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A P P E A R A N C E S

Commissioners Present:
MICHAEL MOORE, Presiding Member

Staff Present:
GARY FAY, Chief Hearing Officer

For the Staff of the Commission:
Paul Richins
Dick Radcliff
George Carpenter
Tom Last

For the Applicant:
Doug Davy
Chris Ellison
Charlene Wardlow
Curt Hilderbrand
Carolyn Baker

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01 P R O C E E D I N G S
02 TUESDAY, NOVEMBER 10, 1998, YUBA CITY, CALIFORNIA
03 9:00 A.M.

04 --oOo--

05 MR. MOORE: Good morning. I'm Michael Moore
06 and I'm the presiding member of the Siting Case
07 Committee for Sutter. And I'm joined by my
08 colleague, Commissioner and Chairman Bill Keese
09 who's to my right. He's the one wearing a tie this
10 time.

11 And Gary Fay, our hearing officer, is
12 to my right. And also Cynthia Praul on the far end,
13 who is the aide to Commissioner Keese. Shawn
14 Pittard is on my left who is my aide. And Loreen
15 McHahon, who is from the Western Area Power
16 Association and part of the table. That completes
17 the head table here. The applicant representatives
18 are at the far table. And I'm sure during the
19 course of this meeting they'll introduce themselves.
20 Our staff and Sutter County Staff are at the table
21 to my right. And you're, of course, all in front of
22 us.

23 So today I'm going to turn this over to
24 Mr. Fay to walk us through some of the items that we
25 have. But, first, let me clarify something that has
26 happened in our meetings down in Sacramento, because

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01 of some comments that I made, I know at least some
02 people and the applicants have been curious about.

03 I made comments about the nature and
04 completion of, or the full treatment of alternatives
05 in the Final Staff Assessment. I have some comments
06 which I will docket on that. But, frankly, I don't
07 think any of the comments that I have made are going
08 to result in any time delays. I know that's a
09 question that's been on people's mind. I want to
10 make sure that the document is orderly, and can be
11 read well enough to be understood by every one. So
12 I think it needs some reorganization.

13 I think a there are a couple of topics
14 that need to be addressed more fully in it. But,
15 frankly, I think that we own all that information.
16 I don't think this is a case for generating new
17 information, I think it's a matter of reorganizing
18 the existing document to make it clearer, easier to
19 understand, and more functional for us. I know there
20 was a comment by someone as to whether or not we were
21 using, or whether I would be using Calpine to make an
22 example here. I have no intention of doing that. I
23 think that the process probably can be improved.

24 One of the the logical candidates for
25 improving the process in the future is the use of
26 what we term data adequacy. And I think we might

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01 want to ratchet that down a little bit tighter and
02 make it more clearer as we go on. That's not
03 something I think Calpine has to worry about. They're
04 past that phase.

05 And so given the nature of some of the
06 other delays that we have, I don't think that
07 anything I'm asking for will amount to any extension
08 of time, but, in fact, should make my job in
09 writing up the presiding members' opinion easier and
10 make the whole process more defensible. So to allay
11 any fears that people might have had that there was
12 a wholesale revision coming in the alternative
13 section, I hope I've just done that in terms of my
14 comments. And everyone of course will have access
15 within a day, day and a half, to my comments.

16 Mr. Fay?

17 MR. FAY: Thank you, Commissioner Moore.

18 I hope everybody has had a chance to
19 get a copy of the agenda for today. And to the best
20 of our estimates it should cover the rest of the
21 hearings. We are going to begin by hearing from
22 staff. We're going to review the recent workshop,
23 discuss changes in their view on transmission
24 alternatives. Then we'll get into receiving the
25 affidavits on some of the less controversial areas,
26 and that's that long list.

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01 And what I want to stress is that even
02 though we've told the parties that due to the lower
03 level of public interest in these, we would accept
04 this information on declaration, that is written
05 testimony. It is under penalty of perjury that the
06 witnesses prepared the testimony and signed it, but
07 you are still free to ask questions or make comments
08 in these areas, rather, and I will take comments on
09 them after each subject area, just to be sure that
10 nobody gets lost.

11 And if, for some reason, the project
12 manager cannot respond to the Committee's questions,
13 then we may have to call a witness back on one of
14 the subject areas at a later date. This was merely
15 for keeping the process moving long and not wasting
16 everybody's time. But we certainly don't want to
17 cut out any subject area that people might be
18 concerned about. You'll notice that visual
19 resources is quite far down and it says in
20 parenthesis, "Status Report and Comment.

21 When we get down there I think the staff
22 and Calpine will review the current status of their
23 discussions and explain why we moved visual resources
24 down to November 16th. It will give everybody more
25 time to prepare for that hearing. And the parties
26 have some things they're working on and they need a

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01 little more time to work on that as well.

02 Commissioner Moore has asked me to
03 describe what we mean by visual resources and I'll
04 have the staff correct me if I mischaracterize that,
05 but it's basically the staff's review of the
06 environmental impact of the visual effect that the
07 project and it's facilities would have. In other
08 words, the visual effect of the proposed power plant
09 as completed, standing there, the visual effect of
10 the transmission line that would lead out of it.
11 And of course there's no visual effect once the
12 pipeline is installed, but what it looks like in the
13 simplest terms.

14 And so staff has prepared a great deal of
15 testimony on that and Calpine has as well. We
16 certainly will cover that area. But I think today,
17 instead of what the original notice said regarding
18 visual resources, we'll be getting more of a status
19 report when we get to that. And I have told some
20 parties that the subject of socioeconomics will be
21 dealt with after lunch. As you see, it's last on
22 the agenda and so there may be some people that want
23 to comment on aspects of that as well. And we'll
24 take comments on that, as well as we will on all the
25 others at the time.

26 So I would like to begin, but first I

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01 would like the parties to identify themselves for
02 the benefit of the court reporter and I'll remind
03 everybody to please state your name if you come up
04 to make a comment, because the court reporter
05 doesn't know you and she needs to put your name next
06 to your comments so you get credit for your remarks.
07 Mr. Radcliff, would you introduce the
08 staff.

09 MR. RADCLIFF: Mr. Richins will summarize the
10 workshop. Is that what you're asking?

11 MR. FAY: I would like you to make
12 appearances just to introduce everyone.

13 MR. RADCLIFF: This is Mr. Richins, the
14 project manager, Paul Richins. And Mr. McCuen, in
15 the front row, is our Transmission Design and System
16 Engineering Specialist. And Amanda Stennick in the
17 back corner of the room is our Land Use witness.
18 And somewhere Gary Walker is here. And he's our
19 official Resources expert.

20 MR. FAY: And next to you is George
21 Carpenter?

22 MR. CARPENTER: I'm George Carpenter from
23 Sutter County Community Services Department. And
24 I'm working on the rezone and general plan amendment
25 application for this project.

26 MT. LAST: I'm Tom Last from the Sutter

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01 County Community Services Project also.

02 MR. FAY: Okay. Mr. Ellison, be sure
03 everybody at your table is introduced.

04 MR. ELLISON: My name is Chris Ellison. I'm
05 with the law firm of Ellison & Snyder, representing
06 Calpine on this project. To my right is Doug Davy of
07 Foster Wheeler Environmental Consultancy for Calpine.

08 And I'll let the folks to my left
09 introduce themselves.

10 MS. WARDLOW: Charlene Wardlow, Environmental
11 Manager for Calpine.

12 MR. HILDERBRAND: Curt Hilderbrand, Project
13 Director with Calpine.

14 MS. BAKER: Carol Baker with Edison and
15 Modeset, (phonetic) consultant to Calpine.

16 MR. FAY: And I'll just remind everybody that
17 we very much want to create a good record of
18 everything you folks have to say, and that the
19 witnesses have to say. So it's important, not just
20 for the public, but for everybody at counsel tables
21 too, to speak clearly into the microphone so the
22 court reporter can record your remarks.

23 If it's blurred or you're too far away
24 and she can't hear, she may interrupt you to be sure
25 that she gets it, because I've told her that what's
26 most important is that we create a record that is

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01 accurate, even if we have to interrupt people. So
02 please bear with us. But you probably won't be
03 interrupted if you speak clearly into the
04 microphone.

05 I'd like to start with by asking
06 Mr. Richins to summarize the most recent workshop
07 for us.

08 MR. RICHINS: Good morning. As you know we
09 scheduled the workshop to discuss the transmission
10 line alternatives that were identified in our Final
11 Staff Assessment. In the Final Staff Assessment we
12 identified the potential for significant visual
13 impact due to the transmission lines running down
14 South Township and then Obanion. CEQA requires that
15 if we have identified a potential significant
16 impact, that we are to look at alternatives or
17 mitigation that might minimize or eliminate or
18 reduce the impact. So because of that, we looked at
19 some alternatives and the alternative that we
20 primarily workshopped was the westerly route.

21 However, during the workshop we looked
22 at a total of four under ground routes and two above
23 ground routes. And I do have with me today the
24 agenda for that workshop that I'll just pass out to
25 you. So we took information from the public, as it
26 relates to the South Township to Obanion Road route

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01 as well as talked about the route west to PG&E line
02 and then south down Obanion.

03 There were four underground routes and
04 two other hybrid routes that we also did discuss and
05 received input from a wide variety of people, just
06 to give you a sense of who was there we had the
07 Sutter Extension District, we had the refuge manager
08 there. We had California Fish and Game. We had two
09 crop dusters. We had one duck club owner. We had
10 Western Area Power Administration provide comment.
11 Calpine provided comment. Many of the farmers and
12 local property owners were here to provide input. And
13 the county as well, provided input to us as we went
14 through these different alternatives and discussed the
15 pros and cons to each. And many of those people are
16 here today and I would encourage you to hear from them
17 during the course of the day.

18 But to talk about the above ground first,
19 in essence, from the standpoint of biology, which
20 would be the flight of the ducks and the migration
21 routes, land use issues as related to crop dusting and
22 impacts to agricultural. Sutter County's concerns
23 were as it relates to Ag. impacts, and the duck club
24 owners all felt that the westerly route was not a
25 viable option, and strongly encouraged us to seek
26 other alternatives.

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01 So at this time, based on the impact
02 that we received at the workshop, regarding the
03 westerly route, which leaves the plant and goes west
04 for about two miles, and then south along PG&E
05 corridor, due to those impacts we do not feel that
06 that is a preferred route, and are not recommending
07 that as a mitigation for the visual impacts
08 identified on the South Township to Obanion route.

09 As it relates now to undergrounding,
10 there seems to be a strong preference by those in
11 the audience for undergrounding. The biologist,
12 land use, crop dusters; all, of course, would prefer
13 the undergrounding of the transmission lines, but
14 due to many of the problems and difficulties, and
15 the cost, and also the position of Western Area
16 Power Administration and Calpine on the subject, we
17 do not feel comfortable at recommending
18 undergrounding of the route, whether it's four miles
19 of undergrounding or whether it's undergrounding for
20 part of the distance, and then above ground for the
21 other part of the distance; the costs are quite
22 high, and there are problems associated with
23 maintenance if there's an outage, a considerable
24 amount of time is required and necessary to
25 troubleshoot to identify the outage location and
26 then do the repair. And so because of those

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01 concerns, we do not feel comfortable in recommending
02 undergrounding of the transmission line route.

03 We are in conversations with PG&E and
04 Calpine to see if there are other options that are
05 available to us to mitigate for the visual impacts
06 on the transmission line route and I can go into
07 those briefly now, as well as maybe the status on
08 the visual later on, but we are looking and have
09 suggested in our conversations regarding possibly
10 undergrounding the existing lines that are going
11 down South Township, there are poles running down
12 South Township with both 12 kV and 60 kV lines on
13 them that are PG&E lines. And one option might be
14 to mitigate for the visual impacts along South
15 Township, would be to bury those existing lines to
16 try to minimize the impact and the tunneling effect
17 as you drive down South Township with the existing
18 and new lines there in place.

19 Since it came up fairly recently, we
20 don't have any definitive information on it. We're
21 gathering cost data. We're beginning to talk to
22 PG&E since those are owned by PG&E. The 12 kV line
23 is a distribution and local distribution line. That
24 may be a little bit easier to underground. The 60
25 kV according to PG&E is considered transmission and
26 they have a little bit more difficulty in allowing

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01 their transmission lines that are not distribution
02 lines to be ungrounded. So that's problematic from
03 the standpoint of working with PG&E.

04 Also it may be of significant cost,
05 it's less than undergrounding 230 kV lines, but
06 undergrounding both the 12 and the 60 kV lines are
07 substantial costs as well, and those will all have
08 to be factored into our recommendation.

09 So at this time we're continuing to try to find
10 common ground on a way to mitigate the visual
11 impacts on the transmission line route, but have not
12 successfully found an option that's agreeable to
13 everybody, that will satisfy our concerns, as well
14 as the public's concerns, as well as Calpine's. So
15 that summarizes, kind of, the status of where we are
16 and what we have done so far.

17 MR. FAY: Thank you, Mr. Richins. I just
18 want to stress that if anybody has reviewed the
19 Final Staff Assessment and Calpine's testimony and
20 came prepared today to comment specifically on
21 visual, we'll certainly take those comments and we
22 do have it scheduled for that purpose, but the
23 parties do not intend to adjudicate that subject at
24 this time since they're not sure that they will
25 ultimately have to spend all that time arguing with
26 each other, we'll know that on the 16th. If they do

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01 not make any further progress, then what would have
02 happened today will happen on the 16th, in terms of
03 the visual.

04 MR. MOORE: I have one point that I want to
05 clarify from the last hearing that we had in the
06 evening when we were at City Counsel Chambers,
07 Mr. McCuen was talking about SMUD District and the
08 fact that they were going to basically run out of
09 access to new power over a period that looked a lot
10 like seven years. And my question that I didn't ask
11 that night -- I'm sorry I didn't -- is that there
12 must be a planning area document of some kind that
13 elaborates on this dramatic need for something to
14 happen in that period of time.

15 And I ask Mr. McCuen or Mr. Ellison if
16 he has access to such a document to please cause it
17 to come into the documents. So I just want to --
18 the topic came up, I'm sorry I didn't explore it
19 further, but since it did and if there's a planning
20 background for that kind of a deficit or emerging
21 deficit, I would like to have it entered into
22 dockets.

23 MR. RICHINS: That's a worthwhile request,
24 commissioner, and we'll certainly do that. There is
25 some information in the form of the interconnection
26 study already in the docket, but I believe there is

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01 some information both from the California ISO, as
02 well as from the Sacramento Area Transit -- maybe
03 that's the answer were looking for. In any event
04 we'll certainly endeavor to do that and we'll try to
05 have that information at the next hearing.

06 MR. MOORE: I'm assuming it's out there.
07 Mr. McCuen was talking about having been at a set of
08 meetings where this was discussed. So it seems to
09 me it's important enough for the rationale that was
10 being advanced that we ought to have that on record
11 and in the documents.

12 MR. FAY: Just as a reminder,
13 Commissioner Moore said at the beginning of the
14 hearing that we're not supposed to use alphabet soup
15 and acronyms --

16 MR. MOORE: Did I just use one?

17 MR. FAY: You didn't but I have been, and I
18 apologize for that but we all fall victim to that.
19 But the ISO is the Independent System Operator and
20 that is under the new regulatory regime for our
21 electricity in the State. They are managing the
22 transmission system, and have a lot to say about
23 whether a power plant can be connected and whether
24 an area will be served by electricity. So you'll be
25 hearing the term more and more in the future. I
26 just want to make that clear, and I'll just remind

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01 everybody if possible please speak out the terms, so
02 that everybody knows what the Final Staff Assessment
03 is -- what we mean when we say FSA -- et cetera.

04 MR. RICHINS: Morteza Sabet from Western Area
05 Power Administration is in the audience. And he
06 might be able to provide some additional information
07 to the Commissioners as it relates to planning
08 studies directly related to the Commissioner's
09 question, if you want, or if you would like him to
10 address the audience, I think he might be able to do
11 that.

12 MR. FAY: Morteza, I don't mean to put you on
13 the spot, but if there's a specific answer you could
14 give now that would be informative that would be
15 great, if not we can get the information submitted
16 later.

17 MR. SABET: You want me to step up?

18 MR. FAY: Sure. Please come up to the
19 microphone, identify yourself please, and who you're
20 with.

21 MR. SABET: Good morning. My name is
22 Morteza Sabet, M-o-r-t-e-z-a, S-a-b-e-t. I've been
23 called all kinds of names.

24 I chair the Sacramento Area
25 Transmission Planning Group, which basically is
26 composed of Area Utilities and some market

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01 participants, basically. We are looking at the
02 long-term aspects of the Sacramento area needs, both
03 generation and transmission. The second phase of
04 the report that we are engaged in right now and
05 studying is due at the end of the year, early
06 January. And it would be available, and it is
07 public. So we would be glad to furnish that to this
08 proceeding, but it may be a little bit too late for
09 your needs. We are looking at several transmission
10 and or generation alternatives in this process.

11 MR. FAY: And so will the report merely rank
12 or evaluate various alternatives?

13 MR. SABET: What we are trying to do is look
14 at the relative merits of the transmission performance
15 for the satisfaction of the area needs, as well as
16 some generation -- not extensive -- you know, looking
17 at what if you had generation in the area in lieu of
18 transmission, and then cross those out and then
19 basically the respective agencies decide for
20 themselves. The California ISO--

21 THE REPORTER: I'm sorry. Could you please
22 repeat that?

23 MR. SABET: The report itself is going to look
24 at the relative merit of the transmission and
25 generation alternatives, and cost them out for a
26 planning level cost, looking at the long-term needs

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01 of the area. The Sacramento area basically is
02 defined from Tessla north to this area. In the
03 greater Sacramento area about four thousand
04 megawatts if you will. That includes all of the
05 cities within that zone.

06 MR. FAY: And you started to say something
07 about the California ISO?

08 MR. SABET: They are also aware of this
09 problem, but that area, with the exception of PG&E, is
10 currently not under the ISO regime. That is why they
11 haven't taken a proactive stand on this, but they are
12 a member of this team that I chair. I'll be glad to
13 answer any questions -- that report, I hope will be
14 finished by the end of this year, if not the end of
15 January.

16 MR. MOORE: Is there a preliminary report on
17 that?

18 MR. SABET: We are meeting at the end of the
19 month.

20 MR. MOORE: Let me reask that. Is there a
21 set of tables that you worked from that will
22 underlie the report? In other words, the
23 mathematics that gave rise to the discussion that
24 you've been having, could we get ahold of those
25 tables?

26 MR. SABET: That's last year's report. We

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01 looked at 230 kV alternatives. They're not adequate
02 for the long-term need of the area, not if you're
03 looking at 500 kV alternatives, and if you're
04 looking at all of those alternatives, with or
05 without Sutter Power Plant. So the performance
06 merits of those cases should speak for themselves.

07 MR. MOORE: So what you're saying is that
08 we'll get the report as well as the numerics
09 together?

10 MR. SABET: Yes. Last year's report is
11 available to the public on the Internet. And so
12 that could be basically accessed by anyone.

13 MR. MOORE: And I'm assuming that's not the
14 one we're talking about.

15 MR. SABET: Correct. You're looking at the
16 next report. We are meeting at the end of the month
17 and maybe at that time, once we have familiarized
18 ourselves, I can bring it up to the committee.

19 MR. MOORE: Well, I'll just ask staff to make
20 a mark of that and remind us of it, because I would
21 like to have access to it when we're writing our
22 report.

23 MR. RADCLIFF: Does last year's report
24 describe the nature of the problem?

25 MR. SABET: Those issues are very much lined
26 out in last year's report, correct. What it is, is

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01 the options we looked at last year are not
02 sufficient worth investing in for long-term
03 solutions. So we are looking at a higher voltage,
04 such as 500 kV.

05 MR. RADCLIFF: Commissioner, it's my
06 understanding that last year's report is part of the
07 docket now, but we can provide you with a copy of
08 that.

09 MR. MOORE: Right. But I didn't have any
10 sense that that was what Mr. McCuen was referring to
11 in terms of greater voltage support. And the
12 longer-term, basically, pointed to a very dark hole
13 at seven years out. And I assume it's been
14 discussed. In fact, I assumed, based on the
15 testimony, that it had been discussed, I just hadn't
16 seen too many -- both the applicant and the public
17 as well as us are very interested.

18 MR. SABET: One thing I'd like to offer as a
19 thought that during transition, as you well know and
20 the committee knows, from vertically integrated
21 utility planning long term, to market planning, that
22 is part of the difficulty. You know, planning is an
23 uncertain process to begin with, and now it's a lot
24 more uncertain because of this change. So we are
25 trying to find our way in how well you balance the
26 reliability versus long term. It is not a simple

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01 task.

02 MR. MOORE: Thank you.

03 MR. RADCLIFF: Mortizza, before you leave let
04 me ask you a question. Would it be possible, and in
05 your opinion would it be appropriate, for us to get a
06 draft of the Phase 2 report for submission to the
07 record, with the understanding that it is a draft?

08 MR. SABET: As soon as possible. I will
09 bring it to the group's attention when we meet and
10 see. The timing may be off. I don't know if we
11 could, maybe by mid-December, I will propose it to
12 the group and bring it back.

13 MR. DAVY: And is that draft updated for this
14 year's load? I understand that loads this year
15 outstripped projections?

16 MR. SABET: Correct.

17 MR. DAVY: It is updated?

18 MR. SABET: We are updating it based on last
19 year's experience.

20 MR. DAVY: Thank you.

21 MR. SABET: Sure.

22 MR. FAY: All right. We would like to begin
23 now by addressing the various subject areas that are
24 on the agenda and that were noticed -- actually,
25 they were noticed to be taken in at our last hearing
26 but we were not able to get to it. They were all

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01 contained in the footnote on I believe Page 5 of the
02 hearing order. And we'll start with Facility
03 Design. And I ask Mr. Richins to essentially define
04 the terms that the staff uses in these chapter
05 headings. In other words define Facility Design and
06 then explain, briefly, what analysis the staff did
07 in that area.

08 MR. RICHINS: Facility Design encompasses the
09 engineering discipline, civil, mechanical, electrical
10 and geological. And it takes a look at the design
11 features of the project to see if there's anything
12 unique or unusual about it and to determine that it's
13 being built in compliance with all the appropriate
14 laws, orders, regulations, and so forth.

15 Our analysis contains, I believe, 23
16 conditions for certification. And the project will
17 comply with all those conditions, as well as all
18 laws, orders, regulations, and standards.

19 MR. FAY: Thank you. This area, and the
20 other areas that we'll be addressing, as we sort of
21 march through this list, have been in evidence --
22 the testimony has been submitted to the record; that
23 happened the first day. But we do want to bring
24 this to everybody's attention so they have a chance
25 to make comments on these.

26 And, Mr. Ellison, the Calpine

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01 testimony, is that -- what is the reference to
02 Calpine's testimony in this area? Is that contained
03 in the AFC?

04 MR. ELLISON: It's contained both in the AFC,
05 which is Exhibit 4, and also in Calpine's testimony
06 in Exhibit 26.

07 MR. FAY: Thank you. Mr. Richins, on Page 519
08 of the Final Staff Assessment, under Condition
09 Gen-2(a) there's a list of major structures. The
10 fifth and sixth entry on the list is item referred
11 to as an evaporative cooling structure and then also
12 a cooling tower. Are those still part of the
13 project?

14 MR. RICHINS: Probably not.

15 MR. FAY: And if they're not, then --

16 MR. RICHINS: The cooling tower is not. And
17 I don't know about air-inlet filtration and
18 evaporative cooling structures. But the cooling
19 tower, since it's gone to dry cooling, would not.

20 MR. HILDERBRAND: This is Curt Hilderbrand.
21 And let me just state the air filtration and
22 evaporative cooling structures are indeed still in
23 the project design.

24 MR. FAY: But the cooling tower is no longer
25 part of the project design; is that correct?

26 MR. HILDERBRAND: That is correct.

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01 MR. FAY: So then the staff, I take it, would
02 recommend striking that from their condition?

03 MR. RICHINS: Correct.

04 MR. FAY: Thank you. At this time I would
05 like to ask if anybody has any comment they would
06 like to make regarding the Facility Design?

07 MR. FOSTER: Hi, my name is Brad Foster. I
08 didn't hear on Facility Design -- I know you said
09 you're changing the design of the facility to dry
10 cooling. What guarantee do we have if the dry
11 cooling doesn't work that they will not revert to
12 the evaporation tower and then the water usage
13 again. That's my question right now.

14 MR. FAY: Anything further?

15 MR. FOSTER: Well, on transmission lines, I
16 know we went over that briefly. We are not looking
17 at Stage 2 on this very much at all. And everybody
18 says "Well, that's in the future," but I think in
19 placing this plant where we're placing it, it makes
20 it more likely that something's going to happen.
21 And then when I see the design of the delivery lines
22 from the power plant to the switching station have
23 been upgraded to a double-stage circuit, this even
24 tells me we're planning for this even more.

25 So I don't think enough weight has been
26 put on this extra 23 miles of transmission line

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01 through Sutter County, through all that wild life
02 area on the site of this plant, to where if we go to
03 an alternative site, we wouldn't be talking any of
04 these transmission lines, especially alternative
05 sites closer to the demand.

06 Thank you.

07 MR. FAY: Thanks.

08 Mr. Hilderbrand, on behalf of the
09 applicant, can you respond to the first question
10 about if the evaporative cooling does not work,
11 particularly, I notice in the documentation that it
12 is anticipated it will not be as effective on hot
13 days.

14 MR. HILDERBRAND: The air cool condenser is a
15 piece of equipment that is expected to have an
16 investment on the order of \$20,000,000 or more.
17 And, as such, it is a proven technology. It has
18 been utilized in a number of plants around the
19 country. It is non-standard, but it is a proven
20 technology. With this investment, the efficiencies
21 do decrease at high temperatures, however, we are
22 committed to dry cooling for this project, for the
23 entire life of the project. And if it would be
24 sufficient to address the concerns, we would be
25 prepared to enter into license conditions, that
26 would restrict or eliminate future conversion to wet

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01 cooling. I don't know how to better address it. We
02 have no plans and I can foresee no plans where we
03 would mothball a \$20,000,000 investment in order to at
04 a future date install a wet cooling system. It's not
05 a scenario that I could envision with any likelihood,
06 whatsoever.

07 MR. ELLILSON: And if I could just add, it's
08 my understanding and, Curt, correct me if I'm wrong,
09 the issues about the efficiency of the cooling
10 operation at high temperatures, are issues of that
11 effect, not the ability to cool the plant, but
12 rather the output planned. And they so the effect
13 of this issue is to reduce the economics of the
14 plant but not to threaten the ability of the plant
15 to cool itself.

16 MR. MOORE: Mr. Ellison, is it not fair to
17 say that if this plant were to be approved, given
18 the design that is proposed by the applicant, were
19 we to recommend and the commission to approve this
20 design, that it would include dry cooling towers,
21 that we would not be approving it with an
22 alternative for a step back?

23 MR. ELLILSON: That's certainly my
24 understanding. And it's also my understanding that
25 because it would be approved with only a dry cooling
26 authorized, that Calpine would, even without a permit

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01 condition explicitly saying so, Calpine would not be
02 permitted to use a wet-cooling configuration.

03 MR. MOORE: I think that would give some
04 comfort to the person who just testified to the
05 issue of whether or not this would be a possible
06 alternative once a permit were issued.

07 MR. FAY: And I might add, that goes for
08 every condition of certification. If the applicant
09 is allowed to do A, B, and C, then that's all they
10 can do. And that would be enforced throughout the
11 life of the plant by the Energy Commission. They
12 can't do D, E, and F, unless they came back to the
13 Commission and applied for modification of the
14 license, et cetera. And that's a big process. It's
15 not done lightly at all. And it has to be proven.
16 So the license is a permitting document, but it's
17 also a limiting document. So if you're satisfied
18 with what the conditions allow, you don't need to
19 worry that they will allow more than that. They're
20 very specific that way. If you're not satisfied
21 with what the conditions allow, then you would want
22 to address that.

23 All right. Did anybody else want to
24 comment on Facility Design?

25 MR. RICHINS: Gary, while Mary is coming up
26 on striking the wet cooling tower, probably in its

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01 place we should put the dry cooling structure. So
02 make that substitution on the major structure list.

03 MR. FAY: So on Page 519, the sixth line down
04 under "major structure" you're saying strike the
05 words "cooling tower" and replace it with what?

06 MR. RICHINS: With a dry cooling structure.

07 MR. ELLISON: It's actually called an air cool
08 condenser. That's the proper technical term.

09 MS. WOODS: I'm Mary Woods. And I live about
10 half to three quarter of a mile south of this
11 project. I have a friend of mine -- I was hoping he
12 would be here today but I couldn't find him this
13 morning -- he's retired from PG&E from the bay
14 area. And they have generation plants down there.
15 He tells me that they're always built either by the
16 ocean, or by a lake. They built one down there that
17 was similar to what you're talking about, a dry
18 cooling system, and it didn't work. Eventually they
19 had to make their own ponds in order to make that
20 facility work. My concern is if this thing doesn't
21 work, are we going to go back through this mess
22 again, so they can pump water, or is this thing
23 going to be torn down and hauled off? I'm afraid
24 once they get their foot in the door, that we're all
25 down the well-known creek without a paddle here, and
26 that is the big concern to us. I thank you.

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01 MR. FAY: Thank you.

02 MR. ELLISON: I don't know what more I can
03 say than what I've already said, that that which is
04 not permitted, cannot be done.

05 MR. FAY: Now, Mr. Foster?

06 MR. FOSTER: My name is Brad Foster. On
07 Facility Design, I see we changed it from wet
08 cooling to dry cooling, has this been taken into
09 effect on alternative sites on the visual? Because
10 I know there's a big problem with the visual on the
11 Sutter Site. Now it's gone, and I can't see in the
12 Final Staff Report where we have weighed any of this
13 into the picture. Thank you.

14 MR. RICHINS: And the answer is, yes, we
15 have.

16 MR. FAY: So is the staff's view that their
17 alternative analysis, as presented in the Final
18 Staff Assesment, does reflect the current state of
19 the project, including the change in the cooling?

20 MR. RICHINS: That's correct.

21 MR. FAY: All right. Thank you. Any other
22 comments on Facility Design? I see none. So we'll
23 move on to Power Plant Reliability. And, again,
24 I'll ask Mr. Richins to define this. And, Mr.
25 Ellison, if your team has a disagreement with the
26 definition or the characterization of the analysis,

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01 please feel free to speak up.

02 MR. RICHINS: Okay. Power Plant Reliability,
03 in this section there are no conditions for
04 certification, but in this section we take a look at
05 the design of the project and determine whether the
06 plant will be a reliable plant, given industry
07 standards. We take a look at the equipment
08 availability, the plant maintainability, fuel and
09 water availability, and reliability in the case of a
10 natural disaster. And we find that this plant will
11 meet all local laws, ordinances, regulations, and
12 standards, and is being built in a reliable manner.

13 MR. FAY: All right. I would like to ask if
14 anybody has comments regarding the reliability of
15 the power plant? Okay. I see no indication to
16 comment so -- and my question on that regarding what
17 happens on a hot day with dry coolers, has already
18 been answered by Mr. Hilderbrand. And so we'll move
19 on to the subject of Power Plant Efficiency.

20 MR. RICHINS: Likewise, this is somewhat
21 related. We take a look at the power plant and its
22 designed features to determine if it will be an
23 efficient plant. This plant will be using natural
24 gas, and so we take a look at the use of natural
25 gas, and whether it's being used in a conscientious
26 and efficient manner. And the analysis shows that

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01 it is a highly efficient plant, and is utilizing
02 natural resources in an efficient manner.

03 MR. FAY: Mr. Richins, it looks like the
04 staff concluded some additional system-wide
05 efficiencies on Page 550, in their conclusion, that
06 because of the plant's displacement of less
07 efficient projects that there was efficiencies
08 outside the project boundaries -- efficiencies to
09 the system as a whole. I'm asking if that's
10 correct -- if that's the staff's position?

11 MR. RICHINS: You're talking about the
12 sentence that says, "In actual operation, the
13 project may displace power that would have been
14 generated by other less efficient plants serving the
15 utility system"?

16 MR. FAY: Yes, that's part of the plant's
17 efficiency.

18 MR. RICHINS: Yes, in comparing this plant's
19 efficiency with the system on total, this plant is
20 much more efficient than many of the plants that are
21 currently in operation. Many of those plants were
22 built 10, 20 and 30 years ago, and due to changes in
23 technology, this plant is much more efficient than
24 those existing plants. And I think that's the point
25 he was trying to make.

26 MR. MOORE: That comes as a result of the alpha

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01 model which was run by the consultant for the
02 applicant, but which did not specifically identify
03 where those efficiencies were going to be gained?

04 MR. RICHINS: I don't think this person
05 utilized those alpha modeling outputs to come to his
06 conclusion. I believe that he probably has a good
07 knowledge of the working aspects of the system on a
08 whole, and knows that many of the plants that are in
09 the current system are operating at 30, 33, 35 percent
10 efficiency, and this is upwards of 50 percent or
11 higher efficiency and so I think the statement really
12 goes to the fact that those plants are older and less
13 efficient. And this one will be much more efficient
14 than those that are currently in the system, on
15 average.

16 MR. MOORE: But going to my second question,
17 we did not identify any specific plants which would
18 likely be displaced?

19 MR. RICHINS: That's correct.

20 MR. ELLISON: Commissioner, if I could just
21 comment on that. I believe Ms. Kingslows (phonetic)
22 testimony does, in fact, identify specific plants.
23 But the Staff Analysis, I believe, in the FSA does
24 not. So the record does have an identification
25 based on the alpha modeling, it gets right down to
26 the specific facilities, that she projects would be

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01 displaced under various different scenarios, she
02 sensitivity cases that obviously result in different
03 plants being displaced. But if you look at any one
04 of them and you look at the backup information in
05 her testimony, you can identify specific ones.

06 MR. MOORE: Thank you.

07 MR. FAY: And I would like to ask
08 Mr. Hilderbrand and I'm not sure what your standard
09 was for a hot day, 110 degrees, whatever -- what
10 does the plant efficiency drop to when penalized by
11 high temperatures?

12 MR. HILDERBRAND: On a hundred degree day we
13 expect the efficiency to decrease by about five
14 percent and the total plant net output to decrease
15 by about five percent.

16 MR. FAY: Okay. Thank you. Would anybody
17 care to make comments on the analysis of the
18 efficiency of the power plant? All right. I see no
19 indication, so we'll move on to the subject of
20 Compliance Monitoring.

21 Mr. Richins, could you explain that to
22 us please.

23 MR. RICHINS: Okay. This section just lays
24 out in an overall fashion the rules and
25 responsibilities of the Energy Commission and
26 Calpine, as the applicant, and spells out how we

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01 will be monitoring all the conditions for
02 certification. As we discussed at the previous
03 hearing, there are over 100 conditions for
04 certification, whatever conditions for certification
05 are included in the final license, if it is
06 approved, would then be followed and tracked closely
07 by our Compliance Office. In addition to that, any
08 public concerns or any public complaints would also
09 come to that office. And they would have a regular
10 procedure for investigating complaints about the
11 plant, in any technical area across the board.

12 MR. FAY: I have a few questions on that.

13 I'm just going to read from Page 581, under,
14 "Project Owner Responsibilities, the last sentence,
15 and please add any elaborations necessary, I just
16 want the public to understand what the standard
17 is. It says, "Failure to comply with any of the
18 conditions of certification or the general
19 compliance condition may result in reopening of the
20 case and revocation of Commission certification an
21 administrative fine or other action as appropriate."
22 Is that the way the Commission does business?

23 MR. RICHINS: That's correct.

24 MR. FAY: Okay. And then I also have a
25 question on Page 587, there is reference to informal
26 dispute resolution procedure. And I would just like

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01 people to understand in real clear terms, if they see
02 something going on that they -- because they have a
03 copy of the decision -- if the Commission were to
04 license the project -- and make public copies of the
05 decision with all the conditions and certifications,
06 and they're looking through their copy and they notice
07 something happening, a truck goes by at the wrong
08 time, or things are too noisy, whatever it is, that
09 doesn't match the conditions of the certification what
10 can they do about it?

11 MR. RICHINS: That's a process where you
12 will -- of course it depends on the technical
13 area -- each technical area may have a specific
14 complaint procedure as in noise there's a special
15 phone number set up, and so forth. But on a general
16 basis if there are any concerns regarding any
17 violation or apparent violation of a condition, the
18 compliance unit in Sacramento will have a person
19 assigned to this project, you will know the phone
20 number, and you can you can call that -- the public
21 can call that phone number and we'll seek a
22 resolution to the problem on a very short timeframe.

23 MR. FAY: Is this a brand new process or has
24 it been followed in all the plants that are licensed?

25 MR. RICHINS: We've been doing this for many
26 years. And I think we've licensed over 40 power

0038

01 plants. In all situations we have a compliance
02 monitoring responsibility.

03 MR. FAY: And this goes on for the life of
04 the project?

05 MR. RICHINS: That's correct.

06 MR. FAY: Okay. All right. Thank you. Any
07 comments or questions regarding Compliance Monitoring?

08 Mr. Valkowsky?

09 MR. VALKOWSKY: Thanks. On behalf of the
10 public's understanding of the proposed certification
11 process, I would ask that you have staff explain
12 what happens in the case of a major amendment. For
13 example where you have to modify one of the existing
14 conditions and I think that will respond more fully
15 to Ms. Wood's question.

16 MR. FAY: Good question. Mr. Richins, are
17 you able to respond to that?

18 MR. RICHINS: I can take an initial stab at
19 it. As has been indicated earlier, the power plant
20 operation -- well, the construction and the
21 operation, needs to conform to all the conditions
22 that are laid out in the Final Decision. And, as we
23 said, in this case there are over 100 of those.
24 However, if there is any change to the design or any
25 change that happens to take place during
26 construction or operation, Calpine, or the project

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01 owner, would have to come to the Energy Commission
02 and ask for a formal request to change the project.

03 And the example that was given here
04 earlier on the dry cooling, they would have to come
05 before the Commission and request a change, say, in
06 the dry cooling if you want to use that as an
07 example, and we would have a whole proceeding and
08 process where all the technical areas would look at
09 that from an environmental and a systems and
10 engineering standpoint, review the analysis, we
11 would coordinate just like we have here, with all
12 local agencies regarding any of the impacts to those
13 changes, and then hold proceedings on it --
14 workshops and eventually hearings -- and then it
15 would finally eventually go to the full Commission
16 for a review and a decision made on it.

17 MR. FAY: Mr. Valkowsky do you think that
18 addresses the question?

19 MR. VALKOWSKY: Yes, I do. Thank you.

20 MR. FAY: Thank you. I think the main
21 message is that there is -- if any applicant or
22 licensee owning the power plant and operating one
23 under the Energy Commission's License wanted to make
24 a change of any kind -- other than what we call a
25 red wire/green wire type of change -- but if it's
26 significant, if it changed the air pollution

0040

01 output -- it would not have to be as significant as
02 a change in the design of the cooling system, it
03 could be much more subtle than that -- they would
04 have to apply. And when they applied for that
05 change, then staff sends out notice to the public
06 that a change has been applied for, et cetera.
07 And then there would be a process to come in and
08 comment. All right. Any comment then on compliance
09 monitoring. Mr. Carpenter?

10 MR. CARPENTER: I would also like to point
11 out that in the event that this project were
12 approved, and the Board of Supervisors established a
13 development plan for the property, any change in
14 that would also require going back to a subsequent
15 public hearing and CEQA review in front of the County.
16 Even if it weren't under the jurisdiction of the
17 Energy Commission, say there was some other facility
18 being desired to constructed or a change in the
19 existing Greenleaf-1 plant, that would also be
20 required to go back to Sutter County Planning
21 Commission or the Board of Supervisors at a public
22 hearing.

23 MR. FAY: Thank you.

24 MR. FOSTER: Hi, I'm Rosie Foster. One of
25 the questions that's come up as far as compliance
26 that tends to hit a nerve in our family, 14 years

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01 ago -- and I realize this has nothing to do with the
02 old plant -- but this is what makes us very
03 sceptical about the new plant -- we went to a
04 Planning Commission Hearing and had our concerns put
05 in as far as truck traffic. And truck traffic has
06 always been an issue, it is still an issue, and we
07 are still having problems with trucks not staying on
08 their designated routes, even to this day. So
09 that's why we feel that we need to be the watchdog,
10 because we feel that with our dealings with Greenleaf,
11 they've been mercurial, elusive, it's been impossible
12 to pin it down, and even to the point of being told
13 that our own County has given them permission to
14 deviate from the truck route that is in the use
15 permit. So we would like a clarification one way or
16 another.

17 MR. FAY: Well, one thing that I can comment
18 on, just because there is a non-technical legal
19 difference there, is that unlike the Greenleaf
20 plant, the State of California will be enforcing the
21 conditions on this Sutter Power Plant Project that's
22 built. So you have a different jurisdiction
23 enforcing requirements. Anything further on that,
24 Mr. Richins?

25 MR. RICHINS: No.

26 MR. FAY: Any further comments on Compliance

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01 Monitoring? Yes, sir.

02 MR. AKIN: My name is Jim Akin. I farm in
03 the area south of the proposed power plant. And my
04 concern is air pollution, the 2,200 tons of
05 pollutants that is created annually, that I
06 understand -- I'm totally ignorant about the effects
07 of this material being put into the air -- I do know
08 that when rice growers were sending up plumes of
09 smoke, and so forth and so on, we were harassed to,
10 you might say, into doing the things that we're
11 doing today in lieu of burning.

12 I also know, and have seen, the effects
13 of heavy pollution on crops. I think the orange
14 industry around Riverside, showed what pollution
15 does to the orange industry. I also know what
16 pollution does to the orange industry in the lower
17 San Joaquin Valley. I don't know what effects that
18 the area pollution would have on the peach industry,
19 and the prune industry, and some of these others
20 here.

21 When you dump as much as this plant is
22 going to put into the air, I wonder if the people in
23 Sutter County are cognizant of the effects that
24 might happen to their industry here -- I mean,
25 agriculture. You know when you keep piling stuff
26 in -- most of our pollution comes from Sacramento

0043

01 and the Bay Area on the prevailing winds, as you're
02 probably well aware of. But adding to this we have
03 a pretty decent place to live. This summer
04 conditions were not too good and the pollution made
05 itself very apparent with the inversion layer that
06 is something that happens here in the valley all the
07 time. And I don't know whether the people of Sutter
08 County are selling themselves into a big problem
09 that remains to happen -- to find out. I don't like
10 it myself. Thank you.

11 MR. FAY: Thank you. I'll just say that we
12 have -- if you look at your schedule we have
13 Air Quality and Public Health substantive areas are
14 scheduled for December 1 now. That was moved back
15 because there's been a delay in receiving the final
16 determination compliance from the local air
17 district. But we'll be dealing with all those things
18 at that time. In terms of compliance monitoring, if
19 there is a violation, your local air district would
20 be pursuing that.

21 There is also the State of California
22 Energy Commission License and in the case of air
23 pollution in particular, the Federal Government also
24 takes an active role in that. I believe it had
25 something to do with making this plant respond to
26 the -- I'm told they're the toughest requirements of

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01 any power plant in the United States. So that's
02 what the compliance unit will be enforcing -- those
03 standards.

04 Any further comments on compliance?

05 MR. HENSON: Good morning. I'm Leonard
06 Henson I'm a local resident. Question: Since
07 Sutter County is having trouble enforcing the old
08 use permit, but the new plant's covered by the State
09 Energy Commission License, if they're out of
10 compliance, what are the procedures -- what kind of
11 teeth does the State have to force them to do
12 things?

13 MR. FAY: Well, I thought we read that
14 passage from the decision. And I'll just refer you to
15 the Final Staff Assessment, Page 581. You said what
16 kind of teeth -- well, things like revoking the
17 license to operate the power plant, fines, or any
18 other action the Energy Commission can come up with.
19 So the teeth can be absolutely disastrous to the
20 company.

21 Any other comments on Compliance
22 Monitoring? All right. I see no indication, so I'd
23 like to ask Mr. Richins to describe the subject area
24 of Worker Safety and Fire Protection. What do we do
25 when we analyze that.

26 MR. RICHINS: Worker Safety and Fire

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01 Protection has three conditions. First
02 certification. This section takes a look at workers
03 during the construction as well as the operation of
04 the plant to insure their safety. It also takes a
05 look at fire protection and the ability to respond
06 in the case of an emergency such as a fire and so
07 forth occurring there at the site.

08 MR. FAY: All right. Mr. Ellison, on
09 Page 18 of the information file, I would note that I
10 was curious if there was a conflict with the staff
11 on this matter? Has that been resolved? I guess
12 the CAL OSHA refers to the staff safety, one --
13 seems to want a specific time frame, something like
14 that. I just want to know if Calpine's in agreement
15 with the staff on that?

16 MS. WARDLOW: The question was in proposing
17 on safety too, was the operational injury, illness
18 prevention plan. The staff was recommended that this
19 be submitted to Cal OSHA consultation service for
20 review and comment. The concern was there turn
21 around time is not usually very good. And that if
22 they had not responded within a certain amount of
23 time, that it would just be assumed it was approved
24 by the compliance management. So it's just
25 concerned about the turn around time under other
26 agencies that are not under anyone's control in

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01 getting a document back to us in a timely manner.

02 MR. FAY: Have you and the staff reached an
03 agreement on the language?

04 MR. RICHINS: We have made a call to Cal OSHEA
05 to try to work through this issue. We're a little
06 reluctant to assume that something is approved just
07 based on the silence of another, especially an agency
08 such as CAL OSHEA. But we do have a phone call into
09 them to try to find out what their turn around times
10 are and what might be able to be worked out. So
11 that's still open.

12 MS. WARDLOW: I would say that I'm not
13 familiar with ever submitting an injury illness
14 prevention plan -- kind of an IPP to CAL OSHEA for
15 review. CAL OSHEA normally asks that -- if you have
16 an accident on site, that's the first thing they ask
17 for during an accident investigation.

18 MR. FAY: Well, my concern is how do we get
19 that resolved and by what date will it be resolved?

20 Mr. Richins, can you give us some idea of
21 when we can rely on the staff language on this as the
22 final position of the parties or whether each party
23 will be submitting something on this, or can we count
24 on your language as proposed until we hear --

25 MR. RICHINS: We'll follow up and try to
26 resolve this in the next week.

0047

01 MR. FAY: And then turning to the Staff
02 Document on Page 137, you talk about impacts. It
03 says that the SPP may create additional demands on
04 the Fire Department such as confined space rescue, a
05 new fire hazard, a HAZMAT problem, and a high angle
06 rescue.

07 These are not normally experienced in
08 this rural community. Are these additional
09 challenges being addressed through the mitigation?
10 In other words, the money that Calpine is paying to
11 the fire District, is that going to be used to
12 secure equipment that will address these?

13 MR. RICHINS: Yes, as talked about last week
14 at the hearing, the agreement between Calpine and
15 the County to provide additional equipment to the
16 Fire Department would take care of these. And I think
17 this document references those conditions. You'll
18 also hear about in socioeconomics from Amanda later on
19 today. But it crosses over hazardous materials
20 handling and discipline and socioeconomics. So we do
21 have a condition that provides coverage for this point
22 made here.

23 MR. FAY: Great. Thank you. All right. I
24 would like to ask if there's any comments people
25 have about Worker Safety and Fire Protection at the
26 project.

0048

01 Okay. I see no indication. Excuse me,
02 Mr. Henson.

03 MR. HENSON: The other day PG&E was out
04 digging a hole for a power pole and they hit one of
05 their own ten-inch gas lines, but didn't rupture it,
06 I hear. Would this -- how can we control PG&E on
07 this new plant -- the new lines coming in and stuff.
08 Will they be under the same worker safety program --
09 I'm sure they have their own -- but how does this
10 fit into worker safety?

11 MR. RICHINS: If anybody is doing any work on
12 the project, whether it's an electrical transmission
13 line, whether it's a natural gas line, whether it's
14 construction of the power plant itself, these
15 conditions will extend to all contractors and
16 subcontractors.

17 MR. FAY: I know in addition that there is a
18 common number that all parties are supposed to call
19 whenever they're digging. So even after the
20 project, if it's licensed is constructed -- even
21 after that occurs -- any maintenance around the
22 project would still be subject to this general phone
23 call that they were supposed to make to identify where
24 they plan to be digging on a given day, and the
25 utilities subscribe to that and it's to prevent that
26 kind of accident from happening.

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01 MS. EMERALD: I'm a rural farmer in the area.
02 If there is a fire and there's pollution to clean up,
03 who pays for that, the County? I know when we had a
04 tire fire down below, the County was in severe
05 financial straits for paying for that kind of clean
06 up. Who is responsible?

07 MR. RICHINS: That's a good question. I can
08 ask staff and find out, but I don't have an answer
09 to that question.

10 MR. FAY: Maybe we should phrase it in terms
11 of, "if the applicant has a fire on this project,"
12 make it a little bit more specific. We'll try to
13 get you an answer on that.

14 MR. ELLISON: I know a little about the tire
15 fire, and my understanding is that in that case it
16 was an abandoned site and that's hearsay as to what
17 somebody told me. That's not the case?

18 MS. EMERALD: No.

19 MR. ELLISON: Are you referring to who would be
20 responsible for clean up at the site?

21 MS. EMERALD: Anywhere. If the fire is
22 there -- what's in the air is everywhere.

23 MR. ELLISON: You're talking about who
24 cleans up the smoke from the fire, the pollution?

25 MR. FAY: I know local jurisdictions do have
26 the ability to go after property owners that cause

0050

01 nuisances after their property. That's just a
02 general condition under the law.

03 Yes, sir, please come forward.

04 Is this regarding Worker Safety and Fire
05 Protection?

06 MR. DONALDSON: My name is Donald Donaldson.
07 I'm a retired farmer just below the plant. And I
08 know we have a mutual aide system here and that the
09 county has to -- the fire protection. Now I would
10 like a clarification, if we do have some kind of an
11 emergency, whether it be fire or environmental or
12 disability down in that area, who would be
13 responsible and what would be the time element? I
14 know that there are other things besides fire in
15 that area, as fire is and hydrous ammonia and
16 chlorine gas, and things like that, so it could
17 present an emergency situation. I would like to
18 know, in that effect, who would be responsible for
19 monitoring and responding to this action?

20 MR. FAY: Thank you. Well, Mr. Richins, can
21 you briefly respond to that?

22 MR. RICHINS: Well, that was a subject that
23 we talked about last week on hazardous materials.
24 And the response -- and there's conditions in here
25 providing additional resources to the County to
26 provide the emergency response teams necessary to

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01 address and respond to spills and releases, as the
02 gentleman indicated.

03 MR. FAY: And I just notice in this
04 section -- in the Final Staff Assessment it refers
05 to on-site control of problems as well. So the
06 first response would be from the company on site,
07 whether it's an injury or a release or a fire. And
08 then things that couldn't be handled on site, the
09 local Fire Protection District would respond to it.
10 And because of that added burden to the district,
11 that's why Calpine is being charged additional fees.

12 All right. Any other comments
13 regarding Worker Safety and Fire Protection? I see
14 no indication so now -- oh, Mr. Foster.

15 MR. FOSTER: Yes, Brad Foster. Like
16 Mr. Henson said earlier, just on this site last week
17 PG&E drilled down and hit a ten-inch gas line. We're
18 getting ready for construction on the site, is there
19 supposed to be a list of safety rule? I mean,
20 something hasn't been followed here, if this has
21 taken place just this week on this site that you
22 plan on totally rebuilding. Now who is going to be
23 responsible if this happens again? I mean, thank
24 goodness nothing happened this time. Is it
25 Calpine's site, are they responsible or is PG&E
26 responsible -- I mean something as simple as

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01 dialing that phone number did not take place. This
02 is a very -- this should be an eye opener that
03 something didn't happen already and we haven't even
04 started construction.

05 MR. FAY: I don't know if you can assume the
06 phone number wasn't called, but there's a lot of
07 chances for error. Perhaps the guy digging the hole
08 sneezed at the wrong time and missed his target.
09 But, Mr. Richins, do you have anything to comment
10 on.

11 MR. RICHINS: I think that's a valid concern
12 and we note that. And even with all these things in
13 place, human error continues to occur.

14 MR. FAY: Let's move on to Waste Management.

15 MR. RICHINS: Okay. Under the Waste
16 Management we take a look at the waste that would
17 be generated during both construction and during
18 operation of the plant. We take a look at whether
19 it's a non-hazardous material or hazardous material,
20 and then, also, there are strong requirements for
21 recycling and minimizing waste. So we took a look
22 at all those laws, ordinances, and regulations, and
23 the project is complying with all of those
24 requirements. We take a look at the various dump
25 sites. And the nearest dump site I believe that we
26 would be using for non-hazardous materials has a

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01 45-year expectancy in it, and so it was deemed -- the
02 project was deemed not to have a significant impact on
03 waste disposal.

04 MR. FAY: Thank you. And I understand that
05 in analyzing the alternative waste streams that the
06 applicant has proposed, but not selected yet, we
07 found that all of them are acceptable and do not
08 have significant environmental impacts?

09 MR. RICHINS: Correct.

10 MR. FAY: And I'll ask Calpine, when will we
11 know which waste stream you intend to use?

12 MR. HILDERBRAND: I believe there is a
13 license condition that requires us to notify the
14 Commission prior to any Commission licensing vote on
15 that. So we are currently working diligently on
16 analyzing the three alternatives and we'll have
17 that prior to licensing both.

18 MR. FAY: So prior to a Final Decision?

19 MR. HILDERBRAND: Correct.

20 MR. FAY: So up to that time your desire is
21 essentially that all three would be included with
22 conditions as alternatives and then one of those
23 would be identified; is that right?

24 MR. HILDERBRAND: That's correct.

25 MR. RICHINS: I think the condition says
26 prior to construction, and you said prior to the

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01 decision.

02 MR. FAY: That's what -- Waste Number 3 says
03 "prior to construction."

04 MR. HILDERBRAND: I believe it's the soils
05 and water.

06 MR. MOORE: But your intention,
07 Mr. Hilderbrand, is to have that decision in front
08 of us prior to the proposed members deciding over
09 the decision?

10 MR. HILDERBRAND: That's correct --
11 before the full Commission's decision.

12 MR. FAY: Just so the audience understands,
13 this isn't something slipping through the cracks,
14 because even if the final decision of the Commission
15 were to license all three, and only one was going to
16 be used, there would still be a date certain that
17 that decision had to be made. So the compliance
18 unit would know which one to enforce. But nothing
19 would be included -- no alternative would be included
20 unless each alternative was found to be acceptable.

21 MS. WARDLOW: Mr. Fay, I'd just like to
22 clarify that the stream we're talking about is the
23 small amount of water that is still generated by
24 the power plant from the steam turbine. There are
25 three different methods to get rid of that small
26 amount of water. You can evaporate it, you can put

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01 it through a clarifier chrystalizer, and that's what
02 we haven't decided yet is how we're going to get rid
03 of the small amount of water stream and the waste
04 streams that can result from that.

05 MR. FAY: Thank you for that clarification.

06 Okay. I'd like to ask if anybody
07 wishes to comment on the way that waste from the
08 plant is going to be managed or the staff analysis
09 in that area? No comments on Waste Management.
10 This is an area that's pretty strictly controlled
11 and pretty standardized.

12 What I would like to do now is just
13 take a five-minute break and give the court reporter
14 a chance to stretch her fingers, and the rest of us
15 to stretch our arms and --

16 MR. TURNER: Before you do that, can I make a
17 statement?

18 MR. FAY: Sure.

19 MR. TURNER: My name is Alex Turner from the
20 Cross Middleton Property. I haven't heard anything
21 in either meeting about security. I don't know
22 whether Calpine knows this or not, but as recently
23 as Saturday night we had 15 four-wheel-drive pickups
24 out there with children -- I call them children
25 because they act like it -- most of them are
26 probably about 20, 24 -- 18. That area on Obanion

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01 is very easily accessed. It's paved. The levee is
02 gravel. And when you do call the Sheriff's
03 Department from the County it takes them a little
04 bit to get there. And the boys all know it.

05 I've been burglarized I don't know how
06 many times -- vandalized -- you lose count. I'm
07 not putting blame on anybody, because I am an
08 ex-deputy myself. And I know how long it takes to
09 get to a place. Those that do cause the damage are
10 not dumb kids, they know it takes so long for the
11 sheriff's department to get there. And the
12 buildings -- Red Solish (phonetic) last year I think
13 it was or the year before -- had a Caterpillar that
14 the kids started and then jumped off of it and it
15 went into a six-foot ditch and finally killed
16 itself, things like that.

17 We had 14 or 16 juveniles from 14 years
18 up to 20-something, in that general area right there
19 by the pumping stations, they decided to make that
20 their private shooting range. This happens almost
21 weekly that somebody is shooting rifles. It's not
22 just pistols or .22's, it's automatic rifles that
23 they have purchased from different stores, and so
24 forth. This goes on there all the time. We hear it
25 and it wakes us up at night -- there in the duck
26 club. And the County should pay strict attention to

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01 that, because some day they're going to shoot your
02 plant -- if you get it in there -- they're going to
03 shoot it so full of holes you'll have to rebuild it.

04 This goes on constantly in that area,
05 because it is -- they got three ways to go out if
06 they see the sheriff coming and they got good roads
07 there so they're very seldom trapped in the inside
08 passage because they know that's muddy this time of
09 the year. And I haven't heard anything on this, it's
10 strictly from the County, they should really give
11 this some serious thought, because this has been
12 going on for -- I been a member in the hunting and
13 owner there on the duck club for close to 30 years.
14 And this has been going on ever since I've been
15 there. And usually we just get them out of there,
16 and get them somewhere else. But that is -- that
17 can be a very serious situation for Calpine and for
18 the County -- and expensive.

19 So I just wanted to put that in there.
20 I haven't heard anything yet on it on the type of
21 security or what's going to be there if the plant
22 goes in there. Thank you.

23 MR. FAY: Thank you. All right. We would
24 like to take a five-minute break now and return as
25 soon as possible.

26 (Recess taken.)

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01 MR. FAY: Mr. Ellison, I'd just like to ask
02 in response to the last gentleman's concern about
03 security, it seems to me that it's in Calpine's
04 interest to prevent vandalism and theft during
05 construction and operation of the project. Does
06 Calpine have plans to have people on site to protect
07 its investment?

08 MR. ELLISON: Yes, it is a considerable
09 investment and it is something Calpine's concerned
10 with and you can be assured that Calpine will take
11 whatever action is necessary to protect both the
12 public and its investment in the same.

13 MR. FAY: Thank you. All right. Mr. Richins
14 has suggested that we address both Cultural and
15 Paleontological Resources together. And so I'd like
16 you to describe the two. Go ahead.

17 MR. RICHINS: Okay. That section is found
18 starting on Pages 363 and 487. Both of these areas
19 have a substantial number of conditions, Cultural
20 Resources have 14 different conditions and
21 Paleontological Resources has 13 different conditions.
22 In this area we take a look -- basically Cultural and
23 Paleontolgical is taking a look at human development
24 both prehistoric and historic. And take a look at the
25 different structures of societies in those time
26 frames. The Paleontological Resources takes a look at

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01 fossilized remains whether imbedded in rock, sand, or
02 soil. And the conditions go to -- if there are any
03 finds -- to preserving the resource so that they're
04 not destroyed.

05 MR. FAY: Thank you. And is that typically
06 the kind of thing where crews are trained --

07 MR. RICHINS: There's training as well as
08 on-site specialist during the critical times of the
09 year to insure that if anything is found that there
10 is immediate action taken.

11 MR. FAY: Thank you. Any comments regarding
12 the handling of these resources and these conditions
13 to protect those resources, if they're found?

14 MR. FAY: All right. I see no comments
15 regarding Cultural Resources or Paleontological
16 Resources. The next topic that I have is
17 Need Conformance. Can you tell us what that is?

18 MR. RICHINS: Okay. Need Conformance is
19 found on Page 75 and there are no conditions as it
20 relates to this item. The state law requires that
21 the Energy Commission make a finding in their permit
22 that indicates that the project complies with the
23 integrated assessment of need. This integrated
24 assessment of need is contained in the Energy
25 Commission's Electricity Report. Basically it takes
26 a look at the supply and demand of electricity in a

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01 region, and in the entire State, and determines
02 whether the power plant is needed from the
03 standpoint of supply and demand.

04 MR. FAY: And what did the staff determine in
05 the case of this project?

06 MR. RICHINS: In this case it complies with
07 electricity report, assessment, and need.

08 MR. FAY: Thank you. Any comments regarding
09 the analysis of whether the project conforms with the
10 electricity needs of the State?

11 MR. MOORE: Well, I have a question for
12 staff.

13 Mr. Richins, in this section, the
14 electricity report, which is called out, has to be
15 addressed, is no longer relevant, since it
16 references a time prior to the market demand. So
17 we've used two different sets of tests, we've used
18 an NOI exemption test and found that because of
19 market conditions, this project was based on the
20 competitive solicitation, which has now been validated
21 as precedent by the Commission as a whole, and yet we
22 have a section that deals with need conformance, but
23 there's nothing in the remarks here about need
24 conformance that point out that this dinosaur, which
25 has a need cap reference not to exceed 6,737
26 megawatts, can only be referenced if it's pointed out

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01 that the electricity report is no longer binding, one.
02 Two, that the number of megawatts that we have
03 projected to come before this Commission are, frankly,
04 in excess of the 6,000 watts, but it doesn't matter,
05 because it's not in force anymore.

06 It seems to me we need a little more
07 definitive treatment of this to point out to the
08 reader, to the public, that this is not a binding
09 test -- method test -- but it doesn't mean anything
10 anymore. So it seems to me -- and maybe you can
11 respond as to how we can clean up the language here,
12 and make Mr. Hoffis' testimony relevant to market
13 conditions, which is what this applicant is
14 competing with underneath. They're not competing
15 underneath the potential restriction of a need cap.

16 MR. RICHINS: That's a difficult question to
17 answer. I think staff has been put in a situation
18 where there is a current law on the books and that's
19 basically what this section addresses is the current
20 law, which says that there's supposed to be an
21 assessment of need per these code sections that have
22 been identified. And so we strictly limited the
23 discussion here to that particular code requirement.
24 And the most current document that we're aware of is
25 the ER96.

26 MR. MOORE: Well, I think it probably

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01 deserves a little expansion. We wouldn't want
02 somebody to come up at the end of this and suggest
03 that we were applying a nonrelevant test to the
04 applicant, and that they passed, when it didn't
05 mean anything. And to point out that we don't, in
06 fact, have our heads in the sand about the issues that
07 are in front of us. I suggest that we need to explain
08 the relevance of the need conformance in the document
09 and make sure that we're current with what's going on
10 in the real world. So it seems to me that this
11 section probably needs to be clarified.

12 MR. FAY: I might suggest or ask that the
13 staff thinks that they can provide that sort of
14 supplement by the December 1st hearing.

15 MR. ELLISON: What I would suggest is that we
16 bring Mr. Hoffsis here or someone else from the
17 demand office, because I don't think we're able to
18 clarify this in a way that's useful.

19 MR. RADCLIFF: That's probably is appropriate.

20 MR. RICHINS: Can we add that to the addenda
21 for the 16th?

22 MR. MOORE: In my comments that I will docket
23 on alternatives, I'll include a clarification of
24 what I have just said. And we can refer that to
25 Mr. Hoffsis and ask him to appear and make a
26 clarification.

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01 MR. FAY: I think just to be sure that he has
02 time to receive the comments and digest it, we ought
03 to shoot for December 1st. If you're not able to
04 respond to that for some reason --

05 MR. RICHINS: The alternative is November
06 16th, but that's very soon. That's next Monday.

07 MR. KEESE: Mr. Moore, as I understood this
08 the need conformance is if we're not at 6700 -- and
09 I'll ask staff to -- its needed if we're not at 6737
10 and that's what the staff said meets the need,
11 because we're not at 6737.

12 MR. RADCLIFF: That's correct. And I think
13 that the staff is under the impression that is still
14 the law.

15 MR. MOORE: It is still the law and staff has
16 technically complied, and I appreciate it when they
17 have gone to technical compliance to meet the law,
18 but, frankly, this document is designed to be
19 informative and illustrative and to help the
20 decision-making process, and just because a law is
21 on the books, doesn't mean that it relevantly
22 describes the problem.

23 So what I want in this section is, I
24 want a clear explanation of what we are doing with
25 need conformance. If it's not a valid test, it's
26 simply in the law and we've gone ahead and crossed

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01 every "T" and dotted every "I", by making sure we
02 addressed the point, I think that's appropriate, and
03 that we should do that. But, frankly, that doesn't
04 answer the question of how this test tells the
05 decision makers at this table, and the five decision
06 makers who will sit on this Commission, what the
07 relationship of the need test is in the new world.

08 So it seems to me it borders on
09 obfuscation and I don't want to boarder on
10 obfuscation. So I want to make sure that we fully
11 explore this issue. Currently the Commission is
12 going to the question of what happens to the need
13 cap, I think it needs expansion and, again, I'll put
14 my question from Mr. Hoffsis and expect the answer
15 at the December 1st hearing.

16 MR. RICHINS: Okay.

17 MR. FAY: Anything further, Commissioner?

18 MR. MOORE: No.

19 MR. FAY: Commissioner Moore, would you
20 prefer to have that sooner rather than later?

21 MR. MOORE: No, I just want to make sure the
22 document is complete when we finally sign off on it.
23 And it seems to me this is not something that
24 requires a great deal more effort, but I think it
25 requires a clarification in the public testimony and
26 probably a little more work on Mr. Hoffsis' part to

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01 make it clear to the public what the relationship
02 between the need cap and the need test is.

03 MR. RADCLIFF: The offer I was going to make
04 is to bring Mr. Hoffsis here November 16th, if
05 that would be your preference.

06 MR. MOORE: Either one is fine with me. I'll
07 have -- whatever amount of time he needs will be
08 appropriate.

09 MR. RADCLIFF: Okay.

10 MR. FAY: And I would like to ask counsel to
11 get back to me as soon as you're aware of what day
12 he'll be coming.

13 MR. RADCLIFF: Yes. We need to make sure
14 he's actually available, but if we can we'll bring
15 him November 16th if he is, if that's acceptable to
16 the Committee.

17 MR. FAY: All right. I hope everybody can
18 understand. This is kind of arcane argument or
19 discussion that has to do with the Commissions role
20 in planning for the long-term electricity needs of
21 the state, more than whether you like the way a
22 project looks, or if it smells bad, or sounds bad,
23 or anything like that. So it's not the
24 on-the-ground, day-to-day kind of thing that
25 neighbors tend to worry about, but it is significant
26 because of the Commission's planning function. Are

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01 there any comments on Need Conformance regarding any
02 of this discussion?

03 Yes, sir?

04 MR. DONALDSON: I have a question.

05 Don Donaldson. I think you got the audience kind of
06 confused on this situation here. Are we talking
07 about overkill? Does the State really need this
08 much electricity? I realize that some of the older
09 plants will be going off line in the future.
10 However, with this new pooling situation, do we
11 really need now and in the future, this much more
12 electricity to be generated and put on line at this
13 time, whereas like I say with this pooling situation
14 the local power company such as PG&E, SMUD, SoCal
15 Edison, and the other ones, can switch it around so
16 that -- I don't know and I don't think that there
17 will be a power shortage within the near future that
18 they can't rectify by switching it around -- even
19 bringing it in from outer state on the large
20 transmission lines.

21 Now is this where we are right now on
22 this need thing to find out whether we do or don't
23 have sufficient electricity in the pooling situation
24 or generated within the Western States that we can't
25 draw on?

26 MR. MOORE: Mr. Donaldson, this document is

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01 not designed to uncover that kind of a problem, but
02 the Need Conformance does test whether or not
03 there's a market niche for the project like this.
04 We're not in a -- we used to be in a command and
05 control mode. We're not in that mode. And so this
06 document reflects a changing responsibility for us
07 that's more in the line of does it meet and satisfy
08 environmental constraints. Can we keep it from doing
09 damage as opposed to -- we're not in a position to
10 ask will it strictly fit in with the system. We
11 don't have authority to basically control that
12 anymore.

13 MR. DONALDSON: Another part of that question
14 is what happens in the future or even now that it
15 doesn't fit in, and we don't need the electricity at
16 this time, but maybe we do in the future, what
17 happens to the plant? Do they just automatically
18 shut down and regenerate and shut down and
19 regenerate just like Greenleaf Number 1?

20 MR. MOORE: Probably if they don't get the
21 marketing signals that their product is available
22 and useful they won't run it.

23 MR. DONALDSON: I realize that. But at this
24 time, rather than to give them a license now, and say
25 in the future that we don't need the electricity --
26 say there's other plants and other companies that that

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01 build plants elsewhere that can feed into the general
02 pool of the electrical pool and be drawn upon, and all
03 of the sudden we don't need this much power coming
04 from Sutter County. Now what happens in that effect?

05 MR. MOORE: You're asking many of the
06 questions that we're debating among ourselves. And
07 that's of one of the reasons we're taking testimony
08 is to understand.

09 MR. KEESE: Let me tell you, we're in a
10 market situation now, but California did run short
11 this year when we had this heat storm on the west
12 coast, there was curtailment. The Energy Commission
13 has a forecast predicting that it's likely that
14 we'll have shortfalls of power in California in
15 2001. And we won't have any of these plants up to
16 meet it. The 6700 megawatts, which would be a dozen
17 plants like this, is the minimal that's probably
18 needed. And that number will probably be raised
19 within the next month upwards, and, you know, there
20 are more or less in our project review, 26 plants
21 like this, that are talking to the Energy
22 Commission. We have four in the siting process now
23 and nine more expected shortly. And we're talking
24 about a total of 26 projects. There is an acute
25 need for power in California.

26 MR. DONALDSON: Thank you and another part of

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01 that question, you understand that the electricity
02 that is generated now, we have no facility, like a
03 storage battery, to store that electricity up so
04 that can use it in the future time?

05 MR. KEESE: I'll talk to you at lunch --
06 actually, we do.

07 MR. FAY: Thank you. Any other comments on
08 Need Conformance? All right. I would like to move
09 on to the subject of Transmission Line Safety and
10 Nuisance. I know a number of people have concerns
11 on that area and we'll get to that.

12 MR. RICHINS: Transmission Line Safety begins
13 on Page 147. The discussion includes six proposed
14 conditions for certification. In this analysis we
15 take a look at the design of the transmission lines
16 and how it relates to a Safety and Nuisance within
17 the fields. We take a look at aviation safety,
18 interference with radio frequency, audible noise,
19 fire hazards, nuisance shocks and has hazardous
20 shocks. We reviewed the design of the transmission
21 lines and find that they meet all laws, ordinances,
22 regulations, and standards, provided the six
23 conditions are implemented.

24 MR. FAY: All right. Thank you.
25 Commissioner Moore, did you have questions of
26 Western regarding that?

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01 MR. MOORE: I know that Western still has a
02 couple of representatives here. Perhaps we can get
03 some information in front of the committee with regard
04 to potential undergrounding of facilities. So, if I
05 can ask the Western Transmission Representatives to
06 come up, we can perhaps get a little technical
07 information on the floor here. If there is a plan to
08 underground all or part of the interconnect
09 facilities, first of all, what happens in terms of
10 periodic maintenance and how can we measure that or
11 catastrophic maintenance? Can those be established
12 through the concrete bunkers that we heard about at
13 the last meeting that would avoid having to pull the
14 lines up.

15 Second, are there health dangers that
16 are implied by having these facilities buried? And,
17 third, what happens at the point where you
18 interconnect with the transmission lines, the high
19 lines. So, perhaps, we can elaborate a little bit
20 on the impacts of this and help us understand some
21 of the costs. And, finally, I guess I would add,
22 how long a period are the trenches open when these
23 lines are being laid down prior to having them
24 filled with I assume the light mineral oil that's
25 there to dispense the heat. So perhaps you can
26 elaborate.

0071

01 MR. BOICAL: My name is Tom Boical with
02 Western Area Policy Administration. I'm not sure
03 how to elaborate on these issues. Are view is
04 basically we would not own, operate, or maintain
05 underground transmission lines because, basically,
06 we have no experience in it. So whoever came up --

07 THE REPORTER: Can you speak into the
08 microphone, please.

09 MR. BOICAL: Our view is basically Western
10 the Sierra/Nevada has no experience in operating,
11 maintaining, underground transmission lines. So we
12 could not speak to those issues. Whoever designed
13 or came up with those issues, could probably answer
14 those questions.

15 MR. MOORE: What happens to lines if there's
16 an underground line and it comes out of the ground
17 near a transmission pole, what happens at that
18 interconnect? Does it run up the side of the pole?
19 Would it be in the air? Mechanically, do you know
20 the answer as to how you make the interconnect?

21 MR. BOICAL: Not on high voltage underground,
22 I do not.

23 MR. MOORE. Come on up.

24 MR. SABET: I didn't keep track of all your
25 question, so feel free to hit me with that.

26 The transmission from underground to

0072

01 overhead usually happens in a facility, such as a
02 power plant. You basically have an insulated
03 structure, which looks like a diameter of about two
04 feet. The electrical conductor goes in the middle,
05 you have elbows, you go up and out and over to the
06 overhead. That's how the transmission takes place.
07 And when mainly you go to that class of voltage,
08 because of insulation between the phases, you cannot
09 bend them as you do 12-kV.

10 So they do not transition going up the
11 pole as easily because the size of the insulation is
12 bigger than the pole. Because these conductors need
13 to be cooled off because of the heat generated and
14 they have no dissipation area to dissipate to.
15 They're either gas insulated or pressurized oil or
16 some other medium to cool them off.

17 So in order to carry the load, which is
18 the current through the conductor --

19 MR. MOORE: Do you know how long when you
20 have had a trench open, how long it would be open to
21 lay these kind of --

22 MR. SABET: As long as the contractor is
23 basically the expertise of the contract. Give them
24 enough money they'll do it faster. Time and money.
25 Basically all of these concepts are practical, based
26 on two reasons. One is time, and the other is money.

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01 You can do all of them.

02 MR. ELLISON: If I can just interject, it's
03 our understanding that because of the water table
04 issues if there were a quote "undergrounding" it
05 would be in this case above ground.

06 Perhaps, Morteza, you can address that.

07 MR. SABET: That's one concern I should have
08 expressed last time, because of the water table a
09 lot of these structures that -- basically it was
10 discussed by Calpine's expert -- those walls I think
11 they call them basically I think they refer to 16 by
12 12. Those, basically, would be like about, if you
13 will, if you can imagine that -- if there's a water
14 table going up they float up. We have a similar
15 problem with the transmission lines in the rice
16 fields. So we have to go anchor them down to the
17 hard pan in order to keep them from lifting.
18 Falling down is not a problem, lifting sometimes is
19 a problem, because of the water table. So you have
20 to penetrate basically beyond the bedrock, so you
21 can anchor it.

22 MR. MOORE: Thank you.

23 MR. RADCLIFF: Mr. Sabet, please if I may --
24 When the staff witness on transmission gave his
25 testimony, his testimony indicated that the effect
26 of an under ground transmission line on the

0074

01 downstream operation of the transmission system was
02 different from that of an above ground line. I
03 would like to ask if that's correct, and, second, if
04 you could elaborate on what the difference is.

05 MR. SABET: It is correct. Depending on the
06 length of the under ground section -- they usually
07 act like a battery, they're just a big source of
08 charge, if you will, the electrical charges act
09 together like two plates in your battery. They
10 basically increase the voltages. The voltage lines
11 have to be suppressed because we have to maintain
12 110 plug, so that is a problem in the light load and
13 then cooling in the heavy load period. So their
14 assessment is correct. And the voltage problem is
15 different than the overhead line.

16 MR. RADCLIFF: Would it change the results of
17 different --

18 MR. FAY: Excuse me, Mr. Radcliff you're
19 asking some specific information that may be
20 important to the record. And I thought we were
21 getting informed comments, nevertheless comments,
22 and I think we need to swear Mr. Sabet in and just
23 treat him as a witness, if you're intent is to have
24 this available to the Committee.

25 MR. RADCLIFF: Whatever the Committee desires.
26 I thought this was an issue that we thought would be

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01 useful for them.

02 MR. MOORE: Would you collect testimony on
03 this at the workshop or comments at the workshop?
04 And your desire is to get this in front of us in a
05 manner that would be supported by the general
06 record?

07 MR. RADCLIFF: We have in our -- the written
08 testimony of our witness inclusion of the factor
09 that the operation of the transmission system would
10 be different with undergrounding than it would be
11 with above grounding. And there are transmission
12 system studies that indicate what the effect on the
13 transmission system is with a regular transmission
14 line. The information that I'm going for is,
15 whether that information is valid, and whether if
16 you need further information to confirm what the
17 effect on the transmission system is, if you
18 underground the line. That was the nature of the
19 question that I was going to ask.

20 MR. MOORE: Well, the nature of the answer
21 that you're getting so far is that it is different
22 and it's different in what sounds like a fairly
23 significant way. I tend to concur with Mr. Fay.
24 Why don't we swear Morteza in, and ask your question
25 again, and get it back on the record in an official
26 capacity. And then we can proceed, and get it a

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01 little bit further on. I think Mr. Fay is right.

02 MR. FAY: Any objection?

03 MORTEZA SABET,

04 a witness in the above matter, who, after having

05 been first sworn to tell the truth, the whole truth,

06 and nothing but the truth, was examined and

07 testified as follows:

08 --oOo--

09 MR. FAY: Thank you, Mr. Sabet. And now I'd

10 like Mr. Radcliff to ask again the question, so that

11 we have this as part of our official record.

12 MR. RADCLIFF: Mr. Sabet, you have in mind

13 the discussion we had on the record, I would like to

14 ask you again, now that you've been sworn, what the

15 impact on the system operation would be if the line

16 is underground as opposed to built over ground and

17 whether or not it would invalidate the existing or

18 require some modification of the existing system

19 studies that have been done for the above ground

20 line?

21 MR. SABET: Basically, I'm kind of

22 speculating because we really haven't modeled the

23 underground, but based on experience, the natural,

24 physical characteristics of an underground system

25 versus the overhead system, you have a higher

26 voltage profile because of the physical

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01 characteristics of the system.

02 And I don't think any subject matter
03 expert will disagree with the conclusion that your
04 staff has basically drawn off. This agreement
05 usually lies in the assumption. In other words, how
06 you model the conductors, and how you interpret the
07 result. But the direction of the Staff's conclusion
08 of this is correct. You basically have higher
09 voltages as a result of the undergrounding depending
10 on its length and basically the heat problem too,
11 but that's something that could be studied.

12 MR. MOORE: And how would you generally deal
13 with the higher voltage?

14 MR. SABET: You basically have to suppress it
15 the same way you suppress your shocks on your car with
16 shock absorbers or reactors. Basically you pull the
17 voltages down and (inaudible) them by adding
18 additional shock devise on both ends or regulate them
19 with generators.

20 MR. MOORE: And what happens on the hear?
21 You said you could use inert gases or some sort of
22 oil in order to cool that? What happens if you have
23 a break or if there's a leak?

24 MR. SABET: You basically, because of the
25 soot in the mean time the failure as well as the
26 time to respond to restoration is so long, you

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01 basically build redundancy in front, if you will.
02 The point is if your failure mode is such that it
03 takes you two to three months to bring the system up
04 back up it makes good business sense to build a
05 steel pipe that holds the gas or oil, a little
06 thicker, if you will, or you increase the
07 installation amount based on, basically, the mode of
08 operation you're in. And I'm not the subject
09 matter expert here, because I do not know the
10 technology that is existing today for that class of
11 voltage.

12 It is highly specialized, it is not
13 widely applied and in any of the applications that I
14 know of is mostly power plants. There is actually
15 one up here in Oroville, basically, the
16 transformation is not in the power plant. And it is
17 basically not widely applied because the way we do our
18 design -- Western's manual -- engineering manual
19 basically we estimate as 20-fold higher cost to go
20 to the underground. So depending on the nature of
21 the soil, depending on the ground characteristics,
22 depending on other factors that you discover once
23 you start getting out in the field.

24 Our experience basically is they no
25 longer exist, there are some people who build the
26 power plants. That's basically based on our

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01 assumption.

02 MR. MOORE: And if such a pipe were
03 overground could it be disrupted through vandalism
04 or an accident -- crash a plane into it, if you
05 fired a weapon at it that was of sufficient caliber
06 could it be penetrated?

07 MR. SABET: The possibility is always there.
08 And my experience with underground, mostly
09 distribution, is when they fail they react like
10 bombs. They blow the manhole because so much energy
11 is dissipated in such a small space. I do not have
12 the experience with high voltage, but I could relate
13 that it would be a lot worse if it does fail on its
14 own other, than by vandalism.

15 MR. MOORE: Thank you.

16 MR. FAY: Another question, based on your
17 experience, and what you discussed about the high
18 water table, I'm recalling that the purpose for
19 examining the alternative of undergrounding was
20 largely to relieve visual impact. And I'm beginning
21 to wonder what would be visible if there was an
22 attempt to underground the root we're talking about,
23 because you've said that some of these casements
24 have to be above ground, and perhaps other things as
25 well. So what kind of equipment would be visible as
26 a result of an ungrounded line?

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01 MR. SABET: As I recall, the Calpine's
02 expert, you know, Jim Dikes, what he was referring
03 to is that, first of all, you have two physical
04 limitations. One is you can not carry a conductor
05 longer than 1600 feet, which is the original on the
06 wheel in the truck. We don't have a truck big
07 enough to roll a cable longer than that.

08 So you have to splice it based on that
09 physical limitation. And those housings are
10 basically for splicing the cable. And if you look
11 at the conductor that we have in our household, it's
12 very easy you crimp them together. In something
13 like that it has to be a very pure environment, in
14 other words any contamination is a source for
15 leakage of currents, which is basically conductor
16 failure. The other concern is you cannot bend
17 those high voltage conductors as easily as you can
18 do lower voltages. They have physical limitations.
19 In other words, a radius of 90 degrees may require
20 20 feet versus for the 12-kV you can bend them in
21 less than four feet. So those are the limitations.

22 And then the other question is the
23 access, when you have an underground failure you
24 basically have to have an isolation mechanism to
25 find out which section of that line failed. So in
26 those compartments they do have sectional switches

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01 that you isolate that section of a line and go to
02 the next section, and so forth, to locate where the
03 fault is. And the other aspect of that is if the
04 cable failed, you have to have a way of getting it
05 out of the housing -- the same concept with a house,
06 you know, the door should be big enough to get the
07 cable in and out. And so those are the reasons.

08 So I think that what he mentioned was
09 that those would be visible depending on the water
10 table and depending on the flooding condition during
11 the rainy season, the flume or the entry to -- just
12 think of it like a manhole -- depending on the size
13 of the equipment that needs to go down in the
14 housing for pulling the cable from one end to the
15 other -- 1600 feet of cable. I would think that
16 that would be pretty heavy. I don't think you can
17 pull it by hand. So you have to look at the
18 manhole, how big it is, and how much has to be above
19 ground in order to allow access. For those of you
20 that have seen power plants sometimes you can look at
21 the housing plants around the generators that allow
22 the crane to reach out to the unit to take it out.
23 I'm just speculating on all this, because I do not
24 design underground. But I do know some that I can
25 offer some help.

26 MR. FAY: Have you ever seen some of these

0082

01 above ground facilities related to an underground
02 line?

03 MR. SABET: No, I have not.

04 MR. FAY: Okay. I'm trying to get an idea of
05 what it would look like to the layman if you're not
06 familiar with it --

07 MR. SABET: We do have them in substations,
08 but basically they look like an underground room with
09 those non-skid steel trap doors on top. They're
10 lifted so you can gain access to those facilities to
11 put cables. They're pretty good sized. They're
12 basically like an underground room based on the energy
13 and the voltage class.

14 MR. FAY: Okay. Thank you.

15 MR. RADCLIFF: Mr. Sabet, the current for the
16 existing line, there are powerful studies in
17 stability -- those studies have been done; is that
18 correct?

19 MR. SABET: Yes.

20 MR. RADCLIFF: Have any been done for the
21 underground line and if they have not, need they be
22 done?

23 MR. SABET: I don't really think that you
24 need to do the studies. Basically, whoever the
25 subject matter expert is can tell you the relative
26 difference of if you were to underground sections or

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01 all of that generation. You can do it with basically,
02 you know, off line, if you will. Because what it
03 is -- the natural characteristics of a system like
04 that is you have higher voltages, and heating problems
05 basically on the other side, but it could be done.

06 MR. RADCLIFF: Okay. Thank you.

07 MR. SABET: You bet.

08 MR. MOORE: Thank you.

09 MR. ELLISON: Mr. Fay, before we lose

10 Mr. Sabet I'd like to ask him a few questions.

11 MR. FAY: I'm sorry, Chris. I didn't even
12 see you.

13 MR. ELLISON: One is, so we have a complete
14 record. Mr. Sabet, now that you're under oath, let
15 me ask you this, if I were to ask you all the
16 questions that you were asked prior to being sworn
17 this morning, would your answers be the same now
18 that you're under oath?

19 MR. SABET: Yes.

20 MR. ELLISON: And earlier I represented
21 Western stated that it was Western's position that
22 they will not own, operate, or maintain, an
23 underground line, is that also your understanding of
24 Western's position?

25 MR. SABET: That's correct.

26 MR. ELLISON: Lastly, I understand that

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01 Western has approximately 16,000 miles of
02 transmission; is that correct?

03 MR. SABET: That's correct.

04 MR. ELLISON: And I also understand that
05 Western has never found it appropriate to
06 underground any of that, is that correct?

07 MR. SABET: Affirmative.

08 MR. ELLISON: That's all. Thank you.

09 MR. FAY: Oh, Mr. Sabet, I apologize. One
10 last question. You do have expertise in the area of
11 Electro Magnetic Fields?

12 MR. SABET: I've been basically in the
13 trenches with the issue, yes.

14 MR. FAY: And you dealt with the public
15 concern about that issue?

16 MR. SABET: Yes.

17 MR. FAY: All right. With that in mind,
18 since we have the public here, and I know that's a
19 subject that people have concerns about, since
20 Western would be building and operating the tap to
21 the transmission line and now operates the
22 transmission line in that area, can you give us a
23 summary of the current state of knowledge of the
24 risk that a transmission line, like the one that
25 Calpine has proposed as an interconnect, what kind
26 of risk that would pose to people living in the

0085

01 area?

02 MR. SABET: I would like to suggest that
03 first of all we have no agreement to build or
04 construct the line as of this time. We haven't
05 been asked by Calpine to do so. We have given them
06 an estimate, if they were to ask us. And, secondly,
07 the undergrounding we probably would not do that
08 ourselves because of the concerns I raised.

09 And, mainly, if I may elaborate, why is
10 it that Western said no to that, we do not have the
11 tools, we don't have the expertise on hand, trained
12 people to take care of that. And relative to the
13 number of miles that was mentioned, and the limited
14 resources that we have, it is not reasonable for us
15 to basically allow for that short of a system,
16 because we don't have the luxury of the resources to
17 allocate to that, even if Calpine were to pay us to
18 do it.

19 We don't have the application in our
20 system. So back to the undergrounding, depending on
21 the design and the amount of shielding is done,
22 usually you're closer to electro Magnetic Field
23 Underground, rather than if it was overhead because
24 of the safe clearances that you have to maintain for
25 the overhead lines.

26 In other words, the effect of Electro

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01 Magnetic Field for overhead line is less than the
02 underground depending on the design, the underground
03 could be shielded to limit basically the exposure,
04 but that basically means more dollars and cost.

05 MR. FAY: Okay. Now, referring to a
06 transmission traditional line or above ground line
07 that is proposed by Calpine, what is the -- what is
08 the state of knowledge about the kind of risks that
09 a line like that imposes?

10 MR. SABET: Based on our knowledge and based
11 on the current view of the industry, there is no
12 direct correlation as has been articulated in some
13 forms in terms of health risk. In terms of
14 eliminating the magnetic or electric field, there
15 are techniques that could be applied, such as has
16 been put in the record by Calpine's experts. You
17 can transpose the phases, basically, to limit the
18 effect, because they cancel each other out. And I
19 trust that's what they will do.

20 MR. FAY: And when you say, "No correlation"
21 you mean --

22 MR. SABET: Health risks. That's basically
23 my personal knowledge of the issue; there is no
24 direct correlation.

25 MR. FAY: And have you reviewed current
26 literature in that?

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01 MR. SABET: Yes, I also served as a power
02 plant operator for ten years, so --

03 MR. FAY: Thank you. Does staff or Western
04 have anything to add to that, regarding Electro
05 Magnetic Fields? Apparently not. I would like to
06 ask, then, if there is any comments from the public
07 regarding Safety and Nuisance and that of course
08 would include Electro Magnetic Field, nuisance shocks,
09 that type of thing.

10 Yes, Ma'am? You have to come to the
11 microphone and identify yourself.

12 MS. CREPPS: I'm Wilma Crepps LaPerle. And
13 just last week my brother sent me a letter that showed
14 that you have planned to put the transmission
15 switching station on our 56 acres at the end of
16 Obanion Road. No one from Calpine, no one from the
17 Energy Commission came to us, and even contacted us
18 or wrote us a letter.

19 Now, my brother's wife just died this
20 last Friday night from cancer. Now, the land man
21 from Calpine's did come to his home about a month
22 ago, and he told him that we were not interested in
23 having this facility on our property. Now, I have a
24 letter that I would like to give to you.

25 MR. RICHINS: And just for the record, we
26 electronically received this yesterday and have

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01 docketed it.

02 MR. FAY: Thank you.

03 MS. LAPERLE: First, I would like to read our
04 letter.

05 "Dear, sir, we, David Crepps,
06 Irene Crepps and Wilma LaPerle, the owners of
07 two-thirds interest in the 56-acre parcel on
08 Obanion Road are totally and inalterably opposed to
09 the location of any Calpine facility on our
10 property. This property is vital to the 1,000 acres
11 we farm adjacent to it within the Sutter Bypass. We
12 owned all of our acreage before the Bypass was built
13 in the 1920's. Because of the flooding conditions
14 in the Bypass, the 56-acre parcel is the only land
15 we own where we can store our farm equipment.

16 In addition the Sutter Basin Duck Club
17 facilities have been located on this property for at
18 least 70 years. The duck club facilities include a
19 clubhouse where meals are served to the members.
20 Because many of the members are from the San
21 Francisco Bay area, they park their trailers
22 adjacent to the clubhouse facilities, and sleep
23 there during the hunting season. They do not come
24 to the country to be next to power facilities. We
25 grow rice on all of the 56 acres that is not
26 occupied by farm equipment storage facilities, and

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01 the duck club facilities.

02 In 1941 our ranch in Yuba County was
03 condemned and taken for Camp Beale when we were small
04 children one year after our father had died. The
05 creation of the Sutter Bypass has taken mineral rights
06 from our land and placed restrictions on our farming
07 operations within the Bypass area. This parcel on
08 Obanion Road is crucial to us. Surely you can use an
09 alternate location for the Calpine switching facility
10 that won't sever our lands and destroy our duck club
11 and farming operation.

12 Now, I would like to refer to some
13 paragraphs in your report. On your Final Report, on
14 Page 5, it says, "Project description." And in the
15 second paragraph under "Project Description," it says,
16 "A new 5.7 mile, 230 kilovolt overhead electric
17 transmission line is proposed to be built to a new
18 switching station, which will interconnect to the
19 Western Area Power Administrations 230-kV electric
20 transmission system."

21 Then on your project description,
22 which is figure 2, it shows the Greenleaf Unit
23 Number 2 -- I think it's Number 2 -- or Greenleaf
24 Unit Number 1 -- it's Greenleaf Unit Number 1 and
25 then it shows a straight line going south to the
26 Bypass and it says, "Switching station." Then there

0090

01 is next to it the other route, which goes down
02 Obanion road to our location.

03 So, originally, the plan was to take
04 the transmission line straight south to where it's
05 located on this map. And that was 5.7 miles from the
06 Greenleaf plant. And that is where -- that is what
07 they're discussing on Page 5, the transmission line
08 going to that location. Then on Page 6 it says,
09 "Calpine Proposed Mitigation Measures." And under
10 Section 3, on Page 6, it says, "Calpine is prepared
11 to change the transmission line route to proceed
12 south along South Township and then west on Obanion
13 Road to a new switching station site on the south
14 side of Obanion Road near the Sutter Bypass. This
15 route is about 4.0 miles long."

16 Then I would like you to go to Page 26,
17 and this isn't my important point on Page 26, but it
18 does say in Paragraph 2, "Calpine identified the
19 South Sutter County Industrial Commercial area in its
20 entirety as an alternative site for the plant." And
21 then in Paragraph 3, it says, "Calpine also identified
22 the entire Sutter Butte industrial area in the
23 application for certification AFC, as an alternative
24 site."

25 And then down at the bottom of that
26 page it says, "Obanion Road Sutter County. The

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01 Obanion Road site was suggested by members of the
02 public and staff. In consistency with both the
03 general plan and zoning code and the active rice
04 cultivation occurring on this site, would have
05 precluded further analysis past the first screening
06 level. However, due to the significant public
07 interest in the site, it was retained and carried
08 forward."

09 Then going on to Page 28, in the last
10 paragraph it says, "The S-1 site is not zoned for
11 industrial use but is vacant" -- and that is our
12 site -- "its feasibility could not be determined --
13 no, that isn't our site, but this other site is
14 vacant. "The Obanion Road site may be available as
15 noted above, but acquisition costs would have to be
16 negotiated and may be infeasible."

17 Then going on to Page 31, on the
18 Obanion Road Site, "As shown in Alternatives Table
19 4, the Obanion Road Site appears to be the better
20 overall site among the alternative sites reviewed.
21 Because there are fewer close residents, the affects
22 of potential hazardous material incidents would be
23 reduced. Visual impacts due to the" -- of course
24 this is talking about the power plant itself --
25 "visual impacts due to the power plant's building
26 stats, et cetera, would be reduced by the physical

0092

01 location of the site away from residences and
02 roads."

03 And on the bottom of that page, in the
04 last sentence it says, "After the publishing of the
05 PSA, it was found not to be occupied, thus changing
06 the site's status to the same for noise effects as
07 at the SPP site." And then on Page 36, the last
08 sentence in the second paragraph, "The fourth site
09 was suggested by members of the general public
10 during an SPP workshop, and is referred to as the
11 Obanion Road site."

12 So I know that Mr. Akin, whose land is
13 where the first cite is located, going straight down
14 from the plant -- Mr. Akin is a Sutter County
15 Supervisor and he doesn't want the switching station
16 on his land. And living in the area he could
17 protest early. And then I guess he got together,
18 and we being from out of the area -- I'm from
19 Bakersfield and my sister's from San Francisco --
20 they could go ahead with this plan, without even
21 contacting us to see whether we wanted to sell, or
22 even to get accurate facts about what exists on our
23 56 acres.

24 Now, Mr. Turner has these trailers
25 there for -- some of the men bring their own and he
26 puts some there for other hunters. And right now we

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01 have ten trailers there. Two or three men sleep
02 each night in those trailers and he prepares meals
03 for them. So they are there from the middle of
04 October until the middle of January. So this is not
05 a vacant building. It's a building occupied by about
06 25 or more people three nights a week. And we do
07 have our farm equipment -- it's our only place to
08 keep our farm equipment.

09 Now, when our land was taken for
10 Camp Beale, they promised us that as soon as the war
11 was over we would get our land back for the price we
12 received less depreciation. Well, that never
13 materialized. Nobody wanted to give the land back
14 to us. We had to go to Washington -- we did go to
15 Washington, and said they definitely weren't using
16 it and we got 40,000 acres -- but a fairly small
17 amount of our own acreage. But we can see the
18 writing on the wall. You build a small switching
19 station now and then ten years from now you'll say
20 the demand in California for electrical energy is
21 far greater, and we're located here, let's expand
22 our plant. So we do not want this switching
23 station on our property. And we feel that there
24 must have been some procedure requiring that we be
25 notified at the beginning, before our land was put
26 on this map.

0094

01 I think the owners have the right to be
02 notified individually. And I think the material put
03 in this report should have accurately described our
04 gun club. And, really, I studied public utilities
05 at Stanford University in the economics department
06 many, many years ago. And I know that they want to
07 maximize their return for their investors. They
08 went out and put a very small investment in this
09 Greenleaf Plant, and now say because they have that
10 acreage, they want to go ahead and develop that
11 site.

12 They're close to the PG&E line, they're
13 close to Western's line. This is going to really
14 maximize their return. But I hope that you
15 Commissioners will protect the people who are also
16 involved. There are other sites in Sutter County.
17 These two other sites that they mentioned, one in
18 the Sutter/Butte, one in the industrial area in the
19 South of the County. The Western line runs near
20 both of those sites. There's also a site just
21 north of Obanion Road across the road from our
22 property. A site which is owned by the State. And
23 it has a sufficient number of acreage for this
24 switching station. So I hope that they will look
25 at that site again. And I think there are certainly
26 other parcels in Sutter County along that line that

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01 they can use, but we do not want it on our property.

02 Thank you.

03 MR. FAY: Thank you, Ms. LaPerle. And while
04 we're taking your comments we have also a blue card
05 from Irene Crepps on the same matter. Did you want
06 to address us on that subject as well, or has it
07 been covered?

08 MS. CREPPS: Thank you, Commissioners. I
09 appreciate being here today, at least, for the first
10 time. I really wasn't aware of this because of
11 illness in our family. My brother didn't really
12 contact my sister or myself. And I'm up here every
13 other weekend, but I really wasn't aware of any
14 problem or any power station being established here
15 in this County. And I do know my brother would say
16 if he were here today -- but he's burying his wife
17 tomorrow -- he said, just look a few miles to the
18 north of us.

19 MS. LAPERLE: It's across the street --

20 MS. CREPPS: Okay. Well, it's just across
21 Obanion Road on the other side of the road. Older
22 sisters are always older sisters. And I just think
23 if you would just take a look at that site, because
24 our family has had condemnations in the past, and we
25 get pretty nervous about that. So this is our one
26 and only place and we're pretty protective of it.

0096

01 This is probably the oldest gun club in
02 Northern California. It was probably established
03 about 75 years ago. And it doesn't look like too
04 much from the outside, but a lot of people from the
05 bay area come there. And they're not going to want
06 to stay near a power station when they come out to
07 be in the wilderness and along the Pacific Flyway.

08 So I appreciate your consideration of
09 us. We're coming a little late to this and we
10 appreciate your concern.

11 MR. MOORE: Miss Crepps, as far as you know
12 your bother did get notification?

13 MS. CREPPS: Well, Paul, when did you see my
14 brother? He said about a month ago you came to his
15 home?

16 MR. RICHINS: It was David Perkins for
17 Calpine.

18 MS. CREPPS: About a month ago he
19 was contacted.

20 MR. MOORE: But in general he knew there was
21 a proceeding going on that there was a power plant
22 plant, so as a neighbor --

23 MS. CREPPS: He lives in Wheatland,
24 California. But his wife, she's had cancer for the
25 last two years. He didn't even farm this year
26 because he was home with her all the time. So he

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01 wasn't really aware of what was going on. And I
02 don't -- I was concerned when I read the report and
03 it said that the public supported the location of
04 that switching station on our property. And I don't
05 know who the public is, but as a landowner I don't
06 think the public has a right to make that decision
07 in our place.

08 MR. MOORE: I apologize for any oversight in
09 getting information to you. We're certainly glad to
10 have both of you here at the hearing, and we're glad
11 you gave us the information that you did, and
12 believe me, we will take it into account.

13 MS. CREPPS: Okay. Thank you very much.

14 MR. ELLISON: If it's appropriate perhaps we
15 can describe how Calpine ended up settling on that
16 route and the process that's gotten us to this date,
17 and the notifications that were provided.

18 MR. MOORE: I think that's appropriate.

19 MR. FAY: Are we talking about the same
20 property?

21 MR. MOORE: You're talking about the duck
22 club property? And perhaps in your discussion of
23 this you can elaborate on the phrase so these
24 ladies can understand what you meant. -- well,
25 actually that's a staff comment. And so ask I'll
26 Mr. Richins to comment on what we meant by "the

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01 public."

02 MS. WARDLOW: What I'll do is describe -- and
03 this goes back a ways -- the history of the switch
04 yard location on the Sutter Power Plant project.
05 Also the mailing lists for the project includes not
06 only the neighbors surrounding the site, but also
07 the neighbors along the linear facilities, including
08 the gas line and the transmission line.

09 And I would have to go back and look in
10 the application for certification on which member of
11 the Crepps family was getting mailing on this
12 project, which the -- first mailing probably went
13 out in February on the notice of informatonal
14 hearing, which was held in March. So we can verify
15 exactly who was getting the mailing back to day
16 one.

17 MR. MOORE: I don't know that there's any
18 need to cast blame on this, but I think the
19 Commissioners would both like to see what that
20 trail was to satisfy our own curiosity. And at this
21 point we'll make sure that for whatever goes on from
22 this point you are in the loop.

23 MS. CREPPS: We want individual mailing.

24 MS. LAPERLE: See we have this acreage
25 thousand acres that's held in common by some
26 cousins, and my sister and brother and myself own

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01 two thirds of the property. And my brother and his
02 cousin farm this, and have for their lifetime. And
03 I think possibly the public is referring to maybe a
04 cousin's statement at an earlier Commission hearing,
05 when we were not present and my brother was not
06 present. As I said, it's in the family and cancer
07 kept my brother --

08 MR. MOORE: We'll ask the staff to clarify
09 that. But on the issue of your getting information
10 it's not a problem at all. We'll make sure --

11 MS. LAPERLE: I would like to mention that,
12 we're in the oil business. We lease land. And we
13 don't drill a well when we've just notified one
14 party. We have to get the signatures of everybody
15 who has an interest in that property. And I think
16 that they had on their map that my sister and I each
17 owned this 22-percent interest. I think we should
18 have received a letter at least.

19 MR. MOORE: Okay. I'm going to treat this as
20 an oversight an unfortunate one --

21 MS. LAPERLE: We would have protested. We
22 would have been here. I was here last Wednesday.

23 MR. MOORE: You're still in time.

24 MS. CREPPS: Good. I hope that we can look
25 at some alternate sites that will be helpful to you.

26 MR. MOORE: We're here to take full and

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01 complete testimony. So let me just say as we go
02 into this, we're going to deal with these
03 questions -- a number of other cards have come up.
04 And we're going to ask Mr. Richins to respond and
05 we're going take a lunch break and come back.
06 Charlene, did you want to add anything more to
07 that?

08 MS. WARDLOW: What I would like to do is go
09 through the history of the switch yard location
10 briefly. The South Township/Obanion route was our
11 original route. And the switch yard location we
12 were originally looking at was on the north side of
13 Obanion directly under Western's 230-kV line.

14 After more investigation of that site
15 with both Pacific Gas and Electric, who own the
16 500-kilovolt line immediately adjacent and the actual
17 size of the property, it was determined that we could
18 not physically fit the switch yard underneath the
19 230-kV line there, and also PG&E had concerns about us
20 going underneath their 500-kV line at that location.

21 As a result of that -- and we had been
22 in contact with that landowner, which is the
23 Hiphill (phonetic) family. We then turned -- and
24 that was when we turned and went to going directly
25 South on Township Road all the way down to the
26 Bypass, 5.7 mile route and we were going to look at

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01 taking out a piece of Ag land to put the switch yard
02 at the south of the Bypass. The advantage of that
03 location was at that location.

04 MR. MOORE: Charlene, buying a piece of Ag
05 land to use?

06 MS. WARDLOW: Yes.

07 MR. MOORE: You said taking out.

08 MS. WARDLOW: Buying a piece of land. One
09 advantage of that location was at that location the
10 Western 230 and the PG&E 500 switch sides. The
11 500-kV heads west for Vacaville and the Western line
12 heads toward Sacramento. So it alleviated the problem
13 of going underneath PG&E's kV line at that location.
14 So that alleviated the problem of having PG&E involved
15 in the project, the engineers and Western just liked
16 that location better for the interconnect.

17 In September -- and this kind of went
18 along -- and Paul can address the staff's
19 recommendation of the Obanion -- the Crepps, LaPerle
20 location as a potential alternative site because at
21 the time they didn't realize that it was an active Ag.
22 and they recommend that as an alternative power plant
23 location. Calpine received a letter from Sutter
24 County and the Energy Commission staff recommending
25 that we reevaluate the Township Obanion route, and
26 look at a switch yard location on the south side of

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01 the road. And as a result of that recommendation we
02 reevaluated it from an engineering perspective only,
03 talked to PG&E and Western, and they were agreeable to
04 that because of where the transmission tower is for
05 the 500-kV line on the Crepps property that a switch
06 yard could indeed be laid out on that property.

07 So the change to a switch yard location
08 on the Crepps property has occurred in less than the
09 last two months. And at that time Dave Perkins did
10 go out and talk to the brother, Mr. Crepps, in
11 Wheatland to discuss this. So this has all happened
12 just over the last six to eight weeks, at the most.
13 And also I would like to mention that Mr. Middleton,
14 who I guess is the cousin, was at a workshop, I
15 think in August, and said that the family was
16 interested in selling that property, and it would be
17 available.

18 And so I think Calpine and staff moved
19 forward based on this comment that was made at a
20 workshop, not realizing that Mr. Middleton was not
21 necessarily speaking for the entire family.

22 MR. MOORE: Okay. I think that clarifies it
23 quite a bit, among other things. It should clarify
24 that right now Calpine has expressed a desire and
25 intent to utilize this site, should they be able to
26 do that. In no way are they suggesting that they

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01 control the site -- and correct me if I'm wrong,
02 Mr. Ellison -- you're suggesting that from all the
03 indicators that they have -- if they could go
04 somewhere this is where they would like to go. And
05 they put that on the table, but they're not in the
06 position of saying, you have to comply, we have to do
07 it, or anything else. It's just this is their best
08 judgment at this time.

09 MR. ELLISON: That's correct, Commissioner.
10 And I would only add that Calpine's agreement to
11 that proposal is in response to the Staff's and the
12 County's recommendation as Charlene just described,
13 that we take a second look at that. And so we view
14 this as Calpine's agreeing to a proposal on the
15 Staff's account.

16 MR. MOORE: Made by someone else. So right
17 now I need to get another Staff point of view out
18 here. I just want to make it clear that right now
19 these are suggestions. We don't have anything in
20 concrete and that's the whole reason that we're
21 taking testimony.

22 MS. LAPERLE: We're bothered that our site is
23 the only one on this map.

24 MR. FAY: We can't take your comments without
25 out your speaking into the microphone.

26 MS. LAPERLE: The site shown on that map, Map

0104

01 2 went straight down and that was the one that they
02 had in their original report. They modified that to
03 use our site. And they say in the report that it
04 was because of public suggestion that they use our
05 site. And I don't think that we, being absent
06 owners, you know, it's easy to say -- for neighbors
07 to get together and say, "Well, we don't want this
08 on our property, but the Crepps, they live so far
09 away they're not going to protest."

10 MR. FAY: A common problem. And that's again
11 the reason why we have these public hearings.
12 Mr. Richins, can you elaborate anymore than what we
13 already know, now that the cousin is going to be
14 written out of the will.

15 MR. RICHINS: Well, I wouldn't put total
16 blame on that individual. We've held numerous
17 workshops over the course of reviewing and analyzing
18 the proposal. And in one of the -- or more than
19 one of the workshops when we were discussing
20 alternative sites -- now there's a little bit of
21 confusion about alternative sites for the power
22 plant versus the switching station, but in the
23 context of seeking and looking for alternative sites
24 for the power plant, and the workshops that we held,
25 a number of people in the public -- and I won't name
26 names -- but a number of people suggested, "Hey,

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01 there's some good places close, because one of the
02 concerns is transmission lines, so, you know, get as
03 close as you can to the transmission lines so you
04 can eliminate the transmission lines or the
05 distribution lines to the transmission.

06 So it was suggested that this Obanion
07 site might be something that we should look at in
08 our alternatives analysis and that was the site that
09 we did look at during our alternative analysis and
10 compared it with some of the CEPCO sites and other
11 sites that we identified in our alternatives
12 analysis. So it evolved slowly through the course of
13 our public workshops.

14 MR. MOORE: Okay. With that we'll make it
15 clear that in this case we're talking about the
16 switching station --

17 MS. LAPERLE: The information that was
18 gathered, which was put into the report relating to
19 the alternative power sites, was inaccurate. I mean
20 it said there was a vacant building there. It
21 wasn't a vacant building. It's a very active duck
22 club. And it has people living there. And I think
23 had they come to one of us, or even to my brother
24 earlier, we would have told them that there was an
25 active gun club with people there. It's not a
26 vacant building.

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01 And I agree with Calpine's point of view,
02 our 50 acres is the very best location. But if we're
03 going to deregulate utilities, do they have the right
04 to select any best location that they like, or can
05 they reduce the profits, being that they're amortizing
06 us over a long period of time to take less than their
07 first choice, when the person who owns the land where
08 the first choice is doesn't want it. And it will
09 eliminate our duck club which has been there for 70
10 years?

11 MR. MOORE: Well, you're going to have an
12 issue of a willing buyer and a willing seller, which
13 will come to bear here. With that, I said we would
14 be taking a lunch break. Rosie Foster would like to
15 talk to us and apparently has a conflict.

16 MS. FOSTER: Two of the things I want to
17 bring up, one was the nuisance of the power lines.
18 One of the issues brought up earlier this summer was
19 fueling practices. We're concerned when we fuel up
20 harvesters, trackers, that static electricity
21 buildup if we were not to fuel property -- and
22 sometimes that gets lost in transmission with farm
23 workers -- we worry about the liability that that
24 holds. That's Number one.

25 Number two, I want to let Ms. Crepps
26 know that we're all in this, as far as landowners,

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01 together, as far as any route, any dirt, any acreage
02 being taken, we are all opposed -- all vehemently
03 opposed. It's not just her, it's us. We're all in
04 it together. We feel that no one has worked, sweat,
05 and done whatever it's taken and put in the long
06 hours farming to have an industrial site placed
07 here. And it wasn't a matter of picking her
08 property over us, that's not right. Your property
09 goes back into our childhood believe it a lot, also.
10 We liked that one.

11 Also you're putting it almost on an
12 island, and you have no way to get this power out
13 without taking it from us, and that is very
14 offensive to neighborhood farms, very offensive.
15 It's like I said, no one comes out there when it's
16 110 degrees and helps us to harvest and plant crops.
17 And to "take" -- it doesn't matter what price, as
18 far as we know there is nothing for sale as far as
19 all neighbors talking together, not an inch of dirt.
20 It's not available unless you take it and that's an
21 ugly word.

22 MR. MOORE: All right. Thank you. We'll
23 return at fifteen minutes to 2:00 we'll start this
24 up again.

25 (Luncheon recess taken.)

26 MR. FAY: We're going to finish up taking

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01 comments on Transmission Line Safety and Nuisance.
02 We know some people had some comments that they
03 wanted to make regarding this. Before we get
04 started on that I know Calpine passed out a list of
05 property owners.

06 Mr. Ellison could you identify that for
07 us and tell us what that is?

08 MR. ELLISON: I'm afraid you've caught us
09 disorganized. I haven't seen the list.

10 MR. FAY: Maybe Ms. Wardlow, when she
11 returns, can explain that. All right. We'll come
12 back to that. Is Paul Russell here? Mr. Russell,
13 can we take your comments now?

14 MR. RUSSELL: Yes, my name is Paul Russell.
15 I work for Sutter Extension Water District and I was
16 at the meeting last week on the workshop for the
17 transmission line routes. And I expressed at that
18 time concern about safety on a map I have with me
19 dated February 11, 1998, showing the placement of
20 poles that they are proposing to put on Township
21 Road and Obanion Road. And we discussed that at the
22 meeting on our concerns. And I was asked by
23 Paul Richins in assuming the power plant would be
24 built, which route would be the least of impact to
25 the Water Agency. And at that time I stated that
26 our concerns were with the growers, and what

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01 effected them effected us. But the line I understand
02 that may be out, is the one going to the west of
03 Calpine, would have the least impact on the
04 district.

05 But our concern is with safety, for we
06 own and operate the canal that runs in front of
07 Calpine which may be named on some of your
08 documents. And they run along lateral to Obanion
09 Road on the east side of our canal, the way the
10 plans are drawn up. Our concerns are safety because
11 we operate heavy equipment in that area. And I
12 explained that in the meeting last week; with maybe
13 equipment hitting it, or the distance between the
14 wires and the equipment could cause some problems.
15 It was some concern to us.

16 So I wanted to reiterate that, that our
17 concern is for safety for our people and for our
18 equipment. And we wouldn't want the exposure of
19 hazards -- there's poles already there from PG&E
20 along the edge of our canal there for aways past
21 south of Calpine's project. And they go to the east
22 side of the road, but then they lay to the north
23 side of Obanion Road on the north side of our canal
24 bank. And so our district took the position of
25 opposing the power poles on our project and opposing
26 those things.

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01 And we feel that if -- assuming the
02 power plant gets built -- we would take a position
03 of burying the lines underground for not only the
04 reason for us, but for the flying habitat and for
05 the wildlife habitat in the area -- the ducks,
06 mainly. We discussed that about the ducks flying
07 into power lines.

08 MR. FAY: Thank you. Can I just ask you is
09 your primary concern with your high equipment
10 whether it could literally be in contact with the
11 transmission lines?

12 MR. RUSSELL: Airspace -- it was asked by
13 Amanda if I had a problem with airspace. And that
14 would be for exterior and drag lines, supposing at
15 the worst case scenario the distance I needed
16 between the wires and the equipment for our distance
17 across. That is our concern.

18 Our concern is also of making contact
19 with the poles, if they're within -- the way the
20 poles sit now they sit partly on the edge, on the
21 top of our canal bank -- where the canal top slopes
22 into the canal and slopes off. They're sitting on
23 the edge of the canal bank on that portion right
24 there. And we leave equipment there when we're
25 doing work. If someone comes in -- a vandal comes
26 in, and gets into our piece of equipment and

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01 destroys a pole, we don't want the liability of
02 that.

03 It may not our control but it would be
04 our equipment. So we do try to work around PG&E
05 lines. They've been there longer than I've been
06 there. So we try to work around that. We do not
07 burn the banks anymore due to wildlife habitat and
08 power poles, because it is a danger. We try not to
09 burn. Although did so in the spring. So that is our
10 concern.

11 MR. FAY: Thank you. Someone else voiced a
12 concern about fueling equipment around the lines,
13 and has that been a problem for you using your
14 equipment adjacent to the transmission lines?

15 MR. RUSSELL: No, we have never had a problem
16 with that. We do have a problem where PG&E line
17 crosses our Shannon pumps. We do get electrical
18 shocks sometimes off of our switching station there,
19 our switch manager for the pumps.

20 MR. KEESE: Sir, is your concern -- there are
21 two routes we were seeing, the four-mile route and
22 the
23 5.7, how much of that are you concerned about?

24 MR. RUSSELL: Our canals run the entire
25 length from Calpine's project to Obanion Road. And
26 then our canal runs two thirds of the way on Obanion

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01 Road -- the proposed project -- if the switching
02 station was put on Obanion Road.

03 MR. KEESE: So your concern is the whole
04 South Township and two-thirds of Obanion?

05 MR. RUSSELL: Two thirds of Obanion.

06 MR. KEESE: Okay.

07 MR. FAY: And Cookie Emerald also wanted to
08 talk about -- she's not here now? We can get back
09 to her.

10 MR. RICHINS: Gary, just to respond to
11 Paul Russell's comments about the safety concerns,
12 you'll hear later on when Amanda testifies on her land
13 use, we have proposed a new condition that would
14 reference a Code Section that talks about safety as it
15 relates to equipment and heights and so forth.

16 And so we believe we've taken into
17 consideration the concerns raised by the Sutter
18 Extension District with that condition.

19 MR. FAY: And can you tell us anything about
20 using equipment in the vicinity of transmission
21 lines? Obviously, this happens all over the State.
22 Are there things that are done to reduce the risk to
23 equipment operators from static shock or from a
24 spark?

25 MR. RICHINS: Well, the Final Staff
26 Assessment has six different conditions as it

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01 relates to that, part of it's education, a lot of it
02 is grounding, and that would be the responsibility
03 of Calpine to ground certain objects underneath the
04 lines. And there are also building codes that you
05 construct the power lines in accordance with certain
06 codes; heights, and so forth, in operating the
07 equipment underneath. And in this case, it's my
08 understanding that there is a seventeen feet
09 requirement between the top of the equipment and the
10 lowest point of the power line. So that there isn't
11 the arching that Paul Russell indicated.

12 MR. FAY: Any other comments on Transmission
13 Line Safety and Nuisance?

14 MS. WOODS: I'm Mary woods. I don't know if
15 you fellows were around when we talked about
16 irrigating around those lines. If you have to move
17 aluminum pipes when you're irrigating, you will get
18 shocked when you pick them up. You can park your
19 pickup out there and reach out and grab the door to
20 get in and leave, and you can get shocked. Calpine
21 themselves were the ones that told us that you
22 couldn't or shouldn't fuel a tractor underneath
23 that, because it could -- you could have a spark and
24 blow the thing up. We never heard that one before.
25 We heard it from them. The shocking we knew all
26 about.

0114

01 Thank you.

02 MR. FAY: Mr. Akin?

03 MR. AKIN: My name is Jim Akin. I farm down
04 in the area where one of the alternative lines is
05 proposing to put a switch yard. And we don't want
06 anything to do with it. That goes for everybody
07 that owns land in that proposed route, the Iragoians
08 (phonetic) and the other people that farm melons,
09 and walnuts, and so forth, along that route.
10 Nobody is -- well, should we say that the land will
11 have to be condemned before there's anything done
12 about placing a line that way in that direction.
13 Thank you.

14 MR. FAY: Thanks. Now, is this related to
15 Transmission Line Safety and --

16 MS. LAPERLE: Yes. Has anyone referred to
17 the men who fly the planes to plant the rice? Has
18 that been brought to the Commissioners attention. I
19 mean they will be risking their lives to bring
20 those planes up over this line. And so really the
21 line is in the wrong area, to have a line there is
22 just inappropriate. It's a farming area and there
23 are other areas in the County where they could put
24 this and connect it to Western and it won't
25 interfere with our farming operation.

26 So for the 50 years that this plant is

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01 there -- 50 years -- every time a pilot tries to fly
02 over it he's going to be risking the possibility of
03 hitting into them. And then you're aware of the
04 refuge and the fish and game counting the number of
05 dead ducks who have already flown into the line.
06 And they mentioned that the ducks in the evening fly
07 out from the refuge to that surrounding area, so
08 it's going to kill ducks. And the ducks are
09 becoming more numerous in that area, and they're
10 even talking about expanding the refuge.

11 So, I mean, it's not compatible with
12 the 2,600 acre refuge, which is so close. So I
13 really think the transmission line is just not
14 compatible with the area, if it's going to be up in
15 the air.

16 MR. FAY: Thank you. Any other comments on
17 this topic? All right.

18 MR. ELLISON: Mr. Fay, if you wish we're now
19 prepared to discuss the document that you were
20 asking about, if this is the appropriate time.

21 MR. FAY: That's fine. Let's hear it.

22 MR. ELLISON: The issue here is notice to
23 landowners and specifically to the Crepps family.

24 Over the lunch hour we went back and
25 double checked to see what notice we provided and
26 thought we ought to enter this into the record. We

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01 were asked to do so. In the original application
02 filed approximately eleven months ago, the
03 Commission requires that you list, and put on the
04 notice list, a representative for each of the
05 neighboring properties.

06 And we pulled that document from the
07 application, and it's available for those who want
08 to see it. I would state for the record, it does
09 include for parcel number 2124

018, a Mr. David C.

10 Crepps, P.O. Box 152, Wheatland, California 95692.

11 So that's where the notices have been going

12 throughout this proceeding with respect to your

13 property -- with respect to the Crepps property.

14 MR. FAY: Thank you. If there is no

15 objection we would like to make a little change in

16 the schedule. We have a number of people who have

17 submitted blue cards on subjects that are compatible

18 with the staff's analysis of Socioeconomics. And one

19 of the parties has a couple witnesses available just

20 this afternoon on Socioeconomics. So I would like

21 to take that topic up next.

22 So, Mr. Richins -- well we have our

23 witnesses. Mr. Ellison, do you have your witness on

24 Socioeconomics available at this time?

25 MR. ELLISON: Ms. Wardlow was going to

26 present it, but she's on the phone at the moment,

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01 but I can go grab her.

02 MR. FAY: We can go forward with the staff
03 first, if you have no objection.

04 MR. ELLISON: I note that Ms. Wardlow has
05 returned, if you want --

06 MR. FAY: I would like to go ahead.
07 Ms. Wardlow, I know this is short notice. We would
08 like to take your testimony on Socioeconomics if
09 that's possible at this time. We'll give you a
10 moment to compose yourself. Ms. Wardlow is, I
11 believe, already sworn as a witness.

12 MR. ELLISON: I'll just state for the record,
13 Ms. Wardlow is sponsoring Calpine's Socioeconomics
14 testimony. And this testimony appears in Exhibit
15 26, beginning at Page 79.

16 MS. WARDLOW: Calpine believes that the
17 Sutter Power Plant's economic benefits to the County
18 are larger and more important than any potential or
19 perceived negative impact that there could be from
20 the project. This project is approximately a
21 \$300,000,000 investment to Calpine. It's a merchant
22 power plant, in that there would be no economic risk
23 to the ratepayer or to customers in Sutter County.

24 Calpine just desires a fair opportunity
25 to compete, and is only looking for cost recovery on
26 this project. It would be financed in a

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01 non-recourse market and Calpine has a history of
02 doing that on one of the first merchant plants in
03 Texas.

04 The project would generate to the
05 county, based on Proposition 13, approximately
06 \$3,000,000 in property taxes. Understanding that a
07 large part of property taxes go now to the State,
08 it's important to remember that even though a
09 percentage of that goes to the State, it reduces the
10 County's dependency on political decision of the State
11 budget for that money to come back to Sutter County.

12 During construction there would be
13 approximately \$6- to \$10,000,000 in sales tax
14 generated for the project. There would be
15 approximately \$5,000,000 in construction materials,
16 and supplies bought locally during the project. And
17 then once the project is on line there would be \$2
18 to \$4,000,000 of the plant's annual operating budget
19 spent locally. The annual maintenance budget is
20 projected to be \$1.2 to \$3,000,000.

21 Additionally, we're proposing to employ
22 an additional 20 employees to operate the Sutter
23 Power Plant. The average salary is estimated to be
24 \$1,000,000 payroll that Calpine already generates at

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01 the existing Greenleaf 1 and 2 projects.

02 Additionally there are development
03 impact fees that have been identified in the FSA of
04 approximately \$27,000. It's based on square footage
05 of the Plant. It contributes towards funding of
06 public improvement, infrastructure, and other
07 services. Also as has been mentioned we are working
08 Sutter County Fire Department in improving and
09 upgrading fire services and emergency response in
10 training for the two fire stations located nearest to
11 the project for emergency response. This benefit will
12 not only benefit the plan, but also benefit Sutter
13 County and emergency response along the Highway 99
14 corridor, because that's the closest.

15 So this benefit is not only to the
16 project, but to the local community. Under
17 Socio Number 1, it was identified that we will be
18 using local unions and we have agreed to do that.
19 We believe this is very adequate and well-trained
20 force here in Sutter County. And we'll be hiring
21 locally as much as possible.

22 The market clearing price for the
23 project is what will be generated by the project --
24 we believe this project will be one of the most
25 efficient operating power plants in the State of
26 California, and will be generating electricity

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01 because it is more efficient and economical than
02 existing power in California per Elizabeth Keecils
03 (phonetic) testimony that was given last week. So
04 as far as concerns that have been raised about the
05 viability of this plant, we believe it's very high.

06 I believe that's all.

07 MR. ELLISON: Ms. Wardlow one follow-up
08 question. You mentioned the tax revenues as being
09 \$3,000,000, is that an annual figure?

10 MS. WARDLOW: Yes, it is.

11 MR. FAY: And, again, as Ms. Wardlow just
12 mentioned, I would refer the committee to the
13 testimony of Beth Keencil, which we presented as
14 primarily alternative testimony, but it does contain
15 her analysis of the reduced cost for electricity
16 that will be experienced by ratepayers throughout
17 California, as a result of this project, and subject
18 to check -- this is my faulty memory -- but my
19 recollection and the record will show, the right
20 number, but my recollection was that the number was
21 \$400,000,000. With that that completes Calpine's
22 testimony on the subject of Socioeconomics. And
23 Ms. Wardlow is available for examination.

24 MR. FAY: Mr. Radcliff, any cross-examination
25 of the witness?

26 MR. RADCLIFF: No.

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01 MR. FAY: All right. Then we would like to
02 move to the Staff witness.

03 MR. RADCLIFF: Amanda Stennick.

04 MR. FAY: Will the court reporter please
05 swear the witness.

06 AMANDA STENNICK,
07 called as a witness was sworn to tell the truth, the
08 whole truth and nothing but the truth,
09 and testified as follows:

10 MR. RADCLIFF: Ms. Stennick, did you prepare
11 the portion of the Staff's Final Assessment
12 entitled, "Socioeconomic Resources"?

13 MS. STENNICK: Yes, I did.

14 MR. RADCLIFF: Are there any changes to make
15 in that testimony to make at this time?

16 MS. STENNICK: I have a few minor changes and I
17 will read those into the record. On Page 405,
18 Socioeconomics Table 4, the last column on the table,
19 Estimated Construction Employment, those figures are
20 to include numbers for heavy construction and
21 special trade.

22 On Page 411, under the Subsection
23 entitled "Housing," I want to add, "Recent energy
24 Commission's staff research into union labor
25 availability in California and conversations with
26 CURE indicate that Calpine's estimate of local labor

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01 are inaccurate. Most, if not all, construction
02 labor is available from Sutter County and counties
03 surrounding the project site. Therefore, based on
04 the availability of the local and regional
05 workforce, the Energy Commission staff does not
06 expect the 20 to 50 percent of the construction
07 workforce to relocate to the project area."

08 I would like to point out that this
09 corroborates what Calpine is saying on the
10 availability of local and regional labor from the
11 project.

12 MR. FAY: Is that added to the end of that
13 paragraph?

14 MS. STENNICK: It comes -- it follows the --
15 let's see. The third sentence under that section.
16 In other words, right after "Sacramento/Yuba city
17 area."

18 On Page 418 under, "Cumulative Impacts"
19 at the end of the second sentence, I want to
20 emphasize that there is a potential for further
21 industrial development in an area with land uses
22 such as farming, farm residences, open space, and
23 wildlife habitat.

24 And on Page 419 I've added a sentence
25 under the first paragraph under the subheading of
26 "Mitigation," "Condition of certifications Socio-2

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01 has been added to address this requirement. And
02 this is regarding the agreement between Calpine and
03 the Sutter County Fire Department to cover
04 additional cost of the project's specific impacts."

05 One more, it's under the same section,
06 and it's basically restating what I read to you.
07 The section under "Housing," that adequate local and
08 regional labor is available for the project.

09 MR. RADCLIFF: Does that complete the changes
10 that you make?

11 MS. STENNICK: Yes.

12 MR. RADCLIFF: Could you summarize your
13 testimony, please.

14 MS. STENNICK: I analyzed the Project's
15 potential to impact the following areas: Schools,
16 medical services, fire protection, police
17 protection, housing, availability of local labor,
18 and environmental justice. My analysis indicated
19 the following areas of concern -- one I've already
20 discussed -- Calpine's estimates that they have
21 given in their AFC that 20 to 50 percent of
22 construction workers would come from outside the
23 region are inaccurate. I made several phone calls to
24 local unions and conferred with Ann Brodwell of CURE,
25 and concluded that local and regional workforce is
26 available. And the condition of certification Socio-1

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01 adds this requirement.

02 The costs of project specific impacts
03 to the Sutter Fire Department will be covered by
04 revenues from property taxes and adding a special
05 county tax, a one-time impact fee and additional
06 revenues from Calpine. A condition of Socio-2 has
07 been added to address the need for additional revenue
08 from Calpine to cover costs association with
09 hazardous materials and initial fire protection.

10 Under "Cumulative Impacts" I concluded
11 that the project has the potential for cumulative
12 socioeconomic impacts, and to induce population and
13 economic growth in Sutter County. If the general
14 plan amendments and rezone are approved by Sutter
15 County Board of Supervisors, the parcel would be
16 zoned for industrial uses and would have the
17 potential for further industrial development in an
18 area such as farming, farm residences, open space,
19 wildlife habitat and duck clubs. However, the
20 county has the discretion to amend the general plan
21 and rezone parcels to allow for a limited conversion
22 of Ag lands to urban and other uses as specified
23 under Resolution 9858.

24 I want to attempt to address the issue
25 of property taxes. Calpine submitted in their AFC
26 that approximately 2.5 to 2.85 million in local

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01 property taxes would be assessed. And they provided
02 a letter from Mike V. Strong of the Assessor's
03 Office stating that in the fiscal year 96/97 an
04 estimated 17 percent of every dollar paid in property
05 taxes remain in the County with the rest going to the
06 State. I called the assessors office to verify that,
07 and I was told that, yes, that's true. I did not
08 speak to Mr. Strong, I spoke with Bruce LadellMyer
09 (phonetic).

10 However, I did discover that the
11 auditor's office -- I spent quite a bit of time on
12 the phone yesterday trying to get to the bottom of
13 this -- and, apparently -- I don't have the
14 information in front of me -- I've read the article
15 this morning in the local paper, but apparently with
16 the implications of Prop 13, some of that money does
17 come back to Sutter County, but it would come back
18 as offsets for whatever the State doesn't pick up
19 for the school districts, which would corroborate,
20 again, what Calpine has stated.

21 MR. ELLISON: Actually, if I can interupt
22 briefly. This question of how much money stays with
23 the County and how much is offset by State revenues
24 and that sort of thing, is something that did appear
25 in the paper the other day. And we think it's
26 probably appropriate to get the right numbers into

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01 the record. We don't have the right numbers
02 ourselves, but we did have a conversation with Mr.
03 Carpenter of the County yesterday -- and I don't see
04 him at the moment -- but he was willing, if the
05 Committee is interested, to pursue this issue with the
06 appropriate people in the County Assessors Office or
07 whomever, and ask if that information can be submitted
08 to the record.

09 Calpine would support that. We believe
10 that some of the confusion has arisen here that when
11 you speak of the amount of money that goes to the
12 County, 17 percent I believe is in reference to the
13 money that goes to the County General Fund. There
14 are other institutions in Sutter County, School
15 Districts and the like, that receive money from the
16 tax revenues, that would be in addition to that 17
17 percent.

18 And then there's the issue of how much
19 of that money replaces current State money and how
20 much does not. So it's a rather complicated issue,
21 but I know it's been of public concern and we do
22 think it's appropriate if the County can do it, if
23 they were to get the numbers into this record. And
24 I would support that.

25 MS. STENNICK: I would also support that.
26 And I suggest that perhaps Darryl Rose in the

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01 Auditor's Office would give a more accurate
02 description of where the property taxes go;
03 ultimately where they end up.

04 MR. FAY: Can we ask that between Calpine and
05 the Staff, that they arrange to have a witness from
06 the County, who can provide this information and
07 with credible background in that subject area. And
08 that would have to come in before the close of the
09 record on December 1st. That's when we anticipate
10 closing it, at this time.

11 MR. RADCLIFF: We'll ask the County to
12 provide such a witness.

13 MR. MOORE: Mr. Radcliff, as long as we make
14 sure that we note that this is all relative, as
15 little as four years ago, the County share, before
16 the State budget took more of it, was about 47
17 percent of every property tax dollar. It averaged
18 somewhere between 15 and 17 percent for all
19 California counties. But that's in a state of flux.
20 So if Daryl can come up with a figure, and get it
21 into the record, it's going to be illustrative for
22 the fiscal years 98/99 only, because things have
23 been moving up and down -- literally moving targets
24 for the last three years. So as long as we know
25 that it's illustrative as opposed to definitive.

26 MR. FAY: Maybe the County representative

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01 could reflect on that as well, based on his
02 experience and if he has experience in that area.
03 Is that something you could at least pursue with the
04 County?

05 MR. RADCLIFF: We'll attempt to get the
06 County to come forward with that.

07 MR. FAY: Thank you.

08 MR. RADCLIFF: Ms. Stennick, does that
09 conclude your testimony?

10 MS. STENNICK: Yes.

11 MR. FAY: Is Ms. Stennick available for
12 cross-examination?

13 MR. RADCLIFF: Yes.

14 MR. FAY: Mr. Ellison?

15 MR. ELLISON: No questions.

16 MR. FAY: Ms. Stennick, does the modification
17 you made regarding the percentage of the work force,
18 does that imply that there's also no impact on
19 schools, if that is a local workforce that could be
20 hired?

21 MS. STENNICK: Yes, that was the primary
22 reason for contacting local unions, to determine if,
23 indeed, there was an available workforce locally and
24 regionally.

25 MR. FAY: And when you talk, on Page 418, at
26 the bottom, I believe the second to the last

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01 sentence, "Any potential cumulative impacts
02 resulting from the reasonable or foreseeable
03 buildout of the parcel would be in accordance with
04 the uses in the underlying M-2 zone," et cetera,
05 does that tend to limit the possibility of
06 cumulative impacts?

07 MS. STENNICK: It limits the possibility of
08 the ways in which the parcel can be developed in the
09 future. In other words, we've discussed this
10 before, if Calpine were to propose a change on the
11 parcel, they would have to go through another
12 Environmental Review with Sutter county and that may
13 trigger an amendment with the Energy Commission.

14 MR. FAY: As well as County review?

15 MS. STENNICK: Correct.

16 MR. FAY: So they couldn't change the use of
17 the property on their own absent approaching both
18 the County, because of this Development District and
19 the Energy Commission because of the license?

20 MS. STENNICK: That's correct. IF Calpine
21 proposes an amendment to their PP site plan they
22 would have to come into the County for another
23 review of the project, and, most likely, an
24 amendment to the Energy Commission.

25 MR. MOORE: Well, on that note, M-2 and M-3
26 are typically industrial zones. What's more intense

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01 than an "M" zone? You've said, "Any potential
02 cumulative impact" -- you just read it --
03 "underlying an M-2 zone and combining plant
04 development district." And that would suggest that
05 there is a zone available that allows more intensive
06 development than an "M" zone. I'm asking you what
07 that zone is?

08 MS. STENNICK: Well, an "M" zone is,
09 depending on --

10 MR. MOORE: I know what an "M" zone is. I'm
11 asking what is more intense than an "M" zone?

12 MR. RADCLIFF: I think if you read the whole
13 sentence, that actually answers the question. It
14 says and the combining planned development district,
15 which is really what the control is on, any further
16 development -- is the zoning plan combined, which
17 requires a detailed site plan. And that is actually
18 the control on whatever future use would be. That
19 goes, I think, much more specific than the
20 M-2 zoning. I just want to clarify that the
21 sentence -- if you just look at M-2, that only
22 gives you part of what the actual zoning change is.

23 MR. MOORE: Well, M-2 is an overflow zone and
24 is a subset of that zone. You can only have a --
25 you can have a combined development zone for M-2,
26 but it sits underneath the limitation of M-2.

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01 MS. STENNICK: That's correct.

02 MR. MOORE: So I am asking is there a zone
03 that is more intense than M-2?

04 MR. CARPENTER: If I can answer. M-2 is the
05 most intense zone in the County for the types of
06 uses that are allowed.

07 MR. MOORE: Okay. For all intents and
08 purposes you can't get more intense than that.
09 Meaning that as far as cumulative impacts go, this
10 describes probably the apex of whatever that curve
11 would be?

12 MR. CARPENTER: You're correct.

13 MR. MOORE: Thank you.

14 MR. FAY: And I just wanted to ask you with
15 the implementation of the condition certification
16 that you proposed under Socioeconomics, is it your
17 opinion that the project would be able to meet all
18 the applicable laws, ordinances, regulations, and
19 standards?

20 MS. STENNICK: With the inclusion of both
21 mitigation measures with both conditions of
22 certification, it would satisfy any potential
23 impacts to Socioeconomic Resources.

24 MR. MOORE: Okay. And with those mitigation
25 measures or conditions, would the project pose any
26 significant environmental impact to Sutter County or

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01 the Butte City area?

02 MS. STENNICK: These conditions don't address
03 environmental impacts. They address Socioeconomic
04 impacts. I'm not quite sure I understand your
05 question.

06 MR. MOORE: Well, let me rephrase it, then.
07 In terms of Socioeconomic impacts to the extent that
08 CEQA is concerned about those, do you feel that they
09 have -- that these conditions mitigate any potential
10 impacts to the lower level of --

11 MS. STENNICK: To the extent that CEQA is
12 concerned and the Warnock (phonetic) staff is
13 concerned, yes, I do.

14 MR. FAY: Okay. Thank you. Good. That
15 concludes taking testimony on Socioeconomics.

16 MR. ELLISON: Mr. Fay, I apologize, but it's
17 been pointed out we do have one hopefully minor
18 clarification to ask.

19 MR. FAY: All right. And I have to correct
20 myself, it does not conclude our taking testimony.

21 MR. ELLISON: Again, thank you for taking the
22 witness out of order. But Ms. Stennick, under the
23 topic, Condition Socio-2, at Page 420 and 421, and,
24 specifically, the first sentence describes the
25 agreement of Calpine to provide fees to the county
26 for various impacts associated with hazardous

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01 material handling, and fire protection. And, as you
02 know, Calpine and the County have been working on a
03 memorandum of understanding with respect to that.

04 The second sentence, "These funds are
05 in addition to property taxes, annual special
06 taxes," et cetera. The clarification is that our
07 agreement with the County is that, in fact, these
08 funds mentioned in the first sentence are an
09 advancement of property taxes, that would otherwise
10 be paid, and not separate and in addition to them.

11 So I think we want to clarify that in
12 terms of the conditions. I wanted to make sure that
13 the record reflected that.

14 MR. FAY: Is that your understanding,
15 Ms. Stennick?

16 MS. STENNICK: Well, it is now.

17 MR. FAY: I know that did come up the other
18 day in testimony, that it is an advance.

19 MS. STENNICK: So when the project is
20 constructed and property taxes are assessed, Sutter
21 County will reimburse Calpine for those funds that
22 were advanced?

23 MR. ELLISON: They'll credit Calpine for
24 that, essentially, yes.

25 MS. STENNICK: Well, I would like to rewrite
26 the condition to reflect that this is not in

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01 addition to funding, but is an advance of funding.

02 MR. ELLISON: That's what we think would be
03 appropriate.

04 MR. FAY: Can we ask that that be
05 resubmitted?

06 MR. RADCLIFF: Yes, we'll do that.

07 MR. FAY: Within a week?

08 MR. RADCLIFF: And if I may, there was one
09 other question you had specifically to the witness,
10 and I want to clarify that as well.

11 Ms. Stennick, the question arose
12 earlier in questioning from the Committee as to who
13 Calpine would be required to come back to the
14 Energy Commission or the County, or both, if they
15 were to make any change in the existing land use.
16 And you will later today present testimony on land
17 use, did you have a specific condition that
18 addressed that issue in land use as to which entity
19 would be responsible for permitting any changes?

20 MS. STENNICK: Yes, there's a condition in
21 the Land Use Section which stipulates that.

22 MS. RADCLIFF: And I want -- that's Land Use
23 2, and she'll describe that in her later testimony.

24 MR. FAY: Thank you. Now we would like to
25 here from the CURE witness.

26 MS. BRODWELL: I'm Ann Brodwell. I represent

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01 the California Unions for reliable energy. On
02 October 30, CURE docketed the written testimony of
03 Robert Carr, Frank Secreet, Chuck Kate and Eric
04 Wolfe, and I would like to move the admission of
05 that testimony into the record.

06 MR. FAY: Is there any objection? I hear
07 none. So moved. Thank you.

08 MS. BRODWELL: We have two witnesses to
09 present today. It might be most convenient if they
10 speak from the podium. The first is Robert Car.

11 MR. FAY: Mr. Car, please come forward and give
12 your name and identify yourself for the record.

13

14 Would the court reporter please swear
15 the witness.

16

17 ROBERT CARR,
18 called as a witness was sworn to tell the truth, the
19 whole truth, and nothing but the truth and was
20 testified as follows:

21 MR. CARR: Good afternoon to the Commission,
22 the staff, and Calpine representatives. My name is
23 Robert Carr. I'm a Business Manager of Plumbers and
24 Steamfitters Local 228 here in Yuba City. And I'm
25 testifying today on behalf of the California Union
26 for Reliable Energy, CURE. The unions that are
members of CURE represent workers that will build,

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01 operate, and maintain the Sutter Power Plant.

02 Your approval of the Sutter Power Plant
03 will have positive economic effects in the local
04 area. The CURE union will provide available workers
05 from the local area to build and maintain the power
06 plant. For example, my union has 300 members that
07 live in Sutter, Yuba, and Butte counties.

08 Boilermakers Local 549 states that it
09 has about 40 members in the Sutter, Yuba, Butte,
10 Yolo and Sacramento counties. Thus construction and
11 maintenance of the Sutter Plant will provide
12 employment for local workers.

13 Operation of the Power Plant will also
14 provide local employment, local opportunities for
15 IBEW 1245 --

16 THE REPORTER: Could you slow down, please --

17 MR. CARR: Who represent the plant operators
18 and states it has approximately 300 to 400 members who
19 live in the counties around the Sutter Power Plant
20 facility. Thus, these unions will provide available
21 local workers to perform the construction, operation,
22 and maintenance of the power plant. These local
23 workers will have money to spend in their local
24 communities. For example, I estimate that members in
25 our Union spend about \$300- and \$350,000 annually to
26 the local health care system. The average pension

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01 paid to a retired member of my union in Sutter and
02 Yuba Counties is \$40- to \$45,000 a year, which is also
03 spent locally. Thus, the wages and benefits paid on
04 this project will not only benefit members of the
05 unions and their families, but also will also benefit
06 the local economy.

07 The power plant will be built, operated
08 and maintained by skilled, trained workers. Building
09 a large power plant is a difficult job, requiring
10 specialized skills. The quality of work will be
11 high, because the unions have long-established
12 training programs for their workers. For example,
13 my union requires a five-year training program for a
14 apprentices. It consists of more than 8,500 hours
15 of on-the-job training, and more than 1,000 hours of
16 classroom work.

17 Boilermakers 549, states that it
18 requires about four years of training, including 6,000
19 hours of on-the-job training and 24 weeks of
20 classroom instruction. All the training programs
21 include not only the skills of the craft, but also
22 emphasize safety training, an important feature.

23 Once approved, power plant construction
24 should proceed promptly. CURE has agreed with Calpine
25 that the work on the power plant will be performed on
26 an expedited schedule, if Calpine elects to do so.

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01 Workers will work 10-hour shifts, at Calpine's
02 option. CURE has agreed that there will be no strikes
03 or work stoppages during the construction of this
04 plant. Because the workers are trained, skilled, and
05 highly productive, this project should be built
06 without construction delays.

07 CURE also appreciates the fact that
08 potentially significant impacts on air quality and
09 water quality have been substantially reduced.
10 Future work opportunities for CURE members depend
11 upon approval of construction projects that have
12 minimized their impacts on the environment. The
13 Sutter Power Plant has done this.

14 In conclusion, CURE believes that the
15 approval of Sutter Power Plant will have a very
16 positive impact on this local economy. Frank
17 Secreet and Eric Wolfe are here to answer any
18 questions that the Commission has about their
19 testimony.

20 Thank you for this opportunity to
21 testify.

22 MR. FAY: Thank you. Mr. Ellison, any
23 questions of the witness?

24 MR. ELLISON: No.

25 MR. RADCLIFF: No.

26 MR. MOORE: If those comments are written

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01 down you might give her a copy of that and make her
02 job a little easier for recording it.

03 MS. BRODWELL: The next witness that we have
04 is Chuck Kate.

05 CHUCK KATE

06 called as a witness, was sworn to testify to the
07 truth, the whole truth, and nothing but the truth, and
08 testified as follows:

09 MR. KATE: What I'll try and do is go a
10 little slower. My comments are written, but some of
11 them are in handwriting and you may not be able to
12 read them. I may have to help you with it, so I
13 will try and go as slow as I can, so that you'll get
14 all of my information.

15 First of all, I'd like to thank you for
16 the opportunity to be here today and get some
17 information in regards to this power plant. This is
18 a power plant that I think will be great for the
19 community. I know there are several people that
20 probably feel in opposition to this plant, but I
21 think that we all have to understand that we must
22 move forward. The environmental concerns I think
23 are real. So are the jobs, the jobs are part of the
24 environment.

25 First of all, my name is Chuck Kate. I
26 am the business manager of the International

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01 Brotherhood of Electrical Workers, Local 340,
02 located in Sacramento. Local 340 is also a member
03 of CURE, which is an acronym for the California
04 Unions for Reliable Energy. Local 340 represents
05 electricians and technicians who will be performing
06 electrical construction work on the Sutter Power
07 Plant.

08 I would like to join in the testimony
09 which Robert Carr has provided and add the
10 following specific information, IBEW, Local 340.
11 Our membership is approximately 1,300 men and women,
12 with approximately 850 of those members living in
13 Sutter, Yolo, Placer, Yuba, Butte and Sacramento
14 Counties. I feel that if this project is approved
15 that the majority of the electricians and
16 technicians working on this project will be local
17 hires. Like the Plumbers, Local 340 has a five-year
18 apprenticeship program requiring a minimum of 8,000
19 hours. And over 1,000 hours of classroom work.

20 Currently Local 340 has 184
21 construction apprentices in training at our facility
22 in Sacramento, and seven construction apprentices in
23 training in Redding. We have 48 sound and
24 communication apprentices in training in Sacramento.
25 And we also have 98 Journeyman in upgrading classes,
26 learning the latest technology and instrumentation

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01 over raperological (phonetic) controllers, and
02 installation and termination of fiber optic systems.
03 The electrical work on this Power Plant requires
04 electricians and technicians who are skilled and
05 knowledgeable and specialized areas such as
06 computer-operated control systems and communication
07 systems. Local 340 trains its workers using the
08 most up-to-date equipment, and will provide the
09 skilled workers needed for this project.

10 Approximately three years ago, we
11 opened up a training facility at the cost of \$1.6
12 million to make sure that our apprentices and
13 journeymen were the best trained electricians and
14 technicians in the field. Our members are skilled
15 and work efficiently. They have strong roots in
16 their communities and these jobs will allow them to
17 continue to contribute to those communities in which
18 they live. I believe the approval of the Sutter
19 Power Plant will have a very positive impact on the
20 members of Local 340, as well as the local economy
21 and the citizens who live in this area. I would
22 like to thank you for this opportunity to testify.

23 MR. FAY: Thank you. Mr. Ellison?

24 MR. ELLISON: No questions.

25 MR. FAY: Mr. Radcliff?

26 MR. RADCLIFF: No questions.

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01 MR. FAY: Thank you very much for your
02 testimony.

03 MS. BRODWELL: That concludes the witnesses
04 that CURE will present, although, as I said, there
05 are two witnesses who have submitted written
06 testimony.

07 If anybody has questions for either of them.

08 MR. FAY: Now, we have some people that
09 wanted to make comment regarding Socioeconomic
10 matters and now is a good time. Is Jim Kitchens
11 here? Do you care to make a comment?

12 MR. KITCHENS: Yes, sir. My name is
13 Jim Kitchens. I am currently the President of the
14 Yuba/Sutter Chamber of Commerce, among many other
15 things. We consider the Yuba City Chamber of
16 Commerce to be the voice of business for the
17 Yuba/Sutter region. We have over 600 businesses
18 that are active members of the Chamber of Commerce.
19 And we have a substantial number of individuals who
20 are civic members of our Chamber. And as a Chamber,
21 our mission is to create a community climate where
22 businesses are productive and profitable. We
23 believe this is good for our community to have such
24 a business climate. Having such a climate will
25 create additional commerce for our community, and
26 also create additional jobs.

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01 In speaking before this Commission and
02 in providing such information as I can, one of the
03 things I would like to bring to your attention and
04 ask you to remember in making your decision, has
05 been looking at Socioeconomic impacts. The
06 Yuba/Sutter region is one of the poorest regions in
07 the State of California. We consistently have among
08 the highest level of unemployment, highest rates of
09 welfare, and the lowest level of average median
10 family income, capita income.

11 One of my goals as a community
12 volunteer on the Chamber and in many other areas in
13 which I work, is to change this situation. In order
14 to change this situation we need to bring business
15 to our community. We need to bring businesses like
16 Calpine -- and, again, I support the position of the
17 unions on this -- as unusual as this may be to have
18 the Chamber of Commerce and the unions fighting and
19 working in the same direction. We need to bring
20 Calpine in. We need the commerce that they're going
21 to bring in with the spending. We need the jobs
22 that they're going to create in our area.

23 We need to be, again, in considering
24 this, we need to be very careful in considering the
25 message we send to the business community. If we
26 make a positive decision we're telling people that

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01 the Yuba/Sutter region is open for business, that we
02 want the commerce -- we want the jobs that
03 businesses can bring to us. If Calpine's
04 application were to be denied, we're going to send
05 another message to business. We're going to send a
06 message to business that our community is not open
07 for new business. It is not worth your effort to
08 come here and try to establish a business in the
09 Yuba/Sutter region.

10 The long-term socioeconomic impacts of
11 that message on our region would be devastating.
12 The Chamber has a Governmental Affairs Committee.
13 Governmental Affairs Committee has been meeting on
14 this issue for about two to three months now. We
15 did our own analysis of the proposal and we
16 presented this at the Governmental Affairs Committee
17 at the Chamber.

18 The committee asked Calpine and asked
19 some of the local agricultural interests to come and
20 meet with us and share their points of view on this
21 program, this project. We listened to both sides
22 and, again, looking at the need for jobs and
23 commerce in our community, the Governmental Affairs
24 Committee unanimously voted for the Chamber to
25 support the Calpine project.

26 So the official position of the Chamber

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01 of Commerce today is a supporting position for this
02 project. Talking about jobs, the need for more
03 jobs, the low income, the high rates of unemployment
04 and welfare -- my entire adult life I have been a
05 student and a teacher of economics. And as a
06 student I have studied statistics on all kinds of
07 areas regarding employment and income and
08 unemployment.

09 One of the things I know is that, one,
10 when unemployment rates go up you have higher rates
11 of suicide in the community, you have higher rates
12 of spousal abuse and family abuse, you have higher
13 rates of delinquency. I'm not saying that having
14 more jobs in our community is going to solve all
15 these problems, but what I firmly believe as a
16 professional economist and President of Yuba City
17 Chamber of Commerce is that having more jobs in or
18 community is a necessary first step to alleviating
19 some of those problems. It's absolutely vital in
20 the area of raising the quality of life for the
21 residents -- 100,000 residents of the Yuba/Sutter
22 region. Thank you.

23 MR. FAY: Thank you very much for your
24 comments. No questions. Thanks.

25 MR. YOUNG: Is Russel Young here from the
26 Farm Bureau.

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01 MR. YOUNG: I'm Russel Young. I was waiting
02 for you to get on the Land Use issue.

03 MR. FAY: If your comments are about Land Use
04 you might want to wait until we take that up and
05 have your comments with the subject. We'll save
06 your card and bring that up again. Jim Kitchens?

07 MR. KITCHENS: I just spoke.

08 MR. FAY: Sorry. We had your business card
09 as well. Ed Tomay (phonetic)?

10 MR. TOMAY: Hi, my name is Ed Tomay. I'm
11 resident in the area, off of Oswald Road. I have a
12 real problem with the wording of the Final Staff
13 Assessment on Page 419, indicating that "The staff
14 believes that the industrialization of SPP Parcel
15 has the potential to impact farming community and
16 reduce the quality of life surrounding the
17 residents." I think that's grossly inaccurate. I
18 think that needs to state very clearly -- we've
19 heard from a number of residents how it definitely
20 will impact their farming procedure -- and it will
21 definitely impact the quality of life for those that
22 live next to the plant.

23 I would like to challenge anybody for
24 the record to state that it won't effect the quality
25 of life under the zoning change. To that magnitude
26 it's into their neighborhood. And I agree with a

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01 lot of things that are said, we need that kind of
02 growth and jobs in our community. We have a place
03 in Sutter County that that can just fit in real
04 well. As we send messages to other businesses in
05 our State, I would think that it would be a good
06 message to send, that we're not going to put anymore
07 businesses out there unless we go through the whole
08 process again. Where in South Sutter County we
09 already have the zoning change and with a real cheap
10 power source right next door.

11 So, in my opinion, any new business in
12 my mind they would follow on the coattails of the
13 work that Calpine has done in bringing a nice facility
14 into that South Sutter area. So those are my
15 thoughts. And I've spoken with Amanda on the wording
16 of that report, and it's not changed. I'm
17 disappointed in that. I would like to ask her how
18 does she justify in the statement that it "has the
19 potential" when we hear time and time again, that it
20 definitely will impact the farming and the quality
21 of life in the surrounding area.

22 MR. FAY: If I can interject. We give you
23 this opportunity to make comments, of course. And
24 the FSA was out for some time for written comment in
25 a preliminary form. In addition, the documents
26 that the committee puts out is available for comment

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01 and the comments are a chance for people like
02 yourself to make their point of view known. It
03 doesn't mean that the staff, or Calpine, or CURE, or
04 other parties in the case, would necessarily agree
05 with you, or change their opinion, but it's an
06 opportunity for you to bring to their attention your
07 views. There's just no guarantee that they're going
08 to agree with you.

09 MR. TOMAY: I understand, but I would ask
10 anybody in the room if they disagree with that
11 statement.

12 MR. MOORE: We have the witness here why
13 don't we ask her to respond on some of the magnitude
14 of impact on other businesses. And, frankly, I
15 actually had a question, which I failed to ask
16 earlier, and I'll just tag it onto that and provide
17 the platform for the answer. And that is, what, if
18 any, measurements within the report deal with the
19 knock on effect on nearby property in terms of their
20 property value?

21 MS. STENNICK: I addressed -- are you talking
22 about residential property values or are you talking
23 about the --

24 MR. MOORE: Well, the residences are pretty
25 few and far between, so let's just say property
26 values in general and that will encompass the

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01 question that this gentleman is talking about, which
02 is farm values and --

03 MS. STENNICK: I'm talking about the quality
04 of life.

05 MR. MOORE: Quality of life is difficult to
06 measure.

07 MR. TOMAY: I understand it's difficult but
08 there are experts available to answer these questions,
09 I would believe, they've answered everything else.

10 MR. MOORE: We'll get an answer here.
11 Appreciate your time. Start by telling us to what
12 methodology you used to come to an estimate of what
13 those estimates or values were?

14 MS. STENNICK I spoke with the property tax
15 assessor Bruce StottleMyer (phonetic) because the site
16 is currently zoned for Ag. use to conform to
17 the county general planning zoning code, obviously,
18 the project would require a zone change and general
19 plan amendment. Zoning changes alone do not trigger a
20 reappraisal of property. The SPP Parcel will be
21 appraise on grading of the land and new construction.
22 And any other improvements made on the site. Property
23 taxes on land zone for Ag. use are generally lower
24 than land zoned for industrial use. The property
25 value of the SPT Parcel will increase once the parcel
26 is reappraised. The taxes assessed are based on the

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01 new appraisal.

02 In addition, property values in the
03 area could change over time, as owners of adjacent
04 parcels may seek approval from the County Board of
05 Supervisors for a general plan amendment and
06 rezoning of their property. However, based on the
07 comments, that seems very unlikely. And, in
08 addition, there have been no proposals to do such.

09 MR. MOORE: Okay. Let me go back to my
10 question again. Maybe, I just wasn't clear enough
11 when I asked it.

12 I put a power plant in next to your
13 farm. There are two farms downstream from that and
14 then a couple of residences beyond that. Something
15 happens to those values, they either go up or they
16 go down. They're probably not static. The presence
17 of an industrial use influences property values.

18 I'm asking you what your opinion is,
19 your professional opinion as to the direction --
20 think of this as a vector argument. It's a
21 direction in magnitude of change that you would
22 expect given an industrial property like this,
23 because I'm assuming that you did some field
24 research, went back, cracked the records, found out
25 what happened when Calpine's Greenleaf 1 went in,
26 what happened to the values, back cast over the

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01 records? Do we know the answer to the question?

02 MS. STENNICK: I have included a section in
03 the Socioeconomic resources on property values. It
04 was a report from Kinnard-Dickey report. Primer and
05 proximity impact research, residential property
06 values near high-voltage transmission lines. The
07 findings from that study state that gathering data
08 files on as many market sales transactions as
09 possible within the impact area, and within one or
10 more similar control areas over a specified time
11 period, usually a few years prior to an awareness of
12 the proposed project, the extended time period is used
13 to identify and measure any price value impact that
14 might occur within the impact area after an awareness
15 of the project occurs.

16 MR. MOORE: Okay. So if I -- let me try this
17 again. On page 417 you say, "The findings of
18 previous studies in the Crocket analysis, yield an
19 equivocal conclusion" dot, dot, dot, and on and on.
20 Kinnard-Dickey makes a conclusion regarding
21 transmission lines. The question I asked had to do
22 with an opinion about the knock on effects in
23 proximity to a new industrial facility such as this,
24 and its impacts on farm values, farm operations,
25 residential values, and I'm simply asking, do we
26 have any field evidence in this case that would

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01 allow us to draw a conclusion?

02 MS. STENNICK: The only field evidence in the
03 testimony has to do with analysis of residential
04 values and high-voltage transmission lines.
05 Typically a Socio Impact Analysis only looks at the
06 areas that I mentioned.

07 MR. MOORE: Well, we can debate that, but at
08 a later time. Just so I understand, for the record,
09 the Kinnard-Dickey Paper is the basis for the
10 conclusion that you came up with and not field
11 research that was done in Sutter County or property
12 values that might have changed on something after
13 the original Kojack plan was put in, for instance,
14 is that correct?

15 MS. STENNICK: That's correct. I want to
16 point out that the Kinnard-Dickey paper requires
17 data be collected on as many sales transactions
18 within the impact area, within one or more control
19 areas, to reflect what buyers and sellers actually
20 do, as to what potential buyers say they might do
21 under specified hypothetical circumstances.

22 MR. MOORE: Right. And that's exactly my
23 point. For instance, they point out that using
24 multiple progressions on a hedonic pricing model is
25 exactly right and in fact those models exist because
26 we're data hungry and we have a fair amount of data

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01 that could be collected in an area like this, but
02 the answer to my question is, it was not?

03 MS. STENNICK: That's correct.

04 MR. MOORE: This will also appear in my notes
05 a day and a half from now.

06 MR. ELLISON: May I ask one follow-up
07 question.

08 Ms. Stennick, with respect to this
09 issue and specifically the study referenced in your
10 testimony, the Kinnard-Dickey study, am I correct
11 that that study essentially looks at the issue of
12 the location of a power plant where no power plant
13 existed prior to the new one?

14 MS. STENNICK: This study looked at
15 high-voltage transmission, not power plants.

16 MR. ELLISON: And it looked at new
17 high-voltage lines as opposed to the addition of
18 transmission lines, where there are already
19 transmission lines?

20 MS. STENNICK: I think it looked at both
21 existing and future proposed --

22 MR. ELLISON: In your professional opinion
23 would it be significant in doing that analysis of
24 the effect on property values to consider that there
25 is already a power plant at that site?

26 MS. STENNICK: That would have to be taken

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01 into consideration, yes.

02 MS. LAPERLE: Can I say something --

03 MR. FAY: Well, Ma'am, we've got a number of

04 members of the public that want to make comments.

05 We kind of drifted back into cross-examination. I

06 would like to in courtesy to the people that filled

07 out the cards -- I would like to try to get to them.

08 Mike Shannon had some comments on socioeconomics.

09 MR. SHANNON: I'm Mike Shannon a local

10 landowner. I'm going to kind of further bring up

11 the same discussion you had, Mr. Moore. Ed Tomay

12 kind of covered a few of the items. But based on

13 417 also, it says the Crocket analysis states that

14 there are many factors involved in purchasing a new

15 home, affordability, age, size, schools, location, and

16 so on.

17 THE REPORTER: Excuse me --

18 MR. FAY: You're going to have to slow down.

19 MR. SHANNON: And it has simply not been

20 demonstrated that a view obstruction would be a

21 major effect on our property value. And that's all

22 we've talked about is the view of the Power Plant.

23 And I'll ask anybody on the Board up there, I have a

24 piece of property less than a mile from that

25 project. And I have a home on that project, and I

26 want to sell it.

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01 Now, if you want to live out in the
02 rice fields and you want to grow rice and you want
03 to have a rural home on the end of a gravel road,
04 are you going to buy that piece of property knowing
05 that there's a power plant within a mile of your
06 property that is the largest major contributor of
07 pollution in the County, or are you going to go
08 elsewhere like the north end of the County and buy a
09 like piece of property.

10 Now, I would like someone up here to
11 tell me that they would buy my house next to that
12 polluter instead of buying one up north of the
13 County, away from it, away from the wires. Now I
14 take that answer that no one would buy for my place
15 for the same amount of money that they could buy a
16 place elsewhere, so that tells me my property value
17 has been hurt by this plant.

18 Now, it's just not the pollution, it's
19 just not the wires, it's just not the view, it is the
20 cumulative effect of this project. It is going to
21 hurt my property. And I just put it in a way that
22 everybody can understand. Now, if someone would like
23 to tell me that they would go ahead and buy a piece of
24 property next to that plant for the same amount of
25 money if they could go elsewhere and buy a like piece
26 of property, same water supply, same soil situation,

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01 everything is the same, you're going to tell me you're
02 going to buy my place first? I don't think so.

03 That's a point I've just now made pretty clear. So --

04 So, Mr. Moore, I'm going to pick on you
05 again and you might remember because I had about four
06 hypothetical questions in one. We talked about the
07 socioeconomic value of this project. We have not
08 talked about the devalue of the property and who is
09 going to pay for it. We talked about increased
10 employment. We talked about the increased taxation.
11 We talked about all the good things. I was out
12 there before the plant.

13 I've invested everything I have in that
14 land and my house. And now I'm going to live by
15 the biggest polluter in the county. I should be
16 rewarded for living next to that. I should get some
17 sort of income off of that because I'm not going to
18 be able to sell my property, if I want to for the
19 same price as I will ten years from now when that
20 plant is there. It's going to be a loss to me. And
21 I'm going to have to live by that for the rest of my
22 life. I don't take 700 acres of rice ground and
23 take it somewhere else, because I don't like this
24 plant.

25 Now, I would like to know who is going
26 to be responsible in making sure the landowners are

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01 going to be paid for the problems that are caused by
02 this project. Everybody else is being paid.
03 Everybody else is getting something. I didn't ask
04 them to come into my agricultural area. One other
05 question I do have. We have heard from Calpine on
06 how much money they're going to generate for the
07 community, we've been told how much they're going to
08 pay for the project, some pretty high numbers. But I
09 have been told that putting the wires underground is
10 too expensive -- we only can know if it's too
11 expensive -- I would like to know what the projected
12 income of this property is, then we'll all know that
13 the cost of putting wires underground is too
14 expensive.

15 If they're going to put \$300,000,000,
16 I've got to believe they're going to make \$300,000,000
17 another \$7- to \$8,000,000 to save the life of a
18 cropduster or to put power wires in a safer way. I
19 would like to know what the projected income of this
20 plant is.

21 MR. MOORE I'm not sure that we have any of
22 those numbers on the record.

23 MR. SHANNON: Well, Mr. Moore, wouldn't you
24 think that if a company is going to come into the
25 area and say they're going spend \$3,000,000, they do
26 not -- I mean round about?

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01 MR. MOORE: I think that you've made a pretty
02 dramatic point. You've made it twice. It's been
03 taken into account by the Committee members I assure
04 you. But I'm not sure that we have any way to
05 formally ask the applicant what their operating
06 income is going to be. I don't know of a way to get
07 that. If Mr. Ellison has that number and he's
08 willing to offer it up, I suppose that would be
09 interesting to everyone, but I don't know that I
10 really have a way to ask him that.

11 MR. ELLISON: Commissioner Moore and
12 Mr. Shannon, first of all, that number is, of
13 course, proprietary and I think Mr. Shannon knows
14 that in asking the question. And that's why he's
15 asking it. But let me say this, the logic of this
16 argument is that the more that Calpine spends on
17 litigation the more it should be able to spend on
18 the next litigation. That logic is obviously flawed.
19 Calpine has put another \$20- to \$25,000,000 plus
20 reduced the efficiency of the plan in doing dry
21 cooling. And to the extent that anybody thinks that
22 that didn't significantly impact the economics of
23 this project you don't understand power plant
24 economics in the new market.

25 The bottom line on this issue is that
26 Calpine does not agree, and there is no evidence in

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01 this record -- there is not a shred of hard evidence
02 in this record, that there will be any reduced
03 property values as a result of this project.
04 Particularly when you're talking about not putting a
05 new power plant in when there is no power plant but
06 rather expanding a power plant where there already
07 is one. And there are many people here who have
08 bought their homes after Greenleaf 1 was built. So
09 we simply have to respectfully disagree that there
10 is an impact to address here.

11 MR. FAY: Mr. Shannon, unfortunately the
12 comment period is not an opportunity for members of
13 the public to cross-examine the Committee or the
14 witnesses but I take it your question is a
15 rhetorical one, but I agree with Mr. Moore that your
16 question is heard loud and clear.

17 MR. SHANNON: Okay. Thanks.

18 MR. FAY: Mr. Boise?

19 MR. BOISE: My name is Louis Boise. I've
20 just got a few figures here from the tax situation
21 for Sutter County. Property tax in Sutter County
22 pays the County \$10,713,000. The Sutter tax base --
23 that's everything, gas tax, car tax,
24 everything they got that they collect, comes to
25 \$43,500,000. We all know that \$10,713,000 for
26 property tax is not a whole lot for this property

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01 they have. But all this money they say is going to
02 the State, but the County gets this money right
03 back. The State reimburses the County \$36,528,000
04 and the Federal Government reimburses this County
05 \$17,660,675. So the money that Calpine is going to
06 be paying on property taxes -- even though a lot of
07 it goes to the State -- is going to be coming right
08 back to Sutter County. And also on property values,
09 I have a home in Sutter County that's worth about
10 \$215- to \$220,000. PG&E just recently built a huge
11 transmission line -- it's about 90-feet high --
12 within a block of my house. And it has not hurt my
13 property values one bit. The house that's next door
14 to mine just sold for \$250,000 and there was no --
15 when they put that power line in, we weren't even
16 asked if we wanted it or not.

17 Personally, I don't even see it. I
18 don't even pay any attention to it. So I don't know
19 why people are complaining so much about a power
20 line.

21 MR. FAY: Thank you. We want to be sure to
22 give everybody a chance to speak.

23 Good afternoon.

24 MR. BERG: I would like to compliment you folks
25 for listening to us. I didn't really plan on coming
26 today because on this particular issue, but I made

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01 some notes and I would like to offer a different view
02 here, not necessarily what the union people said,
03 because I used to be in construction, and, quite
04 frankly, if you hire union construction workers you
05 get decent work. But when they talk about local
06 people, they include about five or six counties. So
07 I'm kind of wondering exactly how Sutter County people
08 would reap in all that benefit. But that's not what I
09 came to comment about. I came to comment about
10 Mr. Kitchens and the Chamber of Commerce. And if
11 you'll excuse me, I'm a little nervous speaking in
12 large groups of people, so my breathing is heavy so
13 if I seem nervous you'll just have to put up with
14 me.

15 MR. FAY: By now we're all friends. Just
16 relax.

17 THE WITNESS: Great. You may be assuming
18 something.

19 MR. FAY: Well, your back's not to us. Well,
20 anyway there is the view that -- the Chamber's view
21 and, again, I just kind of scribbled these notes --
22 I didn't prepare comments -- that this project will
23 encourage businesses from outside the local area to
24 relocate here and solve all of our problems or at
25 least get it started and he's absolutely correct.
26 We have a lot of problems in this area and we

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01 elaborated on those.

02 But, you know, we had a similar
03 situation to this back in the late 80's, and early
04 90's, when a different Board of Directors or Board of
05 Supervisors and an old general plan, and some of these
06 comments could apply to land use -- but the old
07 general plan hadn't been updated for about ten years.
08 And so every time somebody proposed a project for
09 cheap land in comparison to other area we pretty much
10 got a general plan amendment, or at least it was
11 proposed and given favorable treatment. Sometimes even
12 when the planning commission said this isn't really a
13 good idea, and pretty soon -- I hate to say it -- but
14 we had some pretty dark days there. We had people in
15 front of operations like this -- particular the Board
16 of Supervisors screaming at each other, threats were
17 made, reputations were lost. It was a -- and it was
18 triggered by the idea that the County was for sale,
19 come up here, ask for a general plan, if we can get
20 more tax dollars into the county coffers you're
21 welcome.

22 I don't think that's what general plans
23 are for. We just went through a rather extensive
24 process that included a lot of public input, a lot
25 of staff input from the County, a lot of expensive
26 consultants. And we got a new general plan. If

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01 it's going to give us vision for the next 100 years
02 and plan for the next 20. And now we've got a very
03 good project from a lot of aspects, this power
04 plant, but it requires a General Plan Amendment and
05 so I'm trying to get away from this land use and not
06 emphasize too much -- but if we start the business
07 of, this is going to give a message I want to make
08 sure the right message gets told. And I believe the
09 right message is put this place where the general
10 plan says to put it. You can still have all --
11 these folks won't make as much money, and I'm quite
12 sorry about that, because quite frankly you're
13 entitled to that, but I think you can probably make
14 a profit on this if you put it somewhere else, in
15 one of our areas.

16 And I think that the staff has -- and
17 this may be just because of my view -- I kind of get
18 the idea in reading the purple bible -- I think it's
19 the Final Staff Report -- that if there is something
20 that favors this project it kind of gets banner
21 headlines in this thing -- and I'm exaggerating
22 here -- but if it's something that doesn't favor it,
23 it's kind of deemphasized, just by the way it's
24 worded. I think if you go through it, you'll find
25 that that's true, not in all cases.

26 Anyway, I'm offering the view that

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01 maybe you should balance some of this stuff, and get
02 the project and help provide Western with its need
03 for power, and the State's need for power and allow
04 these people to continue working and pay taxes where
05 they are, and put it someplace where it was designed
06 to be. That's my comment. Thank you.

07 MR. FAY: Thank you, sir. Now, I would like
08 to do some cross over. Cookie Emerald wanted to
09 speak on electro magnetic fields as well. So if you
10 want to address both subjects that's fine. Okay.

11 MS. EMERALD: A couple of questions and a
12 couple of comments also. All the jobs you've
13 mentioned can happen down in the Al Verda area
14 that's zoned industrial as well as it can here. So
15 I don't think that needs to be one of the issues.
16 And when you keep saying, "Well, this is the
17 cleanest plant so far, it's better than something
18 that was built 30 years ago," just because it's
19 better than something 30 years ago doesn't mean it's
20 okay and safe enough or clean enough for now. You
21 can't just say, "Well, it's better than before."
22 It's like if a kid gets a "D" and says well somebody
23 else got an "F." It's not exactly what we need.

24 If the quality of the power is better
25 above ground, because that's what he said -- one of
26 the gentleman said earlier -- that the quality of

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01 the power was better and stronger if it's above
02 ground rather than below ground -- is it better
03 closer to the site than away from the site? In
04 which case then Al Verda would be closer to SMUD and
05 would be better for them.

06 As far as the value of the land, on
07 Page 418 there is someone's comment that it does
08 not -- I talked to our bank, Sacramento Valley ACA
09 and Ernie Hodges is President. I spoke with him
10 last week and he said that our property is severely --
11 the value of our property is severely diminished if
12 they put power lines near it. That means -- we all go
13 to ACA to farm for the next year. And for our
14 long-term loans. They will not loans us as much on
15 the value of our property if these power lines are
16 built. He's not available today, he was not available
17 on the 16th. I don't know about the 1st, but he's
18 willing to give a deposition if that is so needed.
19 Because he's spoken several times about the power
20 lines in other hearings -- that the value of the land
21 or the farmland is diminished -- maybe not for a house
22 but it is diminished for farmland, because there are a
23 lot of things that we won't be able to do on our
24 ground. And ultimately they will own the ground and
25 they don't want that on their ground, if we lose it.

26 As far as EMF's are concerned. I have to

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01 take exception to some statements that were made.
02 PG&E felt that EMF's were important enough and there
03 was a danger. These all arrived in our PG&E bills
04 the first of October. All seven that I got had one
05 of these in it that says, there are problems with
06 the EMF's and there are health issues. As a cancer
07 survivor I am very concerned that this has something
08 to do with -- you can't tell me yes, you can't tell
09 me no, it's not been proven one way or another --
10 twelve years ago I was told I only had a 40 percent
11 chance of survival. I don't want to take any
12 chances. I don't want anything to be "Oh, well,
13 oops, that's one of those things that we didn't
14 exactly tell you all of." And I would like to
15 present you with this to read.

16 MR. MOORE: I got one in my bill.

17 MS. EMERALD: Yes, it does say something is
18 wrong. Let's see. I think that's all I had right
19 now.

20 MR. FAY: Thank you. Wilma Laperle and
21 seated next to you is George Laperle who also wanted
22 to speak.

23 MS. LAPERLE: Well, everyone has said there
24 is already a power plant there. And from what I
25 heard last week at the Wednesday workshop, when that
26 previous plant was allowed to be built, the people

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01 involved with it assured the county that it would
02 not be enlarged; isn't that so?

03 MR. ELLISON: I believe what you're hearing
04 from the audience is correct, that the remainder of
05 the property would continue to be farmed and it was
06 not.

07 MS. LAPERLE: So at that time the County made
08 their decision based upon the promise of Greenleaf
09 that they would not expand that plant. Then we had
10 deregulation and investors get together and say,
11 "California needs more energy. Let's go out and
12 build a plant. And if we buy that Greenleaf plant
13 in Sutter County, we'll have our foot in the door.
14 We've got 70 acres to expand on."

15 And I would like to know how much they
16 paid for the Greenleaf property. I think I read it in
17 the book, that it was only a million and a half
18 dollars, is that correct.

19 MR. FAY: Well, again, I'm going to have to
20 interject. We're trying to --

21 MR. MOORE I think you have to make comments
22 to us, no questions. We can't have questions.

23 MS. LAPERLE: What we're afraid of is that
24 they're not only going to expand to this 500 --
25 what do they call it -- megawatts, but that they'll
26 get this and then ten years from now they'll come in

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01 and want to put in another 500 -- we're discovering
02 more and more gas in the Sacramento valley. The
03 line comes so close -- well, the profit that they
04 make will be tremendous.

05 So, I mean, I think of course we all
06 want additional jobs for Sutter County and for this
07 area, but if Sutter County has already established
08 an industrial area and the Western line goes right
09 close to that area, the only additional expense they
10 will have is a longer -- perhaps a longer pipeline
11 to get the gas to their plant. And I think that
12 they should investigate that possibility.

13 In Fresno County citizens got together
14 and said, no more agricultural land for even homes.
15 And we're doing that in Kern County. And I think
16 Sutter County ought to appreciate its agricultural
17 land. We live on a small planet. The population is
18 growing. We grow rice. There are many starving
19 people in the world. And that leads to wars. So
20 when we take into consideration the profits and the
21 needs of the world, they need rice as well as
22 electricity. And so let's put the electricity where
23 it doesn't interfere with the rice growing.

24 MR. FAY: Thank you. Okay. One last comment
25 we'll take before breaking for dinner -- I mean we'll
26 just take a ten-minute stretch. George LaPerle.

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01 MR. LAPERLE: My name is George Laperle. I'm
02 Wilma's husband. And I don't really represent the
03 Crepps. However, I'm, as you can appreciate,
04 closely involved. What I've seen and heard here
05 today with the gentleman here -- that we have a
06 number of concerns. One of them is the transmission
07 lines. This is apparently how this thing all
08 started, before they even talked about power plants,
09 based on what I'm hearing. The transmission lines
10 are in an area that they're going to have to be
11 increased in size, maybe to a hundred feet or more,
12 that will impact the ducks in the area that have
13 been flying there for tens of thousands of years --
14 I'm a geologist so I can speak in those terms. This
15 has been a natural flyway for many years. The lower
16 power lines that you have right now are already
17 impacting the ducks.

18 The largest duck refuge or game refuge
19 in the State of California, 260-and-some-odd acres,
20 is immediately adjacent to this. The Department of
21 Fish and Game opposes it. The wildlife/refuge
22 people, I understand, oppose it. I don't know,
23 maybe they're here today. They can speak for
24 themselves. And now we're talking about a power
25 plant. The power plant -- first of all, I'm sure
26 you know that utilities, per se, are the largest

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01 polluters in the United States.

02 In California, PG&E is, and has been,
03 the largest polluter in the State. It's that
04 simple. Power plants pollute. All morning long I've
05 been sitting here and I haven't heard a word about
06 what the effluents are from this power plant -- maybe
07 it's in the report -- I haven't gone that far into the
08 report, but they seem to be skirting around some of
09 these things.

10 The gentleman -- Carr and some of those
11 that spoke on behalf of the unions and on behalf of
12 the Chamber of Commerce, and so on, they're
13 absolutely right. That's their job. They need to
14 have jobs. But we're talking about all of these
15 other things, but not where is it going to be, if
16 you put it on the site that it's on, apparently, the
17 impact statement that was written omitted the
18 comments that this was already in rice. It's
19 already zoned.

20 It indicated that there was no one living
21 there. There are people living there. It apparently
22 was not aware that this is outside property to the
23 Crepps land inside the Bypass, which require that
24 their equipment has to be taken out within six hours'
25 notice if there's a flood. If such a flood or such a
26 notice occurs, they can't just take it miles and miles

0171

01 down the road. They take it to the immediate area,
02 which is the outside lands. It's very simple.

03 So what we're talking about here is not
04 whether you build the power plant or the
05 transmission lines -- I'm sure you talk about that
06 here -- but where you're going to be building it
07 with respect to the Crepps family. In other words,
08 they're quite concerned that it is going to take
09 away their livelihood. It's going to totally remove
10 the oldest duck club in the State of California.
11 You can't have a duck club right adjacent to the
12 power plant. And I don't know about the other
13 things the electro magnetic fields. I have a
14 pacemaker and a defibrillator so I don't even know
15 if I can go out on the ranch and visit them anymore.

16 And Amanda said that she did her due
17 diligence, I guess, by making some telephone calls
18 yesterday. And I think Mr. Moore here indicated or
19 brought out, that that was not -- it did not have
20 any in-depth research. So, really, based on my
21 company experience, we cannot call that due
22 diligence. So we really have -- those that are
23 opposing this are really the very local people right
24 there. Those that are supporting it are the people
25 everywhere else.

26 And by the way, they should support "a"

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01 plan, but the question is, where do you want to
02 locate the plant. And I understand here this
03 morning, that this particular location the, subject
04 location that we're talking about today, was just
05 brought up within six or eight weeks ago and without
06 the knowledge of most of the members of the family,
07 which was unfortunate. And I appreciate your
08 comment, by the way, if Crepps was notified. But I
09 think as Wilma Laperle mentioned earlier, David's
10 wife has been suffering from cancer and she just
11 died and the funeral is tommorrow. So he really
12 hasn't been involved in this, other than he is
13 dismayed that it is happening, but I guess it's
14 after the fact.

15 Thank you.

16 MR. FAY: Thank you for your comments.

17 MR. MOORE: And let me just point out that
18 once again what the Crepps family is worried about
19 is switching station, not the power plant itself,
20 just to clarify for the record. So I think that
21 distinction needs to be made.

22 MR. FAY: We're going to stretch our legs.

23 (Recess taken.)

24 MR. FAY: All right. If you'll all please
25 take your seats we'll get started again.

26 Brad Foster wanted to make a comment

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01 after the break, so if Brad wants to make his
02 comments on Socioeconomics -- is Brad here?

03 MR. FOSTER: My name is Brad Foster. During
04 Socioeconomics we talked about construction costs
05 that Sutter County is going to receive from this
06 project, maintenance costs, and work force, is there
07 going to be an auditor on staff on this construction
08 to guarantee that Sutter County gets the amount that
09 they've stated? You know, we get five percent, we
10 get five million.

11 I mean I worked construction for years
12 and when the company I worked got a job in
13 Porterville, we all loaded up and went to
14 Porterville. We did not hire people in Porterville.
15 We went down, we did the job in Porterville, we all
16 packed up, we all brought our money back to the city
17 and that's where we spent it. I know this is union
18 as was the company I worked for at the time. So I
19 understand what they're saying one way, but I know
20 how it can totally go the other way. And like I
21 said, if they're there's not an auditor on this --
22 they can say they're going to spend X amount in
23 Sutter County on this project, but without -- I
24 don't see how you can force them to spend it here.

25 Another thing that we talked about last
26 week was how this new plant is going to put old

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01 plants off line. Well, Greenleaf-1 is an old plant
02 and if this plant puts Greenleaf-1 off line I can't
03 see where we've gained any jobs in Sutter County. I
04 hate playing the devil's advocate but there's a
05 second side to every coin. And that's all I want to
06 say on Socioeconomics, other than where I live --
07 and I don't now how you put a price on it -- you
08 look out our living room windows you see the Sutter
09 views. When you land a plant and transmission
10 lines you'll still see the view, but it won't be the
11 same view.

12 When we built our house we built it to
13 where the trees on my mother i law's house hides us
14 from the view of the old plant. They will not do
15 this to the new plant. Number one, the trees aren't
16 tall enough to hide the new plant. It's going to
17 effect what we have out there. My kids and I, we
18 ride bicycles on Township Road. We're talking about
19 a transmission line on Township Road and I have a
20 lot of people tell me you don't have to worry about
21 the electromagnetic fields. There's tens of
22 thousands of people arguing this point that there is
23 an aspect. So really you've taken another piece of
24 my everyday life by doing this. So the Quality of
25 Life will impact us out there.

26 MR. FAY: Thank you. Larry Williams wanted

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01 to make some comments. Is he --

02 MR. WILLIAMS: Good afternoon. My name is
03 Larry Williams. I'm an Assistant Refuge Manager at
04 the Sacramento National Wildlife Refuge and we
05 administer the Sutter National Wildlife Refuge.
06 I have some comments I would like to make. I also
07 have them in written form, that I can leave with
08 whoever the appropriate person is.

09 MR. MOORE: Certainly our reporter can use
10 them to back up when she's taking notes.

11 MR. WILLIAMS: I can give it to you now or at
12 the end.

13 MR. MOORE: Probably at the end.

14 MR. WILLIAMS: Okay. The Sacramento National
15 Wildlife Refuge Complex includes six refuges and three
16 Wildlife Management Areas located in the Sacramento
17 Valley managed by the U.S. Fish and Wildlife Service.

18 The comments herein relate to potential
19 impacts from the proposed construction of a new
20 power transmission line in the vicinity of Sutter
21 National Wildlife Refuge by the Calpine
22 Corporation. These comments reflect the opinion of
23 the staff at the Sacramento National Wildlife Refuge
24 Complex. Additional comments regarding the impacts
25 to threatened and endangered species and wetlands
26 may be forthcoming from the Sacramento Fish and

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01 Wildlife Office. Any questions outside the scope of
02 impacts to the refuge should be directed to that
03 office. And the number is listed here.

04 Sutter National Wildlife Refuge is
05 2,591 acres of mostly seasonal wetlands that provide
06 habitat for hundreds of thousands of migratory birds
07 annually. During the fall, winter, and spring, peak
08 concentrations of waterfowl regularly exceed 200,000
09 birds. Populations of shorebirds and raptors also
10 concentrate on the refuge during this time. During
11 the spring and summer breeding populations of herons
12 egrets, waterfowl, other waterbirds, and a variety
13 of landbirds, concentrate on the refuge's wetlands
14 and riparian forest habitats. Bird species found
15 on or near Sutter NWR that are federally listed or
16 state-listed as threatened, include peregrine
17 falcon, bald eagle, Aleutian Canada goose, and
18 Swainson's hawk.

19 Currently, except for the west
20 boundary, the refuge is bordered by above-ground
21 power transmission lines, including one 230-kV line
22 that runs the length of the entire refuge along the
23 east levee of the Sutter Bypass, intersecting the west
24 side of three refuge units (Tracts 18, 19, and 20)
25 outside the Bypass for approximately two miles. Two
26 others, (a 500-kV line and a smaller line of unknown

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01 capacity) run along the eastern refuge boundary
02 adjacent to the same refuge units outside the Bypass.

03 Given the variety and concentration of
04 birds that occur at Sutter National Wildlife Refuge,
05 there is considerable concern regarding bird
06 mortalities resulting from collision and
07 electrocutions associated with the existing
08 transmission lines. Information available in the
09 literature indicates numerous accounts of bird
10 mortalities associated with transmission lines.
11 Mortalities are documented for almost all groups of
12 birds (waterfowl, raptors, egrets, etc.) and are
13 specifically mentioned for peregrine falcons and
14 bald eagles.

15 Based on studies from other areas and
16 estimates made by refuge biologists, powerline
17 mortalities at Sutter NWR likely number in the
18 hundreds annually. A comprehensive study conducted
19 on wetlands in North Dakota indicated approximately
20 73 bird mortalities per kilometer from combined
21 spans of 230-kV and 400-kV transmission lines.
22 Refuge biologist have estimated annual losses of 59
23 to 74 bird mortalities per km from combined spans
24 of 64-kV and 12-kV lines at Sacramento NWR. If
25 these estimates were applied to Sutter NWR, annual
26 losses would range from 660 to 830 birds per year.

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01 Because Sutter NWF has greater bird
02 densities, in other words, birds per acre than
03 North Dakota or Sacramento NWR, plus a greater
04 tendency for fog, these estimates might be increased
05 accordingly if data were available. These estimates
06 indicate quantitative impacts, largely from
07 waterfowl mortalities. Other biologically
08 significant mortalities, involving peregrine
09 falcons, for example, are difficult to detect
10 because of the rarity of the species. However,
11 they have been documented, and it must be assumed
12 that they are at risk from power lines near Sutter
13 NWR.

14 In addition to direct mortalities
15 carcasses deposited in wetlands as result of
16 powerline conditions or electrocutions may serve as
17 substrate for avian botulism bacteria, potentially
18 causing or exacerbating botulism outbreaks. Sutter
19 NWR has a history of regular botulism outbreaks,
20 especially in Tracts 19 and 20, the units closest to
21 the existing power lines. Losses from past avian
22 botulism outbreaks on the Complex have exceeded
23 20,000 birds.

24 Private land in the vicinity of Sutter
25 Refuge also receive significant use by waterfowl and
26 other birds mentioned above. It should be

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01 recognized that the same birds that roost on Sutter
02 NWR make regular flights to and from nearby private
03 rice field to forage. Especially those directly
04 east and south of the refuge. The most significant
05 of these flights occur at night when most ducks
06 leave the refuge after dark and return before dawn.
07 This nighttime flight behavior increases the
08 susceptibility to powerline collisions.

09 The Sacramento National Wildlife Refuge
10 Complex has already attempted to improve some power
11 line situations with limited success. Through
12 contacts with Pacific Gas and Electric Company, two
13 short spans of powerlines were moved. One at Colusa
14 and another at Delvan Refuge. In addition PG&E has
15 already modified cross-arm perches on some lines to
16 reduce electrocutions. However, there has been
17 little success in having major power lines moved or
18 buried to reduce avian collisions unless it is of
19 financial benefit to the company. Two large spans
20 of power line that intersect interior portions of
21 Sacramento Refuge still exist after attempts by the
22 complex to persuade PG&E to either move or bury
23 them.

24 In 1994, information on powerline
25 mortalities at Sacramento Complex was provided to
26 the California Energy Commission on their request,

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01 and the response is attached to my statement here.
02 Ultimately, the Sacramento Complex would prefer that
03 all existing above-ground transmission lines with a
04 known history of bird collisions or electrocutions
05 be placed under ground to eliminate the hazardous
06 situation. Any new above-ground lines especially in
07 close proximity to the refuge, in other words within
08 five miles, would result in additional bird
09 mortalities in an area that is already a site of
10 excessive mortalities. Therefore we support the use
11 of underground transmission lines for this project
12 and would like to see this possibility explored
13 further. Any above-ground lines approved for the
14 project should be located as far away from the
15 refuge or significant blocks of adjacent rice fields
16 as possible. And thank you for the opportunity to
17 comment on this matter.

18 MR. FAY: Thank you very much.

19 MR. MOORE: And if you wouldn't mind giving a
20 copy of your remarks to our court reporter.

21 MR. FAY: And, Mr. Williams, just to clarify,
22 is this the official biological opinion from the --

23 MR. WILLIAMS: No, it's not. Our comments
24 shouldn't be confused with the regulatory branch of
25 the Fish and Wildlife Service. We're the land
26 management branch. We manage the refuges in the

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01 valley. And these comments pertain to the impacts
02 directly to the refuge. As I said, impacts off the
03 refuge would be addressed by the Fish and Wildlife
04 Office in Sacramento which is the regulatory
05 branch.

06 MR. FAY: So let me ask Western -- when
07 Western is awaiting official word from U.S. Fish and
08 Wildlife Services is that part of that or is this
09 separate?

10 MS. WARDLOW: This is separate. As he stated
11 this isn't their regulatory branch. What we have
12 submitted to their regulatory branch is our opinion
13 of the impacts and how to mitigate those. We're
14 waiting for their response to our proposal.

15 MR. FAY: And so you're speaking for the staff
16 that manages the refuge?

17 MR. WILLIAMS: Correct.

18 MR. FAY: Okay. Thank you.

19 MR. ELLISON: Mr. Fay, one follow-up note.
20 There is the Federal biological opinion which was
21 just discussed, and then also the opinion of the
22 California Department of Fish and Game and I believe
23 the record already reflects this but just in case
24 it doesn't we do have a letter from the California
25 Department of Fish and Game that finds that there
26 are no impacts on species of special concern or

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01 endangered species including transmission lines.

02 MR. FAY: Thank you. All right. The next
03 item we want to address is Facility Closure. And
04 I'll ask Mr. Richins if he could define that for our
05 group. And explain what analysis is involved by the
06 staff.

07 MR. RICHINS: Facility Closure is found on
08 Page 571 and it contains three proposed or recommended
09 conditions. The Facility Closure section discusses
10 what the procedures and processes would be in the case
11 of a plant closure under two situations, under an
12 unplanned closure, what would be the processes and
13 procedures, and the other scenario would be after the
14 useful life of the project or over a course of period
15 of time if the plant was planned to be closed, what
16 would be the requirements of a plant closure as well
17 as for an unexpected or sudden closure.

18 MR. FAY: Thank you. And I have no questions
19 in that area. Does anybody in the committee?

20 MR. MOORE: I have one, and that is in the
21 nature of any special funds or anything else that's
22 often asked of us but normally targeted to nuclear
23 facilities, what the procedures are as far as having
24 an adequate amount of money -- actually the question
25 came up with the thermal facilities in the desert,
26 most recently, where is the source of money for the

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01 cleanup to come from and how is it to be guaranteed.
02 So perhaps we can just address that briefly to
03 suggest how it's accomplished.

04 MR. RICHINS: Well, there's nothing in this
05 document that discusses that proposal. It's the
06 requirement of the project owner to do the cleanup
07 and site removal of any hazardous materials or
08 anything like that. As we have conditions spelled out
09 throughout the document. And then also in Facility
10 Closure, but there is no a surety or bond or insurance
11 fund or anything like that that's been proposed here.
12 This was an item that the siting and regulatory
13 procedures committee was going to look at and I'm not
14 sure of the status of their investigation from a
15 policy standpoint.

16 MR. MOORE: Actually, I don't think they've
17 taken it up yet.

18 MR. ELLISON: And on behalf of the applicant,
19 I would just comment for those of you who haven't
20 everything that's been filed on this case, we did
21 address this issue with policy briefs that were
22 filed on this docket in the early spring. And in
23 the course of doing Calpine's investigation for the
24 preparation of that brief, we were unable to
25 identify any facility of this type -- meaning a
26 gas/fire, power plant in California, that had ever

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01 been closed much less abandoned. And lot of issues
02 that arise in the context of hazardous waste
03 facilities, in terms of prefunding closure arise in
04 the context of facilities that do not have a salvage
05 value, or a market value, and, in fact, have a
06 salvage liability. And as a result of that salvage
07 liability, because the cost of clean up is worth so
08 much -- it costs so much more than the value of the
09 property, there has been a concern with respect to
10 nuclear facilities and a concern with respect to
11 hazardous waste facilities, that owners would
12 abandon the property or declare bankruptcy, or that
13 sort of thing. Our investigation found that that
14 same concern does not arise with respect to natural
15 gas fired facilities. And that, in fact, they've
16 not only never been abandoned in that way, but, in
17 fact, we couldn't find any that had ever been
18 closed.

19 MR. MOORE: Thank you.

20 MR. FAY: All right. The next topic -- first
21 of all is there any comments from the public
22 regarding Facility Closure? Mr. Foster?

23 MR. FOSTER: My name is Brad Foster. I guess
24 the question would be if the Energy Commission has
25 any jurisdiction on the -- over the old plan that's
26 out there now, because it's life expectancy is

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01 coming toward the second half. It's an
02 absolute plant --

03 MR. MOORE: And we have a short answer for
04 that and that is that we didn't grant the permit for
05 the old plant and so we don't have jurisdiction. We
06 only have jurisdiction under the law for those
07 plants where we grant the initial permit and then
08 maintain the stream of compliance through its
09 lifetime.

10 MR. FOSTER: So if the old plan goes off
11 line and sits there for 15 years, you don't have a
12 problem with that?

13 MR. FAY: That's up to the County. It's
14 irrelevant whether we have a problem with it because
15 we didn't have jurisdiction.

16 MR. MOORE: But I think, frankly, and
17 Mr. Carpenter can better speak to this than I can,
18 but I had understood that that was a question that
19 was going to be asked in the County Supervisor
20 Hearings. Am I correct?

21 MR. CARPENTER: The question being what
22 happens to the existing facility once it closes?

23 MR. MOORE: If it were ever to close?
24 In other words, would it violate some land use
25 covenant that was set up. So my question to you is ,
26 I understood that it was going to come up in the

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01 County --

02 MR. CARPENTER: And I did not have any
03 knowledge that it would come up. It possibly could.

04 MR. FAY: All right. Any other comments on
05 closure? Okay. As I indicated earlier the
06 substance of examining the visual impacts of the
07 project, that discussion and really adjudication of
08 that issue, will take place next Monday,
09 November 16th.

10 But just so that everybody understands
11 why we moved it off today, I've asked Mr. Richins to
12 review the status of things. He touched on that
13 earlier, but I would like to reiterate that and
14 we'll ask if anybody came today specifically to
15 comment on that, and we'll give them a chance, but
16 we'll certainly allow comments on the 16th after we
17 take up visual Resources.

18 MR. RICHINS: As I indicated earlier this
19 morning, we're in conversation with Calpine and with
20 PG&E regarding potential mitigation to minimize or
21 reduce or totally eliminate the findings of
22 significance as it relates to the visual aspects of
23 the transmission line going down South Township and
24 then turning West at Obanion.

25 And due to those ongoing discussions,
26 we felt it would be better to put off the

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01 evidenciary hearing and testimony related to the
02 visual aspects of the project until we got a better
03 indication from PG&E whether it's feasible from
04 their standpoint. And also get some cost estimates
05 on the cost of doing such, to find out if Calpine
06 would be willing to take on that financial burden.

07 MR. FAY: Just so there's no confusion, as I
08 understand it, the only reason that Staff would
09 change its position is if Calpine changed its
10 proposal and somehow eliminated one or more of the
11 impacts that the Staff now perceives; is that
12 correct?

13 MR. RICHINS: The Committee asked us to be
14 creative at the last hearing, and we looked at
15 undergrounding and we looked at hybrid both of which
16 we're not recommending for the reason stated
17 earlier, and also stated in our Final Staff
18 Assessment. But using the word creative, we tried
19 to look at other things that might help to reduce
20 the visual impacts along South Township and then
21 Obanion.

22 And so we came up just recently with
23 this idea of undergrounding the transmission line,
24 the 12-kV and the 60-kV line along South Township to
25 reduce the visual aspects of those lines, because
26 those lines plus the 230-kV line, taken together,

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01 our visual expert feels it causes a significant -- a
02 potential for a significant visual impact. So we're
03 trying to reduce that to a level of insignificance.

04 MR. FAY: Okay.

05 MR. ELLISON: Mr. Fay, if I could just add to
06 that, just so that everybody knows what's going on.
07 The staff -- we held this workshop last week and I
08 think many of you were in attendance. And the
09 Staff's position on visual resources with respect to
10 the Western Transmission Route I think changed not
11 because Calpine changed the project, but just
12 because of the input that the staff received at that
13 public workshop.

14 But with respect to the proposed
15 Township and Obanion Transmission Routes, the Staff
16 has suggested to Calpine that there might be changes
17 that we could make in the project, that would remove
18 the impacts that they're concerned with. They
19 suggested with respect to the power plant that
20 landscaping issues that we might be able to improve
21 the landscaping in ways that would address some of
22 the visual with respect to the power plant. With
23 respect to the transmission route, as Mr. Richins
24 mentioned, they've suggested undergrounding the
25 existing 60-kV and 12-kV PG&I lines that run down
26 South Township. That's one possible mitigation. We

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01 are in discussion with PG&E about the feasibility of
02 that and their willingness to do that on we're also
03 looking at the cost of that.

04 I have to say that based on the
05 information we've been able to gather since Friday
06 afternoon, when this proposal was made to us, so
07 we're talking just about 48 hours or so over the
08 weekend, the initial reaction that we're getting on
09 undergrounding that 12-kV line is that's not a
10 problem, it's what we proposed to do with the
11 Obanion line but undergrounding the 60-kV is a
12 problem, that that's transmission that PG&E doesn't
13 like to underground that. And the cost information
14 is that that's not as expensive as undergrounding
15 the 230 but it's closer to that than it would be to
16 undergrounding the 12, that it's much more like
17 undergrounding a transmission line.

18 So I think in fairness I want to make
19 it clear that at this point why we'll continue to
20 look at it, we're not optimistic about either PG&E's
21 willingness nor the feasibility of undergrounding
22 that 60-kV line. And if you don't underground the
23 60, you don't remove the poles, and it doesn't make
24 a lot of sense to underground the 12 without
25 removing the 60.

26 The other thing I wanted to mention is

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01 the staff also proposed that we take a look at the
02 feasibility of moving the pole that would be located
03 at the corner of Obanion and Township, moving it up
04 Township a certain distance in order to address some
05 of the visual impacts on the residences at the
06 corner of Obanion and South Township. And we're
07 also looking at that and talking with people about
08 what the feasibility, for example, the crop dusters,
09 feasibility of doing their work at the corner of
10 that property would be with respect to that issue.

11 So I think that's a complete statement of
12 the discussions that we've had with the Staff that are
13 ongoing and we expect to address all of these issues
14 on the 16th.

15 MR. FAY: Thank you. All right is there
16 anybody who came specifically prepared to make
17 comments on Visual Resources that needs to do so
18 today as opposed to the time on the 16th when we'll
19 actually be discussing and essentially litigating
20 that issue?

21 Okay. Now, what I would like to do is
22 we have one gentleman that has to make his comments
23 before we break for dinner, because he won't be able
24 to return tonight. I would like to have Jerome Berk
25 if he'd like to make this comment now. But we
26 anticipate taking up the subject of Land Use and

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01 give testimony on that after we return from dinner.

02 MR. BERG: Thank you for allowing me to
03 speak. I won't be able to get here tonight. In
04 reading the final staff assessment on Page 199, I
05 believe it is at the top of the page, it says -- and
06 previous to this is a discussion of County -- if I'm
07 correct -- County Ordinances and that sort of thing.
08 And it basically says in the second sentence of the
09 first paragraph on Page 199, "To have a significant
10 impact to Land Use under standard 2 above, the
11 transmission lines would have to be incompatible with
12 agriculture."

13 And then the next sentence, "In the case
14 of the SPP, the lines are not incompatible." I have a
15 problem with that sentence, because if we read further
16 down it says, "It will impair existing Agricultural
17 operations," but then it says "However, it is equally
18 clear that the impact of the lines would not be
19 incidental as to completely preclude the land within
20 the transmission right of way from continuing to be
21 farmed in a manner consistent with current practice."
22 And I'm sure that's true. But does that not suggest
23 to you that incompatibility means to completely
24 preclude, To be incompatible it has to completely
25 preclude it. I'm asking that question. Maybe I'm
26 interpreting this wrong, but isn't that what that says

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01 in English?

02 MR. MOORE: We can ask the witness what she
03 intended.

04 MR. RADCLIFF: Can we have the witness
05 testify first? We're now in the Land Use section.

06 MR. FAY: You're right. Why don't we just get
07 your comments on the record and we'll make sure she
08 addresses that.

09 MR. BERG: I don't make my living with words
10 as attorneys do so I did look these words up,
11 because I thought this was incorrect, and it turns
12 out that preclude, according to my dictionary, says
13 to make impossible, especially in advance. And so
14 if I'm reading this correctly since it does not
15 completely preclude that means that it doesn't make
16 it completely impossible. But incompatibility does
17 not mean impossible it means not able to exist in
18 harmony. And I believe from the testimony we heard
19 last week, that most of the people impacted out
20 there, the farmers, who, according to this,
21 they're -- the farm people that would be impaired,
22 will not be living with those transmission lines in
23 harmony or agreement. And therefore I think that
24 this statement should say, "In the case of the SPP
25 the lines are incompatible," not are not. And I
26 would suggest that we not drop that sentence but

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01 that we change it because the sentence like it is
02 kind of like a banner headline. It's a very strong
03 statement, they're not incompatible, when in fact
04 they really are. And so I would suggest that you
05 change that to they are incompatible but they don't
06 make it impossible.

07 MR. FAY: Thank you. Okay we are going to take
08 our dinner break now. We will return and take up the
09 testimony on Land Use beginning promptly at 6:30.

10 (End of proceedings.)

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CERTIFICATE OF TRANSCRIPT

I, Rhonda Harris, as the Official Hearing Reporter, hereby certify that the attached proceedings before Chief Hearing Officer Moore, California Energy Commission,

In the Matter of:) Docket 97-AFC-2
Application for Certification)
for the Sutter Power Plant)
_____)

were held as herein appears and that this is the original transcript thereof and that the statements that appear in this transcript were transcribed by me to the best of my ability.

I further certify that this transcript is a true, complete and accurate record of the proceeding.

Rhonda Harris CSR 10145
November 15, 1998
Northern California Court Reporters
(916) 485-4949