from  
10 the National Marine Fisheries Service.

11 Transmission system engineering. Since  
this  
12 project is interconnecting with Western Area Power  
13 Administration's transmission system, they're --  
they  
14 are doing an interconnection study. And we are  
15 expecting that study to be available to us at the  
end of  
16 July.

17 And then on the issues of water, water  
18 resources and water quality, Calpine has just  
completed  
19 and filed their water quality modeling and docketed  
that

20 on June 9th.

21           The Regional Water Quality Board will issue  
22 their permit September 1st, which will be a draft,  
and  
23 then the final is expected -- although this is just  
24 rough, it is expected sometime around November,  
before  
25 November 20th, sometime before Thanksgiving.

20

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1                   Now, to put these in perspective, I've  
2 developed an overall schedule that I can walk  
through.  
3 Also at the back of your -- of the handout, the  
second  
4 to last page, page 6, is a comparison with the  
5 procedural history on the SEPCO, that is a power  
plant  
6 project in Sacramento area, so that you can make  
7 comparisons.

8                   But in a nutshell, the steps that were  
followed  
9 under SEPCO -- under that Sacramento project, are  
very  
10 similar to what is being proposed for the Sutter  
11 project.

12                   HEARING OFFICER FAY: When you -- when you  
say  
13 "steps," you mean in terms of getting an amendment  
to  
14 the general plan approved?

15                   MR. RICHINS: The Sacramento project did  
not  
16 have a general plan amendment. They had a rezone,  
and  
17 so that's a little bit different. But in this case,  
we  
18 have both general plan amendment and a rezone. In  
the  
19 Sacramento case there was only a requirement for  
rezone.

20                    But the steps that were followed and the  
timing  
21                    of those steps between the presiding members'  
report,  
22                    the final report, and decisions of the commission,  
are  
23                    very similar in nature on the -- on the timing.  
24                    On this next slide, this -- this schedule  
was  
25                    developed very closely with George Carpenter and Tom

21

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the  
or  
workshops,  
the

1 Last from the county. And as we get further down in  
2 schedule, you can see where the county is proposing  
3 county staff is proposing some hearings and  
4 both at the planning commission level and then at  
5 board of supervisors.

staff

6 Starting at the top, July 1, we filed our  
7 preliminary staff assessment, and then today, we're  
8 involved in a scheduling conference. Tomorrow,  
9 July 14th, we have a workshop on the preliminary  
10 assessment.

that  
some

11 HEARING OFFICER FAY: And the workshop, is  
12 the time when you would expect to be dealing with  
13 of the concerns likes this gentleman raised, how to  
14 evaluate ground water matters, that sort of thing?

involving  
the  
as  
in

15 MR. RICHINS: Yeah. At that time, at the  
16 preliminary assessment workshops, we will be  
17 the public, all parties, Calpine, intervenors, in  
18 discussion on the adequacy of our analysis as well  
19 the specific proposed mitigation measures proposed

20 the document.

21 Now, the workshop tomorrow does not include  
22 water quality, so we don't plan to talk about water  
23 quality tomorrow, but we do at either the August 4th

or

24 August 6th.

25 And the reason we're not talking about

water

22

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1 quality is we have just received the water quality  
2 modeling from Calpine, and so there needs to be a  
3 certain amount of time for the specialists to review  
and  
4 analyze. And so we will be scheduling water on  
5 August 4th or August 6th.

6 HEARING OFFICER FAY: What about water  
supply?

7 Will you be talking --

8 MR. RICHINS: Just all water issues will be  
in  
9 August.

10 HEARING OFFICER FAY: And there'll be a  
notice  
11 that goes out to the community to tell them about  
that?

12 MR. RICHINS: That's right.

13 HEARING OFFICER FAY: What are the  
particular  
14 topics that you'll be addressing tomorrow?

15 MR. RICHINS: I didn't bring my agenda. I  
16 don't think I have it.

17 HEARING OFFICER FAY: If we could get that  
at a  
18 point when you have a chance so everybody is  
comfortable  
19 and they know what to expect tomorrow, in case they  
20 didn't have a chance to see that notice.

21 MR. RICHINS: This is the list of issues

that

22 we have for tomorrow. Would be transmission system,  
23 engineering, transmission line safety and nuisance,  
land  
24 use, socioeconomics, visual resources, noise,  
25 efficiencies and reliability, facility design, and  
paleo

23

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1 resources and cultural resources are scheduled for  
2 tomorrow.

3 We also can take public comment on any  
4 that the public wishes to address. However, the  
5 of the meeting will be to work through the specific  
6 conditions and analysis that staff completed in the  
7 preliminary staff assessment.

8 July 16th we'll be -- back to the schedule.  
9 The Feather River Air Quality Management District is  
10 I believe will have their preliminary determination  
11 compliance completed by then.

12 As I stated earlier, August 4th, we'll have  
13 additional PSA workshops that will be noticed where  
14 we'll talk about the balance of subjects that we  
15 covered in the workshop tomorrow.

16 We're expecting the draft biological  
17 from U.S. Fish & Wildlife Service on August 12th,  
18 then I think the hearing order called for a  
19 conference August 19th.

20 August 27th, we have the Energy Commission

issue  
focus  
--  
of  
haven't  
opinion  
and  
prehearing  
and

draft 21 Western's jointly filed final staff assessment and  
date, 22 environmental impact statement. The August 27th  
things 23 of course, is contingent upon some of these other  
the 24 occurring, such as the draft biological opinion and  
25 Feather River air district's preliminary DOC.

24

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then 1 If those things come in after schedule,  
meeting 2 that could cause some potential problems for us  
information 3 the August 27th date. But right now, the  
4 looks like we should be able to meet the 27th -- the  
5 date of August 27th.  
permit 6 We're looking at the draft of the water  
River 7 on September 1st, and then September 16th, Feather  
determination of 8 air district would complete their final  
9 compliance on the air permit.  
Sutter 10 September 16th was also penciled in by  
the 11 County for their initial hearing. September 16th is  
plan 12 initial planning commission hearing on the general  
13 amendment and the rezone. And it's also been set up  
here 14 that they can have -- there's additional time in  
-- my 15 that if they need to have a meeting after the 16th  
there's 16 understanding is they meet twice a month, and so  
17 time in the schedule for them to follow up with  
18 additional hearings if necessary.  
19 I believe the -- the order shows the start

of

20 evidentiary hearings towards the end of September,  
first

21 part of October, and then with an approximate date  
of

22 November 13th, the presiding members' proposed  
decision

23 and final environmental impact statement. And that

24 would be the document that Western would use for the

25 joint environmental documentation.

25

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later

21 by the board of supervisors of Sutter County taking  
22 final action on the final plan amendment and rezone.

23 PRESIDING COMMISSIONER MOORE: Just a note  
on

24 the January 20 date, just so we don't push the  
public in

25 the wrong direction. I think in the future it would

26

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I  
going  
sure  
that  
the

1 be -- I'd be a little more comfortable if we say,  
2 "Decision may be adopted by the Energy Commission."  
3 don't want to presage anything that -- that we're  
4 to do. So just for clarity, let's -- let's make  
5 that language reads that way.

6 HEARING OFFICER FAY: And I might add to  
7 that it's not preordained what the decision of the  
8 committee will be what recommendation they make to  
9 full commission.

10 PRESIDING COMMISSIONER MOORE: Right.  
11 Thank  
12 you for saying that another way.

13 say,  
14 mark  
15 "biological resources," and you've got a question  
16 on the National Marine Fisheries Service.

17 that  
18 What's the latest date that you could get  
19 in and still comply with the schedule? What's the  
20 latest date that you could supply that?

21 ways of  
22 MR. RICHINS: Well, there's a couple of  
23 handling it, I think. One is that if we wanted to

maybe

21 include that in our document, which is what would be  
22 preferred, we would need that in prior to the  
23 evidentiary hearing. And we have the evidentiary  
24 hearing beginning September -- around the end of  
25 September.

27

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little 1 Of course, it would be nice to have a  
2 bit of time so we could incorporate it into staff's  
3 testimony, but I would say very latest date would be  
4 early September.

So 5 PRESIDING COMMISSIONER MOORE: All right.  
6 if we're not seeing that by September 1st, we ought  
to 7 have some kind of an alarm bell going off in our  
heads 8 saying it's not out there yet?

been 9 MR. RICHINS: That's correct. And we've  
been -- 10 tracking it very closely, and Loreen McMahon has  
continuing 11 has made numerous contacts with them and is  
that 12 to follow up with them. And why I say Loreen is  
13 this is a service that they are providing to Western  
14 Area Power Administration. And so the biological  
15 opinion is not for us or not necessarily for  
Calpine,  
16 but at the request of Western Area Power  
Administration.

17 PRESIDING COMMISSIONER MOORE: Okay.  
18 Transmission system engineering point, does location  
has 19 matter on that? For instance, I know that Calpine

first 20 moved the location of the route from the time we  
a 21 saw it. And assuming that you would interconnect at  
22 different point, or assuming that there could be a  
a 23 further change, does the location matter, or is this  
24 generic point?

25 MR. RICHINS: Well, my understanding is the

28

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1 interconnection study between Western and Calpine,  
and I  
2 believe the -- that the study, of course,  
well-analyzed  
3 the point that's being proposed now, which is 5.7  
miles  
4 south of the plant. If that is changed, I would  
imagine  
5 there could be some impact to the study, but I don't  
6 know how serious that that would be.  
7 Do you have any information on that?  
8 PRESIDING COMMISSIONER MOORE: So the  
answer is  
9 it's not generic, that location does matter?  
10 MR. PARKINS: If I may interject. My  
name's  
11 Bob Parkins from Western Area Power Administration.  
12 Tomorrow the study head, Morteza Sabet, will be  
here,  
13 and he will be able to answer specific questions if  
you  
14 would care to --  
15 PRESIDING COMMISSIONER MOORE: Well,  
frankly, I  
16 don't want to get into the nuts and bolts of the --  
17 where the interconnect is. All I want to know is if  
the  
18 location were to change from point A to point B  
sometime  
19 after the study was completed, would it necessitate  
a

20 new study?

21 MR. PARKINS: I would say in general, the  
22 answer would be no. In general.

23 PRESIDING COMMISSIONER MOORE: Okay.

24 MR. RICHINS: You're saying within a range,

I

25 think, a narrow range of points of interconnection?

29

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1                   PRESIDING COMMISSIONER MOORE: I --  
frankly, I  
2                   don't know what the range would be. I can't bound  
it.  
3                   I mean if it were -- I mean it's not an equation, so  
I  
4                   don't have a bounding to be able to do it, but --  
5                   MR. RICHINS: I guess what I'm saying, if  
we're  
6                   looking at a couple of sites, the O'Banion was --  
the  
7                   O'Banion site was the one that was originally  
proposed,  
8                   and now one to the south of there is proposed. I  
would  
9                   think that the study would accommodate intersection  
--  
10                  interconnection at those points.  
11                  PRESIDING COMMISSIONER MOORE: At either  
one of  
12                  those?  
13                  MR. RICHINS: At either one.  
14                  Do you know, Curt? Or do you have an --  
15                  MR. HILDEBRAND: The design for --  
16                  PRESIDING COMMISSIONER MOORE: You want to  
17                  introduce yourself for the record?  
18                  MR. HILDEBRAND: My name is Curt  
Hildebrand.  
19                  I'm project director with Calpine.  
20                  The design for the facilities at each

location

21  
switchyard

would be identical. The switchyard layouts,

22  
miles

design, functionality is the same moving the three

23  
us

south down Western's lines, so it would be hard for

24 to envision that any significant engineering changes

25 would be required.

30

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1 PRESIDING COMMISSIONER MOORE: Okay.

2 HEARING OFFICER FAY: The environmental  
3 analysis would cover both possibilities; is that  
4 correct?

5 MR. RICHINS: Correct.

6 PRESIDING COMMISSIONER MOORE: All right.  
7 assuming the environmental analysis is going to deal  
8 with other -- other issues. I was just narrowing  
9 down to the interconnect on the -- on the high-rise.

10 MR. RICHINS: Correct.

11 PRESIDING COMMISSIONER MOORE: Did you have  
12 other comments about the comparison, SEPCO to --

13 MR. RICHINS: No. I don't really have any.  
14 It's just provided there for your information, and  
15 can compare the dates and how the interworkings were  
16 between Sacramento County and the Energy Commission  
17 the timing of each one of those documents. Then if  
18 make a comparison, the timing that was done in the  
19 Sacramento situation was very similar to the timing  
20 the Sutter project.

21 PRESIDING COMMISSIONER MOORE: Point noted.

22 And I would also point out that I didn't

want

23 it to sound like I was being too hard on Paul about  
the  
24 acronyms. I'm just trying to make it easier on the  
25 audience, but staff has provided a list of acronyms  
at

31

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1 the -- at the end.

2 I'll simply note for the record that each  
3 commissioner, when we're seated, is handed a book of  
4 acronyms that's about 30 pages long, to let you know  
5 that this is a distinct subset of that -- that  
larger --  
6 larger tome.

7 And may I also say that my colleague,  
8 Commissioner Bill Keese, is here in the middle. He  
was  
9 delayed by traffic, and he'll be here for the  
balance of  
10 the workshop.

11 And let me ask, then, is anyone from --  
from  
12 Feather River here today?

13 MR. RICHINS: Ken Corbin is here.

14 PRESIDING COMMISSIONER MOORE: Can I just  
ask  
15 some general questions?

16 Mr. Corbin, you've seen the schedule, and  
17 you've just heard Mr. Richins talk about what the  
18 intention is. Are you comfortable with that  
schedule?

19 Do you think you can meet it?

20 MR. CORBIN: We've been looking at  
scheduling  
21 the 16th of this month to do our preliminary

22 determination. We're close. We still haven't got  
23 there. We do -- again, we hope to resolve the  
couple of  
24 issues, mainly the BACT issue by --

25 HEARING OFFICER FAY: That's best available

32

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1 control technology.

So

2 MR. CORBIN: -- by the end of this week.

hoping

3 Thursday's the 16th and Friday's the 17th, so I'm

4 by Friday.

the

5 PRESIDING COMMISSIONER MOORE: I think that

resolving

6 major sticking point is just -- and are you

7 that in-house, or do you have a consultant?

with

8 MR. CORBIN: We're in-house and working

9 the applicant, Calpine. There are some other issues

that

10 that -- that would play into this, and I'm not sure

11 those have been resolved as I speak, but we're still

this

12 hoping to be able to complete that by the end of

13 week.

those

14 PRESIDING COMMISSIONER MOORE: And are

enough

15 issues, without naming them, are they significant

16 to force you beyond next week?

17 MR. CORBIN: It could if we aren't able to

18 resolve them by this Friday.

19 PRESIDING COMMISSIONER MOORE: Okay.

this

20 MR. CORBIN: I looked at our regulations

21 morning trying to figure out what happens in this  
22 process of -- if we aren't able to meet this -- this  
23 deadline of July 16th.

24 I don't really see that there is a --  
there's a

25 way to extend our -- our review period. It appears  
from

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to  
thought I  
from  
1 our regulations that we would either find this thing  
2 be complete or incomplete, and I'm not sure. I  
3 would ask that question today. Any -- any input  
4 CEC on that?

5 PRESIDING COMMISSIONER MOORE: I don't know  
6 that we've had that question come up, but we're --  
it's  
7 a reason for us to be here today is to understand  
8 questions like that. So what you're saying is that  
if  
9 the -- is it the 20th comes and goes --

10 MR. CORBIN: Sixteenth. It's actually the  
11 Friday --

12 PRESIDING COMMISSIONER MOORE: Sixteenth is  
the  
13 drop-dead --

14 MR. CORBIN: Thursday.

15 PRESIDING COMMISSIONER MOORE: -- on your  
16 calendar. So if that comes and goes and you have  
not  
17 resolved the issues that you just alluded to, under  
your  
18 regulations, as you understand them, you'd have to  
deem  
19 this incomplete?

20 MR. CORBIN: That's -- that's what I think.

21  
incomplete

PRESIDING COMMISSIONER MOORE: An

22 would then necessitate a restart of the whole  
process, a

23 reapplication?

24  
regulations

MR. CORBIN: That's unclear. Our

25 simply say we have to make that determination. It

34

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1 doesn't say what happens after we -- if we make it a  
2 determination of it being incomplete, where we go  
from  
3 there.

4 PRESIDING COMMISSIONER MOORE: Who  
represents  
5 you as counsel on the district board?

6 MR. CORBIN: We have Sutter County.

7 PRESIDING COMMISSIONER MOORE: So county  
8 counsel represents you?

9 MR. CORBIN: Yes.

10 PRESIDING COMMISSIONER MOORE: Okay.  
Perhaps

11 we can -- we can make an inquiry of county counsel  
on  
12 that point during the meeting today. Could you  
13 please -- you're going to be with us today?

14 MR. CORBIN: It depends on how long we go  
here.

15 PRESIDING COMMISSIONER MOORE: Not past  
16 seven p.m., I think.

17 MR. CORBIN: I should be able to hang in  
there  
18 for a while. Actually, I don't know if we'll be  
able to

19 get that information back today, but beings we're  
going

20 to be addressing some of these issues here tomorrow,  
I

21 could ask counsel to -- to look at that perhaps this  
22 afternoon and then have that -- hopefully some  
23 determination from them when we convene tomorrow.

24 PRESIDING COMMISSIONER MOORE: Well, it's a  
25 significant piece of the puzzle, so frankly I don't

-- I

35

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but it 1 don't know what happens if we find an incomplete,  
2 probably does something --

3 MR. CORBIN: Does something.

4 PRESIDING COMMISSIONER MOORE: -- not very  
5 desirable as to the schedule. So that's -- that's  
good.

6 MR. CORBIN: I guess a further question  
7 be, can there be an extension if -- if we don't.  
8 Typically when we're dealing with our regulations  
and  
9 we're dealing with an applicant, we can, through  
mutual  
10 agreement with the applicant, extend our deadlines.  
But

11 in this case, because we're going through the  
California  
12 Energy Commission, I'm not sure what happens.  
That's  
13 kind of the question.

14 HEARING OFFICER FAY: And we have a similar  
15 approach. If the applicant requests an extension  
16 because information is still being developed, for  
17 instance, an offset BACT, that sort of thing, then  
the  
18 applicant bears responsibility for the delay, and  
asks  
19 for it, and explains why it's needed, rather than  
have a

to 20 drop-dead date at which the whole process would have  
21 begin again. It's just more efficient to have the  
22 applicant request an extension.

to 23 MR. CORBIN: Sure. So I guess we will have  
24 get the legal answer to that, and hopefully we can  
have 25 that by tomorrow.

36

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hope. 1 PRESIDING COMMISSIONER MOORE: I would

2 MR. CORBIN: We could go --

we're 3 PRESIDING COMMISSIONER MOORE: I think

4 running out of time

question? 5 MR. RICHINS: Can I ask a follow-up

6 PRESIDING COMMISSIONER MOORE: Sure.

package 7 MR. RICHINS: The information that you're  
8 seeking is -- does it have to do with the offset

9 that Calpine is proposing August 1st, or is it of  
10 another nature?

information 11 MR. CORBIN: We're really -- right at this  
12 point, we're looking at the material balance

13 for review of the emissions, so it's -- it's not  
14 necessarily offsets. I can see offsets --

complete 15 Our intent was to -- to make a preliminary  
16 determination, even though we did not have a

17 offset package. At this point, I can see that still  
18 being an issue that would be perhaps not totally  
19 resolved.

information 20 All we have from the applicant is

though 21 indicating that the offsets are available, even

22 we aren't looking at a definite specific where the  
23 offsets would come from. So I feel we can move  
ahead,  
24 even though we don't have that specific information  
25 that's been presented to us at this point. Whether  
or

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is 1 not that would create a problem later down the line  
2 another question.

3 PRESIDING COMMISSIONER MOORE: Let me go a  
4 little bit further on that. Did you request a  
package 5 that said where those offsets would come from in any  
6 discussion that you had with the applicants?

I 7 MR. CORBIN: No, we haven't. We've -- like  
8 offsets said, we've gotten a package that indicates the  
9 are available but the final, for example, contracts,  
not 10 that sort of thing, was -- to that point, they're  
11 the finished. That hopefully won't be a problem down  
12 line, but I can see where it might be.

13 PRESIDING COMMISSIONER MOORE: Would you  
14 normally ask for that before you made a  
determination?

15 MR. CORBIN: This is the first one that  
we've 16 done through the -- through the California Energy  
17 Commission. As a matter of fact, I think it's the  
first 18 project we've had where we've required offsets. So  
it's 19 not really a normal type of situation. I'm looking  
at

-- 20 if the flexibility is allowed with our relations to  
21 with our regulations, knowing that the offsets are  
22 available, to make a condition that a final list  
23 indicating like the contracts and all that would be  
24 provided at a later date and not be -- have to be  
made  
25 available at this point.

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1                   PRESIDING COMMISSIONER MOORE: Thank you.

2                   MR. RICHINS: I have another follow-up  
3 question, if I may.

4                   PRESIDING COMMISSIONER MOORE: Sure.

5                   MR. RICHINS: You indicated that you were  
6 considering issuing a preliminary determination of  
7 compliance without the offset package. I know that,  
8 excuse me, in the High Desert case, EPA,  
Environmental

9 Protection Agency, suggested that there be a 30-day  
10 review time and a reissuing of the preliminary DOC  
to  
11 include the entire offset package.

12                   If that -- let me ask, does that scenario  
apply  
13 in the Feather River district's situation?

14                   MR. CORBIN: Well, you'd probably have to  
ask

15 the U.S. EPA, the Environmental Protection Agency.  
I

16 can't see any reason why they wouldn't apply that  
same  
17 logic to our project.

18                   Once we make a preliminary determination,  
there  
19 is a 30-day public comment period where we do expect  
to  
20 get comments from the other agencies regarding  
whatever

21 proposal we make. We have another 30 days to  
consider

22 those comments before the final decision, it's the  
23 September 16th deadline.

24 So if, for example, the U.S. Environmental  
25 Protection Agency should require -- and I'm not sure

39

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1 that they can do that at this point -- if they  
requested  
2 that we start a new 30-day hearing, that -- that  
3 certainly would set back the time period on -- on  
the  
4 whole project.

5 PRESIDING COMMISSIONER MOORE: While you're  
--  
6 while you're there, let me just keep you at the  
podium  
7 and ask the applicants, how are you doing with this  
8 schedule? Are you feeling like you're in good  
enough  
9 communication with the air district, and do we need  
any  
10 other forum to get the information that they need?

11 Charlene, why don't you introduce yourself  
and  
12 address that.

13 MS. WARDLOW: I'm Charlene Wardlow,  
14 environmental manager for this project for Calpine.

15 We've been meeting with Feather River and  
have  
16 pretty open conversations with them. Just recently  
sat  
17 down and tried to go through a lot of issues that  
have  
18 come up with High Desert, addressing the issues.

19 The application for the authority to  
construct

-- 20 was deemed complete back earlier this year. And the

21 the best available control technology issue  
continues to

22 be, I would say, a critical path issue impacting not  
23 only this project but every merchant power plant  
24 proposed in California.

25 The issue being that the U.S. Environmental

40

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1 Protection Agency, Region 9, based out of San  
Francisco,

2 has recently issued a letter declaring that a  
project in

3 Southern California, a 25-megawatt aero-derivative

4 base-load power plant, has been declared  
demonstrated

5 and in practice at two ppm for nitrogen oxide  
emissions.

6 And the South Coast Air Quality Management District  
has

7 also been reviewing this project.

8 Unfortunately, this information has come in  
9 after we filed our application with the Feather  
River

10 Air Quality Management District proposing that, at  
which

11 time we filed a BACT of 3.5 parts per million of  
12 nitrogen oxide emissions. And that's kind of where  
we

13 are. It's not only a California issue, it's  
probably a

14 federal issue as well.

15 PRESIDING COMMISSIONER MOORE: So let me  
16 understand that. The gap is 2.0 to 3.5, so we're at  
1.5

17 parts per million in a gap, and that information  
about

18 the possibility of closing that gap just came to the  
air

19 district?

about 20 MS. WARDLOW: It's been developing over  
a 21 the last three or four months. And just to give you  
best 22 perspective, about a year ago, year and a half ago,  
was 23 available control technology in the United States  
24 considered nine parts per million. So that's where  
25 we're at.

41

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1                   You still have to -- you know, you have to  
2 mitigate for the nitrogen oxide emissions regardless  
of  
3 what your emission level is. And there's -- I would  
say  
4 the debate at this point is that vendors of emission  
5 control equipment are saying that level can be met,  
but  
6 we have no guarantees in writing that these  
emissions  
7 can be met for what we're considering an  
intermediate,  
8 low plant, a plant that is going to have to meet the  
9 market conditions of a -- whatever we can sell to in  
the  
10 independent operator system.

11                   And we believe that these types of powers  
12 plants require more flexibility than a base-load  
power  
13 plant that's running at full load for day and day  
and  
14 day, or even under -- we're between a peak-load  
plant  
15 and a base-load plant. And Feather River has been  
16 meeting with us on that issue.

17                   PRESIDING COMMISSIONER MOORE: Okay. Well,  
18 you've -- you've now more than answered my question.

I  
19 understand that we may have a delay in this area.  
It's

to 20 becoming very clear to me. So this is one I wanted  
give 21 stay on top of, and I'm going to be asking staff to  
22 me a weekly update on the progress.

from 23 So I'll -- you can expect calls from --  
of 24 staff to -- so both commissioners can get a snapshot  
wait 25 just how this proceeding is going. I don't want to

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1 a month and find out that there's -- there's been a  
2 delay. I'd rather know it on a five-day increment.

3 So we'll try and stay very much on top of  
this.

4 HEARING OFFICER FAY: Charlene, I'd like to  
5 ask, do you have any idea when there might be  
closure on  
6 this question whether or not the guarantees will be  
7 forthcoming, whether EPA would modify circumstances  
for  
8 an intermediate plant, something -- some way that  
would  
9 be definitive for your project?

10 MS. WARDLOW: I haven't actually spoken  
with  
11 U.S. Environmental Protection Agency about this  
issue  
12 because their letters have only been out, but I plan  
on  
13 doing that. I don't know. This is such a new era  
for  
14 U.S. EPA that I don't know whether -- what their  
15 position is going to be on that.

16 And we haven't gone out for -- soliciting  
for  
17 bids from vendors yet, and I don't actually know  
what  
18 the story is on it, but maybe one of the conditions  
on  
19 the project would be whoever gets it, to guarantee  
the

20 levels, you know, that are in the permits --  
emission

21 permits.

22 HEARING OFFICER FAY: Thank you, Charlene.

23 MR. CORBIN: I might mention that I haven't  
24 heard any discussion today regarding the U.S.

25 Environmental Protection Agency's role and whether  
or

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of  
have  
to  
the

1 not that could also cause some delay in the process  
2 this application, but it would appear that they do  
3 to make a determination somewhere in this process as  
4 whether or not they agree with the BACT levels and  
5 offsets that would be required for the plant.

district  
Protection

6 It appears to me that we could -- the  
7 could make one determination in processing our  
8 application and that the U.S. Environmental  
9 Agency could make a different determination in their  
10 process. I'm just not sure how that fits into your  
11 schedule.

I.

12 PRESIDING COMMISSIONER MOORE: Neither am  
13 Can they overrule somebody else? And if they could,  
14 when we would find that out?

Chris

15 MR. TOOKER: Good morning. My name is  
16 Tooker. I'm going to speak to your question, and I  
17 supervise the staff of the air quality unit.

has  
v

18 The -- the Environmental Protection Agency  
19 a process in which they issue what's called a Title  
20 permit. It's an operating permit, and it would not

be

21 issued until the project approaches operation.

22 One of our major strategies as a staff has  
been

23 to work with EPA, NARB, and the district to make  
sure

24 that all the issues that they have concerns about  
are

25 addressed in our process so that -- that our license  
is

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1 consistent with the requirements of the federal  
permit.

2 And we made a lot of progress in that respect, as  
3 demonstrated by the degree and significance of  
comments  
4 in the High Desert case.

5 I think what may delay the project -- this  
6 project schedule with respect to the final  
determination

7 of compliance is not just how long it takes the  
Feather

8 River district to issue preliminary determination,  
but

9 what the degree and significance of the comments are  
on  
10 that document during the 30-day review period.

11 PRESIDING COMMISSIONER MOORE: That's when  
12 we'll know is at the 30-day review period? That's  
when

13 we'll know normally, but you've been working with  
U.S.  
14 Environmental Protection Agency in the interim?

15 MR. TOOKER: Yes.

16 PRESIDING COMMISSIONER MOORE: So in  
theory,  
17 you won't see any surprises?

18 MR. TOOKER: No. I don't think that  
there'll

19 be a lot of big surprises. One issue of interest to  
EPA

20 that is unique to this project and not part of High  
21 Desert is that the -- the applicant is proposing to  
22 interpollutant-trade volatile organic compound  
credits  
23 for nitrogen oxide credits and the ratio the  
district is  
24 proposing for that trading, which EPA may or may not  
25 agree with.

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with 1 It's a likelihood that they may not agree  
2 it. NARB may well take exception to it. That's an  
3 issue that we don't know that -- the full  
significance 4 of until we see the preliminary determination of  
5 compliance and the actual proposal, and we, again,  
6 depend on it from those agencies.

7 PRESIDING COMMISSIONER MOORE: So at that  
8 point, we really wouldn't see whether they disagreed  
9 with that until the 30-day comment period? And if  
they 10 did disagree with it, would they have to propose an  
11 alternative?

12 MR. TOOKER: No. They would make comments  
13 requesting that the district provide, for instance,  
a 14 better rationale for the position that they are  
taking 15 with respect to offset ratios or with respect to the  
16 BACT, best available control technology, or any  
other 17 topic that they take issue with. And that the  
district 18 would have to then respond accordingly in preparing  
the 19 final determination on it.

20 PRESIDING COMMISSIONER MOORE: Well, it's  
easy

21 to see that could be an endless loop of iteration,  
22 reiteration. Not endless, but pretty protracted.  
And  
23 what's our procedure at this end? Do we call  
timeout on  
24 the hearings? I mean if -- let's say you had two  
25 iterations of 45 days each. We'd be well past our  
--

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1 our year deadline.

2 MR. TOOKER: Right. We have not typically  
had

3 much history in a situation where we've had  
protracted

4 comments on a determination of compliance.  
Ultimately,

5 the Environmental Protection Agency could choose to  
6 cease their comments and apply their requirements in  
the

7 operating permit that they issue, which would  
require

8 conditions other than those that were included in  
our

9 license, which would -- would basically be  
inconsistent

10 and require additional things that the applicant --  
that

11 we did not have of the applicant, which I think  
should

12 be avoided. We should try to resolve those issues  
up

13 front. And so far, we've been successful in  
bringing

14 the parties together to do that.

15 One thing I might say in addition, in the  
High

16 Desert case, the -- the division of offsets is more  
17 complicated because in that case, those offsets had  
not

18 yet been put into a bank for credits.

19                    So there's really a two-phased process  
going on  
20                    in High Desert. They have to first bank them and --  
and  
21                    expose that banking process to public review. And  
then  
22                    once they have been, they respond to public comments  
on  
23                    those credits, and if they're valid to bank them.  
24                    PRESIDING COMMISSIONER MOORE: So in this  
case,  
25                    it's -- in spite of the fact the applicant -- I'm  
sorry;

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1 the applicant -- the air district has not seen the  
2 nature of those offsets, you're confident that they  
are  
3 already banked?

4 MR. TOOKER: Well, we are confident that  
there  
5 are large numbers of credits in the area from the  
6 Sacramento district or from the Feather River  
district.

7 PRESIDING COMMISSIONER MOORE: Which can be  
8 acquired?

9 MR. TOOKER: Which can be acquired, have  
been  
10 banked, and which, therefore, you know, are -- are  
11 creditable. That issue, then, I would expect, would  
not  
12 be raised by U.S. EPA in their -- in their comments  
13 because, assuming that those offsets are identified,  
14 which they haven't been yet specifically in the  
15 entirety, that would not be a major issue.

16 PRESIDING COMMISSIONER MOORE: Let me turn  
back  
17 to the air district, then, representative for a  
second  
18 office and say, has anyone from U.S. EPA been in your  
office  
19 during the development of your analysis? Have they  
had  
20 any contacted with you at all?

21 MR. CORBIN: No. We haven't had any  
meetings  
22 with the U.S. Environmental Protection Agency.  
We've  
23 discussed some of these issues over the phone as  
well as  
24 some written correspondence, but we haven't gotten  
25 together.

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just a 1 Let me address the issue of the ERCs for  
2 second, emission reduction credits.

credits 3 The applicant has proposed to provide  
4 that were not within our district. There is a  
provision 5 in our rules, as well as in the California Health  
and 6 Safety Code, that those credits that are provided  
from 7 outside the district would have to be approved by  
our 8 board. So that's another step that we have to go  
9 through in this process.

10 PRESIDING COMMISSIONER MOORE: Are there  
11 credits available within your district that you've  
been 12 waiting for someone to acquire, hoping that they  
13 would --

14 MR. CORBIN: To acquire --

15 PRESIDING COMMISSIONER MOORE: To trade.

16 MR. CORBIN: There's some available. I'm  
not 17 sure that we have any hopes that anyone would use  
them 18 particularly. They're just there, and it's  
certainly -- 19 they're limited to applying, in that the amounts  
that

20 are used from one project aren't available for  
another,  
21 and there's always that concern that later in the  
22 process, if they're used, that they wouldn't be  
23 available for another desirable project. So that's  
at  
24 least a -- a concern.

25 PRESIDING COMMISSIONER MOORE: Thank you  
very

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1 much.

touch 2 MR. CORBIN: One other issue I'd like to

Protection 3 on. I believe that the U.S. Environmental

Title V 4 Agency also will be required to approve, not the

a 5 permit that Chris mentioned, but a -- what's called

6 PSD permit.

of 7 Have you not applied -- that's prevention

some 8 significant deterioration permit, which would have

9 deadline. I'm not sure -- I'm not sure what the

10 deadline is, but it's certainly separate and in a

not 11 different time frame from the Title V permit. I'm

12 sure what the process is for -- for the U.S. EPA --

13 Environmental Protection Agency to take that action,

14 what effect this process will have.

much 15 PRESIDING COMMISSIONER MOORE: Okay. How

we're 16 different is that timeline from the timeline that

17 working with? Or are they close, Charlene?

18 MS. WARDLOW: We actually provided the

end 19 prevention of significant deterioration permit the

20 of December, and we filed it. And the Environmental

21 Protection Agency has declared that application  
22 complete.

23                   It is actually the federal government's  
24 construction of permit for the project under the  
Federal  
25 Clean Air Act requirements. And actually, the Title  
V

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until 1 is an operating permit that will not be required  
2 the project's ready to be submitted, and within 12  
not 3 months of the project going into operation. So it's  
4 a preconstruction requirement.

letter 5 EPA has responded to the Feather River  
not 6 on the best available control technology. They have  
whether 7 they said they -- they're still thinking about  
volatile 8 we're going to be interpollutant-trading for --  
9 organic compounds for nitrogen oxides.

10 To that end we have not heard anything else  
11 from them since submitting our application to them.

I 12 know they have in the past turned around a  
prevention of 13 significant deterioration, PSD, permit within a  
three to 14 four months' time frame.

because 15 We haven't pushed them on this permit  
outside 16 we knew we had a year. Other projects that are  
they're 17 of California that don't have a year time frame  
18 obviously expediting a little bit faster. So we had  
19 told them initially that our goal was to get this --

to

20 get the PSD within the one-year time frame.

we

21 PRESIDING COMMISSIONER MOORE: Of course,

22 don't have a year now.

had

23 MS. WARDLOW: Right. But they've already

24 over six months to be looking at the application.

say

25 PRESIDING COMMISSIONER MOORE: And when you

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1 "they," is there a -- is there a designated contact  
2 person at U.S. EPA, a project manager that signs it?

charge  
3 MS. WARDLOW: Matt Haber is actually in  
4 of the resource group, but Stephen Barnhide is the  
our  
5 engineer within Matt's group that's been assigned to  
6 project specifically.

7 PRESIDING COMMISSIONER MOORE: And those  
people  
8 are known to the air district?

9 MR. CORBIN: We've talked with Matt Haber  
over  
10 the phone and also in correspondence

11 So it was this permit that I was referring  
to  
12 when I said that it's possible we could make a BACT  
13 determination at one level, Environment -- U.S.  
14 Environmental Protection, in reviewing the permit,  
could  
15 make a more stringent finding during their permit  
16 process.

17 PRESIDING COMMISSIONER MOORE: Thank you.  
18 Appreciate it. We'll try and get some word back  
from  
19 county counsel as soon as we can. If it's possible  
for  
20 it today, then we'll do that

21 MR. TOOKER: Thank you.

22                   PRESIDING COMMISSIONER MOORE: Paul, do you  
23 have other things that you want to add?

24                   MR. RICHINS: We don't have any more on our  
25 agenda. I think those issues on page 3 that you

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concern 1 identified are the ones that are of potential  
2 that could cause a potential delay. But I think the  
3 critical ones are those five that we've talked about  
so 4 far.

5 PRESIDING COMMISSIONER MOORE: Let me -- I  
6 think we want to make sure everyone has a turn at  
7 addressing some of the questions that were posed in  
the 8 notice. So let me ask -- and I'm come to the  
applicants 9 later. I'll let you have a chance to respond to our  
10 questions.

11 So let me ask of the county if they have a  
12 response. George, talk to us about the general plan  
13 process.

14 MR. CARPENTER: I'm George Carpenter,  
Community 15 Service Department staff. I don't have anything  
16 specifically prepared to present to you on this.  
The 17 outline of the time frame that Paul showed, the last  
two 18 overheads, were developed in conjunction with the  
19 county, and they're contingent upon the subject  
matter 20 areas being completed, and also the county's  
acceptance

21 on the staff assessment documents that are being  
22 prepared.

23 And we proposed the September date for the  
24 initial planning commission meeting. If needed, we  
25 could have an additional planning commission meeting

in

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1       October.  And then with the availability of  
additional  
2       environmental review documents, we would then  
provide  
3       those to the county board of supervisors, who could  
hold  
4       hearings in December.  They meet every Tuesday  
night,  
5       and we proposed some dates near the 18th and 15th.

6                   And if additional meetings times -- you  
have  
7       January 12th, and then a final action for the County  
8       Board of Supervisors could take place on the 26th if  
--  
9       if an approval is what's being done at that time.

10                   PRESIDING COMMISSIONER MOORE:  How many of  
your  
11       general plan amendment dates have you used up?

12                   MR. CARPENTER:  We just had one this year.  
We  
13       do have general plan amendment applications that are  
14       being produced.

15                   PRESIDING COMMISSIONER MOORE:  So you've  
got  
16       openings -- you've used one out of the three, and  
you've  
17       got two left for Calpine '98?

18                   MR. CARPENTER:  We've used one this month.  
We  
19       have three left.  This --

I

20 PRESIDING COMMISSIONER MOORE: Three left.

21 thought you had -- you were allowed three annually?

22 MR. CARPENTER: I believe we have four.

23 PRESIDING COMMISSIONER MOORE: Okay.

24 MR. CARPENTER: Regardless, we still -- we

25 would have, worst case scenario, two left. With the

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though, 1 board of supervisors taking action in January,  
2 on the general plan amendment, that would be for  
3 calendar year 1999, in case we did run into a  
problem.

4 PRESIDING COMMISSIONER MOORE: Okay.

5 HEARING OFFICER FAY: George, do you  
envision  
6 that you'll be able to work with the staff close  
enough  
7 so that there will be no question the county could  
rely  
8 on their final staff assessment?

9 MR. CARPENTER: To this point, yeah, we are  
10 confident of that. We -- the draft preliminary  
staff  
11 assessment has just come out for -- for review now,  
and  
12 we are in the process of reviewing it.

13 I believe that with the workshop that will  
be  
14 tomorrow and workshop on August 4th and 6th, the  
county  
15 staff will be able to bring out the issues of  
concern  
16 that we have and give the Energy Commission staff an  
17 opportunity to make revisions based on our comments  
and  
18 hopefully have something out by August 27th for a  
final  
19 staff assessment.

me 20 PRESIDING COMMISSIONER MOORE: Okay. Let

21 just ask Loreen.

22 Do you have points that you want to make on  
23 behalf of Western?

well. 24 MS. McMAHON: Paul made the points pretty

point, 25 In terms of our coordination, primarily, at this

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1 is hinging on the Section 7, the two biological  
2 opinions, and that's in the hands of other agencies.

3 PRESIDING COMMISSIONER MOORE: Okay. Well,  
4 now, in the notice we posed a series of questions,  
and  
5 we've gotten back an answer via a written answer,  
which  
6 I assume is docketed. Yes, received in docket June  
30  
7 from Bob Therkelsen, division chief for siting.

8 I think we probably ought to deal with  
these on  
9 the record. So can I ask, Arlene, are you the  
person to  
10 turn to on dealing with these, or back to Paul?

11 MR. RICHINS: Well, could be both of us,  
and we  
12 weren't proposing to make any presentation. We felt  
13 that the June 30th letter covered the questions that  
14 were in the notice. But we'd be willing to answer  
any  
15 follow-up questions that you might have regarding  
those  
16 questions.

17 PRESIDING COMMISSIONER MOORE: We have a  
18 question at the end there that's will the commission  
19 staff ensure in its notices and during the workshop  
the  
20 public understands that general plan amendment as  
part

21 of the process.

22 I just want to reiterate in that all  
workshops,

23 and all our dealings with the public, we make it  
clear

24 that we're not running a solo effort here. That we  
--

25 we're running in conjunction with the county and

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1 whatever the county does in terms of general plan  
2 amendment and ultimately a rezoning, should this  
project  
3 be allowed, in the general plan update.

4 And frankly, I can't forecast that at all.  
5 That's a question for the elected county supervisors  
in  
6 the county to make that determination. But a  
7 determination that it was not allowed would  
certainly  
8 preclude us going on to the hearing process much  
9 further. Slow us down a bit.

10 I want to make sure that the public  
understands  
11 that. So I'd like to have you reiterate it at every  
12 chance you get that -- the fact that we're -- we're  
13 dependent on a co-action of county.

14 MR. RICHINS: Yes. We agree. We will do  
that.

15 We have included in our recent notices to the  
workshops

16 the coordination with Wester Area Power  
Administration

17 as well as the county, and so each one of our  
notices,

18 and also the notices of availability on the  
preliminary

19 staff assessment, which went out to all property  
owners

20 and interested parties, included a several-paragraph

the 21 discussion about coordination with Western and with  
22 county and the general plan amendment and rezone  
issues.

23 PRESIDING COMMISSIONER MOORE: Paul, we  
have a 24 letter that you or Mr. Therkelsen included in his  
25 response dated September 4 that describes some of  
the

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that 1 roles, but it's not a memorandum of understanding  
2 we might bind ourselves with.

3 Is there any plan to go ahead with that?

4 MR. RICHINS: We have two documents,  
5 Attachment A that you've referenced, September 4th,  
and  
6 then one December 4th, 1997, identifying and laying  
out  
7 the scope of our land use and coordination with the  
8 county.

9 We've been in contact with county all  
through  
10 this process, and both us and the county feel that  
these  
11 are adequate documentation of the roles between the  
12 county and our staffs, so we don't have any plans at  
13 this time to develop a memorandum of understanding  
14 between the two groups.

15 But if that is your desire, we would -- we  
16 would move forward with a memorandum of  
understanding.

17 We earlier on started a memorandum of understanding  
18 between ourselves. It was fashioned after what was  
done  
19 on the SEPCO in Sacramento project, and after  
further  
20 review in our legal office, legal office indicated  
well,

is 21 this is basically a restating of existing law and so  
22 not really necessary.  
23 And so with that input, and then with the  
to 24 comfort level that Sutter County had, we decided not  
25 go forward. But with its -- with these two  
documents,

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we 1 plus the schedule that we just put up on the screen,  
2 feel comfortable with a coordinated effort between  
3 ourselves and the county --

4 PRESIDING COMMISSIONER MOORE: I appreciate  
5 that. I'm -- I'm going to differ with you slightly  
and 6 ask you to go ahead with the memorandum of  
7 understanding. I'd like to make sure that if there  
is 8 an area in the future that would involve any  
unforeseen 9 costs that might come down to the county, that we  
have a 10 chance for the supervisors to hear that and agree  
with 11 it, or disagree with it.

12 Frankly, I'd just as soon have the county  
board 13 of supervisors involved to the fullest extent that  
we 14 can. I'd like to have something that details the  
roles, 15 formalizes them a bit.

16 I think that they're going to have, at the  
very 17 least, to use Mr. Richins' term from earlier, lively  
18 hearings on this at the local level, and frankly,  
19 they're on the firing line on this with each one of  
20 their districts. So I think formalizing this is

21 probably in our best interest long term.

22 MS. ICHIEN: I'm Arlene Ichien on the  
Energy

23 Commission staff.

24 Just for point of information. Memorandum  
of

25 understanding is typically used to begin a working

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1 relationship to coordinate a working relationship  
2 between the staffs of a local agency and the Energy  
3 Commission staff.

4 And so to the extent that you're  
envisioning a  
5 memorandum of understanding somehow committing each  
6 agency to a certain course of action, I think that  
is  
7 overly ambitious for purposes of a memorandum of  
8 understanding.

9 And as Paul explained, what would have been  
10 served by a memorandum of understanding, as was done  
in  
11 the SEPCO case, for example, has actually been  
12 accomplished through the -- as memorialized by the  
13 reported conversation and the letter of December  
that  
14 was attached to the memo that Mr. Therkelsen sent to  
15 you.

16 And as far as the sequencing of events,  
we've  
17 been keeping in close enough contact with the county  
18 staff, the planning commission staff, that we've  
19 actually accomplished more that way than by  
formalizing  
20 what would just be, you know, the beginning of a  
working  
21 relationship in a memorandum of understanding.

22                   So I -- I just want to caution you that the  
23 memorandum, if it is to be drafted, would be between  
the  
24 staffs of the agencies, and as commission staff, we  
are  
25 not in a position to bind this agency.

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1                   PRESIDING COMMISSIONER MOORE:  No.  But  
2                   commissioners are, and I would expect that I would  
take  
3                   any MOU like that up to my colleagues.  Mr. Keese  
would  
4                   obviously have to join in that if -- if it were to  
come  
5                   about.

6                   And so what I had in mind was not  
formalizing  
7                   sequence so much as formalizing the responsibilities  
of  
8                   each team.

9                   COMMISSIONER KEESE:  May I ask a question?  
10                  Did you feel -- do you see a lack there in  
the  
11                  relationship?

12                  PRESIDING COMMISSIONER MOORE:  As Arlene  
13                  pointed out, we're down the road here a ways.  I  
would  
14                  have appreciated, I think, having something like  
this up  
15                  front.  I -- I think of doing this as much in  
16                  anticipation of some of the cases that we have  
coming  
17                  up.

18                  We have a good number of site cases that  
may  
19                  come to our -- to our attention in the near future,  
and

way 20 I'd like to find the most efficient and economical  
21 to get the relationships spelled out as early in the  
22 process as we can.

23 Yes, we're farther down the line than you'd  
to 24 like to be before you had one of these, but it seems  
25 me it's a good exercise, where we already know the

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1 ground rules, to get it done, and to me, it would  
2 emphasize more the staff relationships and the  
3 responsibilities, which would include, as I said,  
4 extraordinary cost, should they come up, who might  
bear  
5 them, more than scheduling.

6 I mean that's one reason why we're here is  
to  
7 make sure that the scheduling conflicts, if any,  
that  
8 they get ironed out or get approved. So I'm not so  
9 worried about scheduling an MOU as I am inter-staff  
10 relationships or fiscal --

11 COMMISSIONER KEESE: Can I ask -- our staff  
has  
12 indicated that -- that they're comfortable with the  
13 working relationship.

14 Does the county feel an MOU is necessary,  
15 beneficial?

16 MR. CARPENTER: I'm George Carpenter of the  
17 Community Services Department staff, and to this  
point,  
18 we have not had any problems with the working  
19 relationship, and we're comfortable with the  
20 Environmental Quality Act guidelines and the Energy  
21 Commission guidelines for power project siting to  
guide  
22 the process and the relationship from this point

23 forward.

24                   However, we don't have necessarily a  
problem

25 with entering a memorandum of understanding, if --  
if

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have 1 that's what the Energy Commission proposes. We'd  
2 to take it to the board of supervisors for approval.

3 PRESIDING COMMISSIONER MOORE: I think I  
4 said, understand. I understand that. And frankly, as I  
5 it's -- I want to make sure that we're clear on the  
6 good relationships, and frankly, I think it's -- it's a  
7 round model for us to follow in the future for our next  
8 of power plant siting hearings.

9 the COMMISSIONER KEESE: Have we done this in  
10 past?

11 think, MR. RICHINS: Yes, we have. We have, I  
12 discussions two MOUs in place right now, and we're in  
13 of with a couple of other state agencies on memorandum  
14 understandings.

15 COMMISSIONER KEESE: Thank you.

16 MS. ICHIEN: Just for your information,  
17 Commissioner Keese, the memorandums of understanding  
18 that we do have, that we have had in the past or  
19 are in place more recently, again, go more towards  
20 coordinating a working relationship between the

21       staffs -- you know, the Energy Commission and the  
local  
22       regional agency -- for purposes of making sure that  
23       another agency's input or documentation is  
coordinated  
24       in time with the process that we conduct for  
application  
25       or certification.

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another 1                   So it has more to do with just making  
2                   agency aware of the time constraints we face in our  
documents 3                   application proceeding and making sure that  
4                   are exchanged.

the 5                   PRESIDING COMMISSIONER MOORE: Means that  
6                   document that we're talking about here is going to  
be a 7                   little different than what's been done in the past.  
So 8                   maybe we'll be breaking some new ground.

9                   MS. ICHIEN: Again, as Mr. Carpenter said,  
10                  we'll -- the Environmental -- California  
Environmental 11                  Quality Act pretty much provides a -- a guideline  
for us 12                  as to, you know, what documentation is required and  
what 13                  events need to occur before approval is considered.

14                  PRESIDING COMMISSIONER MOORE: Bill?

15                  COMMISSIONER KEESE: Well, I'm interested  
in 16                  seeing what you have in mind. I have -- I don't  
17                  understand what the rationale is for it at this  
time, 18                  but if you have something --

19                  PRESIDING COMMISSIONER MOORE: I'll get  
some

20 draft ideas. I'll circulate them to everyone.

21 Charlene, I indicated I'd come back to you,  
and

22 you've seen the notice, and we want to know what  
kind of

23 progress you're making, how the schedule is -- is  
being

24 adhered to or not. What we're trying to look for  
are

25 discontinuities in the road to a full and complete

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1 hearing.

would  
lot  
2 MS. WARDLOW. Thank you. The one thing I  
3 like to clarify for Calpine is there seems to be a  
4 of confusion around the acquisition of emission  
5 reductions credits and where the project stands on  
6 acquiring those.

since  
emission  
selling at  
7 Calpine has been working on this probably  
8 last fall, and we made offers to many owners of  
9 reduction credits that were not interested in  
10 this time, either because they wanted them for  
11 themselves or because they were not interested in  
12 selling them at the price we offered.

been  
13 We also did not pursue at this time  
14 agricultural emission reduction credits that have  
15 generated by farmers that are no longer burning rice  
16 fields. And one of the -- the reasons for these are  
17 some of these are missing complete four quarters of  
18 emission reduction credits.

in  
20  
21 Just to tell you where we are at this point  
20 time, we currently have option contracts signed for  
21 percent of our nitrogen oxide requirements -- and

this

22 is on our proposed 3.5 ppm nox limit -- 78 percent  
of

23 our volatile organic carbons and 25 percent of our  
PM10.

24 We currently have letters of intent with  
owners

25 of emission reduction credits which we are pursuing

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percent  
1 signed option contracts with that would total 85  
2 of our nitrogen oxide emissions, 337 percent of our  
3 volatile organic carbons, keeping in mind that we  
are  
4 proposing interpollutant trading.

5 PRESIDING COMMISSIONER MOORE: Right. And  
your  
6 proposal for the ratio is?

7 MS. WARDLOW: One point one to one.  
8 And then we have 40 percent of our  
particulate  
9 matter, PM10. What we have been doing is we're  
working  
10 in the Sutter Department of Public Works, who has  
11 provided us with a list of roads -- dirt roads that  
they  
12 would like to have paved.

13 And we're working with Public Works and  
Feather  
14 River Air Quality Management District to come up  
with a  
15 list of our particulate matter under -- less than  
ten  
16 microns to meet the rest of our PM10 requirements.

17 Some of our sources are outside of the  
Feather  
18 River district. Some are in Colusa. Some are in  
19 Sacramento. Those are obviously not necessarily the  
20 best sources for us because you have to take in

account

21 the distance of the source generating the emission  
22 reduction credits. So sometimes it devalues them if  
23 they're further away from you.

making

24 But Calpine feels like, you know, we are

option

25 progress, and we are trying to get these final

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we  
with  
1 contracts signed to cover the whole project so that  
2 can supply the district and the Energy Commission  
3 the complete package of offsets.

due  
over  
4 PRESIDING COMMISSIONER MOORE: What is your  
5 date to -- your own mental due date to hand those  
6 to the district?

we  
the  
and  
in  
7 MS. WARDLOW: Yesterday. No. As soon as  
8 can pull it together. The lawyers are working on  
9 final contract wording, and we have agreed on prices  
10 amounts, but they're just finalizing the final words  
11 the actual contracts themselves.

you're  
somewhere  
devaluation  
12 PRESIDING COMMISSIONER MOORE: So what  
13 saying is that there's a formula that exists  
14 that says the further away you go, the more  
15 you have? And obviously the ratio of credits?

16 MS. WARDLOW: Correct.

go  
might  
17 PRESIDING COMMISSIONER MOORE: So you could  
18 to the south, if you could find credits, but it

19 be --  
20 MS. WARDLOW: That's pretty much worth  
zero.  
21 PRESIDING COMMISSIONER MOORE: -- five to  
one?  
22 MS. WARDLOW: Right. Because distance,  
you're  
23 going to get out over about 50 miles, you really are  
24 making it not worthwhile, depending on the price, of  
25 course.

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mind, 1 PRESIDING COMMISSIONER MOORE: So in your  
as 2 going just into an adjacent district's about as far  
3 is practical?

4 MS. WARDLOW: Yes. And I'd also like to  
credits 5 clarify. There are initial emission reduction  
again. 6 available in the Feather River bank, as I said,  
7 People -- some people are not willing to sell at  
this 8 point in time.

9 And we've also been working with local  
sources, 10 for example, natural gas owners, to redo compressor  
11 stations to actually generate emission reduction  
12 credits. We've been working with that just in case  
some 13 of these other options that we had out didn't come  
14 together.

15 And I mentioned we're not even pursuing the  
16 agricultural credits that are available in the  
17 community. A lot of sources of businesses that  
could 18 come into the county wouldn't even require emission  
19 reduction credits, wouldn't be sources that have  
certain 20 levels of emissions of certain pollutants. So  
there's

21 businesses that could come into the community that  
22 wouldn't even need emission reduction credits.

23           The other thing I just wanted to clarify is  
we  
24 are working with the Department of Public Works.  
We've  
25 been working with them on the countywide drainage

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met 1 planning they're involved with right now, and have  
at 2 with the consultant that the county hired, looking  
we've 3 the whole drainage issues for the county because  
4 known that's been a concern.

5 I'm also working with the Sutter County  
the 6 department of OES, Office of Emergency Services, on  
7 upgrades that will be required to the local fire  
hazardous 8 stations for them to be able to respond to the  
9 materials that are going to be on site.

10 And we're proposing a memorandum of  
funds to 11 understanding with the county to -- to allocate  
12 the county prior to when they would be getting money  
ahead 13 from the property taxes for them to get the funds  
14 of time together and order fire equipment,  
everything 15 they need to get upgraded before we're into the full  
16 construction phase.

17 The other thing I'd just like you to know  
we're 18 working on is, as you know, one of the intervenors,  
426 19 California Unions for Reliability Energy, have filed  
20 data requests with Calpine. We worked with CURE to

this 21 review these requests, and some were withdrawn, but

22 notebook we filed on July 8th --

23 PRESIDING COMMISSIONER MOORE: That's the  
24 filing in response to the request?

25 MS. WARDLOW: Yes. This is our filing in

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1 response to the questions. We answered 353 of their  
2 data requests on July 8th, last week, and it's a  
little  
--  
3 over 500 pages. And so we've been very diligently  
--  
4 our staff and our consultant's staff have been  
working  
5 on answering their -- their data requests for the  
6 project.

7 PRESIDING COMMISSIONER MOORE: Now, what  
8 happens if you answer their data requests but they  
look  
9 at that and say, "Well, you just said you answered  
the  
10 data request. In fact, it's not a full answer."  
Now,  
11 what's the -- what's the reiterative process? I'm  
sure  
12 that has to have come up in the past.

13 MR. ELLISON: My name's Chris Ellison. I'm  
14 counsel for Calpine.

15 An intervenor that feels that a response to  
the  
16 data request is inadequate has the option of filing  
a  
17 motion with the committee to compel a complete  
answer.

18 We believe that we have given complete  
answers  
19 and hope that doesn't happen, but they do have that

20 option.

21  
Charlene,

PRESIDING COMMISSIONER MOORE: Okay.

22 let me ask you a question about the agricultural  
23 impacts. Who are you dealing with in terms of  
overall  
24 agricultural impacts? For instance, the pesticide  
25 spraying that would be impacted potentially by the

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1 lines, or who do you work with on that?

you're 2 MS. WARDLOW: If you're -- Commissioner,  
3 asking specifically the crop-duster-related issues,  
of 4 actually, I -- I have worked with a crop duster out  
he is 5 Knights Landing by the name of Tad Dickerson. And  
6 in charge of the safety program for Bob's Appliance  
7 Services in Knights Landing, and he has been working  
8 with me probably since last fall looking at the  
if 9 transmission line routes that we proposed, impacts,  
10 any, to the route.

community. 11 And so he -- he is well-known in the  
12 Bob's Flying Service is a local flying service that  
the 13 farmers use around here, and he has looked at the  
route 14 and has indicated no impacts to -- to farming from  
the 15 transmission line route.

16 PRESIDING COMMISSIONER MOORE: Is there any  
17 other agricultural owners association or  
agricultural 18 interests association that will be involved in this  
19 which you will be in contact with?

of. 20 MS. WARDLOW: There's no one that I know

the 21 Sutter Extension Water District does own  
22 irrigation canal system, and we have approached them  
23 about a possible long-term easement as well.

24 PRESIDING COMMISSIONER MOORE: Long-term  
25 easement, and who would those -- who would own those

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1 easements at the end of the X period?

still. 2 MR. ELLISON: That is to be determined

will 3 We believe that Western Area Power Administration

we 4 be the ultimate party to the transmission lines, but

that 5 are in receipt of a letter from Western last week

and 6 formalized their role in the process, what they can

in 7 can't do due to their role as a lead federal agency

8 the need for process.

to a 9 PRESIDING COMMISSIONER MOORE: Is there  
10 precedent for that? Have you transferred easements

11 county or state or federal agency before?

12 MR. ELLISON: We have not, no.

13 PRESIDING COMMISSIONER MOORE: Has Western  
14 taken any easement before; do you know?

15 No one knows. Let's see if we can get that  
16 question answered. I'd like to know what happens to  
17 those easements. Who keeps them under what  
18 circumstances. Can they ever be expunged. Let's  
see if

19 we can find that out.

can 20 MS. McMAHON: We do have someone here that

21 answer that.

22 PRESIDING COMMISSIONER MOORE: I'm sorry; I  
23 spoke too fast.

24 MS. MILLER: Good morning. My name is  
Heidi

25 Miller with Western Area Power in the land division.

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1 Can you clarify that question again?

2 PRESIDING COMMISSIONER MOORE: Well, my  
3 question was I heard the applicant say that there  
was a  
4 possibility of some sort of easement. Either, I'm  
5 assuming, a ground easement, county easement, an  
6 abrogation easement.

7 MS. MILLER: It would be transmission line  
8 easement.

9 PRESIDING COMMISSIONER MOORE: Right.  
Would be  
10 acquired in some manner. I just wanted to know how  
it  
11 is acquired and who holds it, and under what  
12 circumstances do they hold it.

13 MR. ELLISON: Let me just clarify. Calpine  
14 does not currently endeavor to obtain any easements  
on  
15 our own at this point.

16 PRESIDING COMMISSIONER MOORE: Could come  
up,  
17 though. I mean you could -- it's easy to envision,  
for  
18 instance, some sort of abrogation easement that  
would  
19 protect from the ground up, just in terms of  
20 responsibility around or under the transmission  
lines.

21 And I'm not saying it would, but it certainly seems

who 22 feasible. So should something like that come up,

23 would own it?

24 MS. MILLER. I'm not sure I understand your

25 question. Maybe I can kind of clarify. What our

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1 assessment would be if I -- we owned it is that is  
2 something that has not been determined if it's going  
to  
3 Calpine or Western.

4 But if Western Area Power Administration is  
to  
5 acquire the easement and own the transmission line  
6 route, we would acquire the transmission line  
easement.

7 And we would have an easement on that land only for  
the  
8 transmission line purposes. The landowner would own  
9 that land. They would still be able to farm the  
land.

10 They'd own the land. We would have just an  
easement.

11 PRESIDING COMMISSIONER MOORE: How wide is  
the  
12 easement? How wide on either side of the --

13 MS. MILLER: That hasn't been determined  
until  
14 the design is the complete.

15 PRESIDING COMMISSIONER MOORE: No typical  
16 width?

17 MS. MILLER: It could be 125 feet. I'm not  
18 sure what it will be. I think --

19 PRESIDING COMMISSIONER MOORE: On either  
side?

20 MS. MILLER: No. It would be 50 feet on  
either

21 side, or 62-and-a-half feet on either side of the  
22 transmission line.

23 PRESIDING COMMISSIONER MOORE: Okay. Thank  
24 you.

25 Do you have questions for us about the

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1 procedure or --

I

2 HEARING OFFICER FAY: Before we go to CURE,

3 just want to ask Charlene --

4 PRESIDING COMMISSIONER MOORE: Sure.

to

5 HEARING OFFICER FAY: -- regarding the  
6 biological resources, especially the National Marine  
7 Fisheries Service permit. Do you have any ability

or is

8 influence the speed with which that comes forward,

formula?

9 your providing them information part of this

Administration

10 MS. WARDLOW: Western Area Power

11 has been the lead agency for the Section 7  
consultation,

did

12 and so we really are not -- are not involved at this  
13 point in that except for the work that the biologist

offer

14 for the project. I guess the only thing could I

15 is that the National Marine Fisheries is located in  
16 Santa Rosa, and I could sit on their doorstep.

made an

17 But beyond that, I would say Loreen has

--

18 incredible effort to keep these agencies moving, but  
19 both U.S. Fish & Wildlife, Corps of Engineers, and

20 and the marine fisheries groups, they are very

difficult

21 in respond -- they have not been responsive to phone  
22 calls early on, and Loreen really had to keep on  
them to  
23 keep them responsive to us.

24 Whether it has to do because they're  
apparently

25 bogged down with salmon issues, I don't know, but  
we've,

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from 1 early on, even had a hard time getting a response  
to 2 them. And I'm just appreciative of Loreen's efforts  
agencies 3 really keep -- try and keep these other federal  
cooperating 4 moving, because they are supposed to be a  
5 agency with Western on this project.

6 HEARING OFFICER FAY: And you don't  
anticipate 7 being asked any more data from them before they  
issue 8 their determination?

9 MS. WARDLOW: The water quality modeling  
that 10 was just completed was submitted to them, and all  
the 11 agencies said that they required to have that in  
order 12 for them to complete their work for the biological  
13 opinion.

14 And we plan to review the -- the modeling  
August 15 efforts at the workshop either the 4th or 6th of  
acronym 16 as well as the draft -- what's the -- what's the  
Debra's 17 for biological opinion? What's the plan that  
18 doing, BRIM, or whatever it stands for?

19 MR. RICHINS: Biological Resource

Mitigation

20 Improvement Plan, or something like that.

21 MS. WARDLOW: Thank you. We plan to --  
it's

22 not like -- we plan to review that draft program  
with

23 the agencies at the workshop, and we hopefully will  
be

24 able to get them to attend, even participate in --  
in

25 reviewing that.

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what's  
call  
1 PRESIDING COMMISSIONER MOORE: Loreen,  
2 it take to get those folks to attend? Do we need a  
3 from a congressman or --

actually  
4 MS. McMAHON: In terms of having them  
5 attend the workshop, I'm -- I'm -- I'm guessing --

workshop,  
6 PRESIDING COMMISSIONER MOORE: I'm being  
7 facetious about their having to come to the  
8 but I'm thinking of what -- what makes --

we  
9 MS. McMAHON: Then they have a process like  
10 all have our processes. They have deadlines on  
11 their  
12 process, and they -- of course, they don't seem to  
13 --  
14 usually, in most projects, they don't interact.

They  
15 get their paperwork; they do their thing; they send  
16 it  
17 back.

Ann  
18 PRESIDING COMMISSIONER MOORE: I'm sorry.  
19 Broadwell is here from CURE, and you understand that  
20 we're -- we're mightily worried about the schedule  
21 and  
22 procedural questions. So if you'll --

Broadwell  
23 MS. BROADWELL: As you said, I'm Ann

20 representing CURE today.

about 21 No, I don't have questions or comments  
22 the schedule. I think the issues have all been  
of 23 identified in the staff report and in the testimony  
-- 24 the -- the gentleman from the air district. We are  
water 25 also will be looking at the data responses and the

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Thursday. 1 modeling, which we hadn't received as of last

2 We may have received it on Friday. So we anticipate  
3 doing that comparison.

an 4 I do just have one comment, though, about  
5 issue you raised earlier about notice to the public  
6 about the general plan amendment and rezoning.

Usually 7 when a local agency does a general plan amendment or  
a 8 rezoning, there's a draft environmental impact  
report 9 for the public to comment on.

10 And here, instead of that, there will be a  
the 11 different document. I think it would be helpful if  
12 notice that goes out to the public could clarify  
that. 13

14 Tell the public which document there that is the  
for 15 equivalent of a draft environmental impact report  
16 purposes of making comments and getting responses.

I 17 PRESIDING COMMISSIONER MOORE: Good point.  
18 think we can make that clear. Let them know that  
it's 19 equivalent of that. I think that the board of  
20 supervisors will probably aid that process quite a  
bit.

20 MS. BROADWELL: This is -- the final staff  
21 assessment, is that what's viewed as the draft  
22 environmental impact report?

23 MS. McMAHON: Yes. That's correct.

24 MS. BROADWELL: Thank you.

25 HEARING OFFICER FAY: And there would be a

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to  
staff  
1 comparable comment period, but in addition, I'd like  
2 point out the public has access to the preliminary  
3 assessment --

4 MS. BROADWELL: Right.

workshops  
many  
5 HEARING OFFICER FAY: -- A series of  
6 and the full series of hearings here. So there's  
7 opportunities for input in our process.

8 MS. BROADWELL: I think there are more than  
9 normal. It's just that it kind of gets confusing, I  
10 think, to members of the public when these different  
11 terms are being used.

12 PRESIDING COMMISSIONER MOORE: Gary, do you  
13 have -- do you have other comments you want to make  
14 before we open this up to --

time.  
15 HEARING OFFICER FAY: No. Not at this

16 PRESIDING COMMISSIONER MOORE: Well, let me  
17 just say that there may not be many members of the  
18 public here, but I see there are some still left.

the  
be  
19 If anyone would like to make a comment on  
20 procedures or the structure of this proceeding, I'd  
21 happy to entertain those comments.

22                   None.

23                   Now, let me remind everyone who was  
interested

24   that there is not a repeat but an extension of what

25   we're about tomorrow nine o'clock here, and  
preliminary

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I

1 staff assessment will be discussed. Paul outlined  
2 the -- the litany of areas that we encompassed, and  
3 hope that there's -- there's a good turnout.

the

4 Anyone else who wants to -- to remark to  
5 process?

6 Commissioner Keese, do you have any wrap-up  
7 remarks?

8 COMMISSIONER KEESE: No. None.

9 PRESIDING COMMISSIONER MOORE: All right.  
10 We'll close this then and look forward to seeing  
11 everyone tomorrow.

12 (The proceedings concluded at 12:00 p.m.)

13 --o0o--

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1 REPORTER'S CERTIFICATE

2

3 I certify that the foregoing proceeding was  
4 taken at the time and place therein named; that the  
5 proceeding was reported by me, a duly certified  
6 shorthand reporter and a disinterested person, and  
7 thereafter transcribed into typewriting.

was

8

I further certify that I am not of counsel

or

9

attorney for either or any of the parties to said

10

proceeding, nor in any way interested in the outcome

of

11

the cause named in said caption.

12

In witness whereof I have hereunto set my

hand

13

this July 24, 1998.

14

15

---

16 DEBRA P. CODIGA, CSR #5647  
17 Certified Shorthand Reporter  
18 State of California  
19  
20  
21  
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