

INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification) Docket No.
for the GWF TRACY COMBINED) 08-AFC-7
CYCLE POWER PLANT PROJECT)
_____)

TRACY CITY HALL
CITY COUNCIL CHAMBERS - 1ST FLOOR
333 CIVIC CENTER PLAZA
TRACY, CALIFORNIA

THURSDAY, OCTOBER 23, 2008

4:00 p.m.

Reported by:
Ramona Cota
Contract No. 170-07-001

COMMITTEE MEMBERS PRESENT

Karen Douglas, Presiding Member

HEARING OFFICER, ADVISORS PRESENT

Raoul Renaud, Hearing Officer

Ivin Rhyne, Advisor to Commissioner Rosenfeld

Diana Schwyzer, Advisor to Commissioner Douglas

STAFF AND CONSULTANTS PRESENT

Kerry Willis, Staff Counsel

Angelique Juarez-Garcia

Paul Marshall

Christopher Meyer

PUBLIC ADVISER

Loreen McMahon, Associate Public Adviser

Elena Miller, Public Adviser

APPLICANT

Michael J. Carroll
Latham & Watkins, LLP
Counsel to GWF Energy, LLC

Doug Wheeler
GWF Energy, LLC

Mark Kehoe, Director of Environmental Safety
GWF Energy, LLC

Hal Moore, Director of Engineering
GWF Energy, LLC

David A. Stein
CH2M HILL

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Introductions	1
Introduction to the AFC Process: Hearing Officer Renaud	1
Public Adviser's Report: Public Adviser, Elena Miller	4
Presentations by the Parties	
Applicant - GWF Tracy LLC	10
CEC Staff	24
Staff's Issues Identification Report	29
Discussion of Proposed Schedule	40
Public Comment	41
Closing Remarks	41
Adjournment	46
Reporter's Certificate	47

1 P R O C E E D I N G S

2 4:28 p.m.

3 HEARING OFFICER RENAUD: Okay everybody,
4 welcome back. Thank you for attending. We have
5 just returned from the site visit and will now
6 proceed into the Informational Hearing portion of
7 our, of our hearing today.

8 I am Raoul Renaud, the Hearing Advisor
9 assigned by the Energy Commission in this matter.
10 We have up here Commissioner Karen Douglas, who is
11 the Chair of the Committee assigned to hear this,
12 as well as Ivin Rhyne, the Advisor for
13 Commissioner Rosenfeld who could not be present
14 today, Chris Meyer, the Project Manager from the
15 Energy Commission, and Diana Schwyzer from the
16 Energy Commission, who is Commissioner Douglas'
17 Advisor.

18 What we will mainly do this afternoon is
19 have presentations from the applicant, from the
20 Energy Commission staff and from our Public
21 Adviser concerning the process that is about to
22 begin unfolding over the next many months. Before
23 we do that I just need to say a couple of words
24 about the background of this proceeding and a
25 couple of points.

1 We mailed a notice of the events today
2 on September 26, 2008 to interested landowners,
3 government agencies and other individuals. And on
4 September 10, 2008 the Energy Commission accepted
5 as complete the applicant's Application for
6 Certification of this project.

7 What I need to emphasize today is that
8 the Commissioners conducting this proceeding will
9 eventually issue a Proposed Decision containing
10 recommendations on the proposed project. And that
11 decision will be based solely on the evidence
12 which is contained in the public record.

13 Now as I said earlier, we are now on the
14 public record. We have a certified court reporter
15 who is setting up microphones and there are other
16 microphones up here that are already in operation.
17 Everything that is said in here will be recorded
18 and eventually transcribed into a booklet that
19 will be posted on the Commission website.

20 The Committee will also take evidence in
21 the form of testimony and documentary evidence,
22 all of which again, will be posted on the Energy
23 Commission website. And any kind of communication
24 or documentation concerning this matter will also
25 be posted there.

1 The Energy Commission strives to make
2 these proceedings as open and transparent and
3 available to the public as possible. For that
4 reason we have a rule which prohibits any kind of
5 communication between the parties and the
6 Commissioners. All communication concerning the
7 merits of the case need to be done in a public
8 setting such as this one and then made available
9 as part of the public record so that everybody who
10 wants to can see this information.

11 There will be additional hearings in
12 this case in the future, there will also be
13 workshops. All of these proceedings will be
14 noticed as broadly as possible so that everybody
15 who is interested can make arrangements to attend.

16 The first presentation for today will be
17 by our Public Adviser, Elena Miller, who is
18 handing out some papers there. She is going to
19 describe the process by which members of the
20 public can participate in the Energy Commission's
21 proceedings.

22 Following that we will have the
23 presentation by the Applicant describing the
24 proposed project.

25 We will then hear from the Energy

1 Commission staff providing an overview of the
2 licensing process and the role of the staff in
3 reviewing the proposed project.

4 We will also have an opportunity at the
5 end for questions or comments from members of the
6 public. And at that point we will conclude the
7 meeting.

8 So, Ms. Miller, if you are ready I will
9 ask you to proceed, thank you.

10 PUBLIC ADVISER MILLER: Thank you.

11 Hello, everybody. I am Elena Miller and I am the
12 Public Adviser. I am going to walk through some
13 general information about my office and what we do
14 within the Energy Commission. I am not going to
15 get into details about the project, that is
16 specific for the project manager.

17 The primary focus of my office is to
18 help the public to understand the Energy
19 Commission's proceeding. We make recommendations
20 on how to assist the public in participating in a
21 meaningful way. So let me just say, if anybody
22 has any questions about our process please don't
23 hesitate to call my office.

24 Outside of this room we have business
25 cards, we have a pamphlet about the Public

1 Adviser's Office. I have given you handouts that
2 encompass the PowerPoint that I am giving you now.
3 Call us if you have general questions, we are a
4 good place to start. And then often what we end
5 up doing is putting you in contact with staff
6 within the Commission.

7 This is general contact information. If
8 you haven't been to our website I encourage you to
9 go our website. There is a lot of information
10 there. There is a specific page just for this
11 project with a lot of information on it. And
12 certainly there will be more information coming
13 up.

14 If you have not signed up for what is
15 called the List Server please do so. And if you
16 need assistance in finding that call my office, we
17 can help you get to that location. That will
18 allow you to receive electronic notices. And
19 certainly any future workshops or hearings that
20 are scheduled, that will be your best and quickest
21 way to find out.

22 The application that was filed by GWF is
23 called the Application for Certification; we refer
24 to that as the AFC. If you haven't seen it
25 already this slide tells you where you can go to

1 see it. It is available in public libraries in
2 this area, in Tracy and Stockton. It is located
3 throughout the state as well. Also located in
4 Sacramento at the Energy Commission's Library. I,
5 of course, realize that is not practical for most
6 people. If you still can't find it or if it is
7 inconvenient, you cannot get to the library, if
8 you have special circumstances, please call my
9 office and we can take care of that problem as
10 well.

11 We have done a considerable amount of
12 outreach already. The Energy Commission sends
13 letters to property owners and so what this slide
14 is telling you is the type of outreach that has
15 been done. Our siting office sends notice to
16 local elected officials. We have a number of
17 different lists at the Energy Commission that
18 allow us to notice different categories of
19 persons.

20 My office specifically sends its own
21 notice and so some of you may have seen my notice
22 and not the general notice that comes out. I
23 focus on outreach to the community, not property
24 owners. But I do capture elected officials, local
25 elected officials, libraries, schools, medical

1 facilities. They are listed here so that you get
2 a general idea of where my focus is.

3 There was that final point that we did
4 advertise in local newspapers in Spanish and
5 English.

6 To give you some general insight into
7 our Energy Commission meetings. They are publicly
8 noticed, they are open. We recommend and ask that
9 you sign in. On the table outside of this room is
10 a sign-in sheet on a clipboard. It is not
11 required that you sign in under the Government
12 Code in order to come into the meeting. However,
13 if you do sign in, that is our way of knowing to
14 get more information to you in the future. In
15 other words, you can check a box to be on a
16 mailing list to receive notice through the US
17 Postal or through electronic e-mail. That is the
18 way we know that you are here.

19 Also on that table are these blue cards.
20 Filling out a blue card does not get you on a list
21 because there is no contact information that you
22 can provide on this card. This is simply for
23 comments. But these are also on the table outside
24 of the room.

25 We encourage you to comment. It

1 improves our process, it improves the final
2 decision by the Commission. If you need special
3 accommodations please let us know. If you have
4 disability accommodation needs there is a -- Lou
5 Quiroz is the contact person. If English is not
6 your first language let me know. I am bilingual
7 but we can certainly -- in Spanish. We can
8 certainly make arrangements if there is another
9 language need.

10 I have already mentioned the blue cards
11 and I can't stress enough the importance of making
12 comments.

13 There are two types of participation at
14 the Energy Commission. There is informal
15 participation and there is formal. This slide
16 explains informal participation. What that means
17 is that you are commenting, either verbally or in
18 writing. I can give you more guidance, I am
19 certainly available today to talk to you more
20 about that. This just gives you some general
21 insight into what we are looking for in terms of
22 informal participation.

23 Important distinctions. When you are
24 participating informally your comments do become
25 part of the record, they are not evidence. And

1 that is the significant difference because the
2 final decision will be based on evidence.

3 This slide addresses formal
4 participation. We call that Intervenor. And when
5 you consider becoming an intervenor you need to
6 consider that there is a petition that you need to
7 file. My role, I am a licensed, California
8 attorney, I am appointed by the Governor, I am
9 available to assist you in that. I cannot
10 represent you but I can certainly guide you and
11 get you the important information that you need to
12 be a formal party.

13 The Petition to Intervene would be filed
14 with the Commission. It is considered by the
15 Committee. There is a period of time that all
16 parties can comment. And if it is granted then
17 you are granted intervenor status. An important
18 point, you do not have to be an attorney to
19 intervene. You can be anybody.

20 This slide addresses what being an
21 intervenor means. We capture it by saying there
22 are benefits and there are responsibilities.

23 You will receive all filings in the
24 case. So any time any party files a document with
25 the Commission, copies of that document go out to

1 all other parties. And so you will only receive
2 those documents if you have intervened. You can
3 request copies of documents, naturally, but I can
4 explain that distinction to you later.

5 This is an adjudicatory process. There
6 are motions, there are briefs that are filed. You
7 would be expected as an intervenor to respond, to
8 file your own documents as well, to make your
9 witnesses available to testify and to cross-
10 examine other parties' witnesses.

11 And the last slide is just the contact
12 information for me and my office. Thank you.

13 HEARING OFFICER RENAUD: Okay, thank you
14 very much. And Ms. Miller is available and her
15 staff is available to assist you and answer any
16 questions, either here today or at their offices.

17 We will now proceed to presentations by
18 the parties, starting with the applicant. The
19 applicant's representatives are seated over here
20 to my right, your left. Whenever you are ready
21 you can go ahead.

22 MR. WHEELER: Let me get our file up.
23 While Mark is doing that let me make just a couple
24 of introductory comments. Again, my name is Doug
25 Wheeler. I am here today representing GWF Energy,

1 LLC.

2 GWF is pursuing the modifications that
3 are the subject of the AFC that has been submitted
4 to the Energy Commission. The reason that we are
5 doing that is a couple of things. One, as we see
6 it the future energy requirements of the State of
7 California are going to require gas turbine
8 projects, but efficient gas turbine projects. Now
9 what you have heard on the site tour and what you
10 will hear this afternoon is basically a
11 description of what GWF is doing to improve the
12 efficiency of the existing peaker facility.

13 Again, the name of the project as it has
14 been submitted is the GWF Tracy Combined Cycle
15 Power Plant Project.

16 This is a general facility map showing
17 the location of the project site. As you are
18 aware it is on the western side of Tracy. It is
19 located in an unincorporated area of San Joaquin
20 County.

21 Again, a better map showing the project
22 site. You can see directly to the west of the
23 project site the Delta-Mendota Canal. In the
24 upper right-hand corner is the residential
25 community of Redbridge.

1 The existing GWF peaker plant. Again,
2 it is a simple-cycle combustion, gas turbine
3 project. Two turbines totalling 170 megawatts.
4 The facility went into, was placed in operation in
5 May of 2003. Again, it has a ten year power
6 purchase agreement with the California Department
7 of Water Resources. That contract runs through
8 the end of 2012.

9 As part of the original peaker project
10 there was a community benefits program that was
11 part of the development of the peaker project. It
12 totaled \$1.3 million. \$600,000 was for
13 environmental benefits, primarily air quality
14 benefits, and there was a \$700,000 endowment to
15 the Charitable Giving program that has been set up
16 within the community and continues today.

17 This is just a photograph of what you
18 have seen on the site tour. Again, basically the
19 big structure in the middle of the picture is the
20 evaporative cooler of the air intake structure.

21 The benefits of the proposed combined
22 cycle: It will have additional megawatts to meet
23 the growing demand in California.

24 As I mentioned earlier, it will
25 significantly improve the efficiency of the

1 project. And it does that because we are
2 recovering the waste heat from the combustion
3 turbine exhaust, generating steam and generating
4 additional electricity.

5 It will use the existing infrastructure,
6 which will minimize the environmental impacts.

7 This all results in lower emissions per
8 megawatt of electricity generated.

9 The analysis will be done assuming 8,000
10 of availability, which is the same basis on which
11 the peaker plant was evaluated.

12 The key project features. Again, there
13 will be two heat recovery steam generators that
14 will have the capability for limited supplementary
15 gas firing, which is typically referred to as duct
16 firing, and the associated stats. The emission
17 control system, what is referred to as the SCR and
18 the oxidation catalyst, will be located in the
19 HRSGs.

20 There will be a new 145 megawatt steam
21 turbine. The 145 megawatts generating capacity is
22 based on, if we are recovering only the waste heat
23 we will generate approximately 90 megawatts of
24 additional electricity. With the supplementary
25 natural gas firing in the HRSG, that takes it up

1 to the 145 megawatts.

2 The cooling, thermal cooling of the
3 steam cycle. Again, as we mentioned on the site
4 tour, will be by an air-cooled condenser. We will
5 see that in a later slide in terms of the visual
6 impacts and the size of the structure.

7 The air-cooled condenser is going to be
8 located where the existing storm water retention
9 basin is located. The basin will be relocated to
10 the west.

11 There will be a new auxiliary boiler.
12 The auxiliary boiler is used to keep the seals on
13 the steam turbine hot and some partial heating of
14 the HRSG. The purpose is to reduce or minimize
15 the start-up time on the combined cycle.

16 There will be minor footprint changes in
17 the footprint of the plant. Again, the permanent
18 disturbance will increase by 3.3 acres. Again,
19 that is for the relocated storm water retention
20 basin.

21 The annual water usage incremental to
22 the current water usage will be approximately 25
23 acre-feet per year. As I mentioned on the site
24 tour, the current water requirements for the
25 peaker is 29.5 acre-feet per year. Again, this is

1 all predicated on the facility operating 8,000
2 hours.

3 There will be a temporarily disturbed
4 area of approximately 12.3 acres. That is for
5 construction lay-down and construction parking.

6 The site is on an existing 40 acre
7 parcel that is owned by GWF. Again, the peaker
8 plant occupies 13.1 acres. The proposed combined
9 cycle project will occupy 16.4 acres.

10 This is a general site layout. I
11 apologize for the quality. It may be difficult to
12 see without a pointer. On the top of the general
13 site arrangement is the temporary storm water
14 collection basin. Below that, the cross-hatched
15 area is the temporary parking and lay-down. And
16 then you get down in the plant site. You can see
17 the air-cooled condenser, the two combustion gas
18 turbines, HRSGs, and the steam turbine.

19 The switchyard will be essentially
20 unchanged. There is some modification work that
21 is required to add the steam turbine. And then we
22 pointed out the existing PG&E substation. Again,
23 it belongs to PG&E. It is located on that 13.1
24 acre site.

25 The electrical interconnection, as we

1 described, will require some modification of the
2 on-site 115 kV switchyard.

3 We pointed out the three 115 kV lines.
4 The Tesla-Manteca line was the center line on the
5 tower. Currently the peaker is interconnected to
6 the closest steel tower line to the facility.

7 As I mentioned there are three
8 reconductored segments that are off-site that we
9 will look at on a later slide. GWF has received
10 the system impact study from the ISO for the
11 interconnect. Reconductoring is where you have an
12 existing size wire on the transmission line and
13 you are increasing the size of that wire, if you
14 will, to handle the increased transmission load.

15 This is a little bit hard to see but
16 again, down on the left hand side the red, dashed
17 line is about .7 miles of reconductored line. If
18 you move up to the top, right-hand side there is a
19 green section that is 1.7 miles and then there is
20 an orange section that is .6 miles. And again,
21 obviously that reconductoring will be done off-
22 site. But again, it is upgrading the transmission
23 lines on the existing structures.

24 The air quality improvements that are
25 discussed in the application. The project will

1 incorporate higher efficiency emission control
2 systems. Specifically the selective catalytic
3 reduction or SCR for NOx control will reduce the
4 NOx emissions to two ppm. The current permit
5 limit for NOx is five ppm. And the reason for the
6 significant reduction is primarily associated with
7 the temperature of the exhaust gas. You can just
8 do a much better job of removing the NOx from the
9 turbine emissions at the right temperature.

10 Also in the HRSG and part of the more
11 efficient controls is an oxidation catalyst.
12 Currently the CO permitted limit is six ppm. That
13 will be dropped to two ppm. The VOC will remain
14 unchanged at two ppm.

15 The ammonia slip or the ammonia
16 concentration. Ammonia is used in the selective
17 catalytic reduction system to reduce the oxides of
18 nitrogen and the ammonia in the stack is typically
19 referred to as ammonia slip. That ammonia slip
20 concentration, the proposed limit is five ppm.
21 Currently that limit is ten ppm.

22 This is just another slide comparing the
23 existing limits with the proposed limits. Again,
24 the NOx will drop from five to two ppm, CO from
25 six to two, VOC will remain unchanged. The PM10/

1 PM 2.5 emissions are associated with the amount of
2 natural gas that is burned in the facility. And
3 the ammonia concentration dropping from ten to
4 five ppm.

5 This slide contrasts the annual
6 permitted emissions for the current peaker. The
7 NOx emissions permitted, 307,000 pounds per year.
8 The proposed project will emit 181,000 pounds a
9 year. Again, this is all assuming that the
10 facility operates 8,000 hours.

11 The CO emissions, 143,000 actually goes
12 up to 161 even though the concentration is
13 dropping. The start-up cycle on the combined
14 cycle turbines actually increase the CO emissions.

15 The VOC is slightly higher. That is
16 primarily associated with the burning of natural
17 gas in the HRSG. The size of the duct burns in
18 the HRSG are roughly 325,000 million BTU per hour.
19 Again, that natural gas firing will allow the
20 facility to generate an additional 60 megawatts.

21 The PM10/2.5 emissions, 53,000 pounds
22 will increase to 67,000 pounds. Again associated
23 with the gas burned in the HRSG.

24 The SO2 goes up slightly as well because
25 of the natural gas.

1 The project emission change for NOx is
2 reduced by 126,000 pounds an hour. The project in
3 terms of mitigating the increased emissions for
4 PM10 and VOC are mitigated or offset using NOx as
5 a precursor to ozone. The ratio for NOx and VOC
6 is one-to-one. The ratio for PM10, again because
7 NOx is a precursor to PM10, is 2.38-to-one.
8 Meaning one pound of NOx would offset 2.38 pounds
9 of PM10. Excuse me, the other way around. The CO
10 emissions and the VOC increase will be offset by
11 surrendering emission reduction credits as part of
12 the project to the San Joaquin Valley Air
13 Pollution Control Group.

14 Noise. The project is designed to
15 achieve 42 dBA or less at the nearest residence.
16 I have got a map that will follow and show you
17 where that is located. For those of you from
18 Tracy who know, it is the Timmons residence which
19 is located in the orchard west of the project.

20 The proposed project will comply with
21 the San Joaquin County noise ordinances.

22 The nearby receptors. The nearest
23 residential receptor is the ST-5R, I believe it
24 is, to the left and slightly below the project
25 site. And again, that is the Timmons residence.

1 and as the closest residential receptor, sensitive
2 receptor, again, the design point is 42 dBA, the
3 contribution from the project.

4 Visual resources. There are no visible
5 plumes associated with the project. As I
6 mentioned on the site visit, we will review the
7 landscape plan for the peaker. We have had a lot
8 of difficulty maintaining the trees that were
9 designated for visual resource mitigation at the
10 peaker plant. The major equipment color will be
11 chosen to blend with the surrounding environment,
12 which is the green that you saw on the existing
13 peaker plant.

14 These are the key observation points.
15 You can see there are three of them. One towards
16 the center of the slide is located at Schulte and
17 Lammers Road. The other two are located looking
18 at the site from the freeway, from 580.

19 This is the observation point from
20 Lammers Road and West Schulte. You can see -- and
21 this is the existing project site. You can see
22 that the dominant features from that key
23 observation point are the two stacks and the air
24 intake structures on the turbines.

25 This is the view from the same location

1 with the proposed project modifications rendered
2 into the existing facility. You can see the new
3 stacks, the HRSGs. You can still see the air
4 intake structures. And again, as mentioned at the
5 site tour, the dominant structure associated with
6 the modifications is the air-cool condenser. To
7 the right is the Owens glass plant facility.
8 Further to the right off the slide is the biomass
9 plant.

10 Any additional questions. I don't know
11 what the -- if we take questions at the end of
12 this presentation?

13 HEARING OFFICER RENAUD: Yes, please.

14 MR. WHEELER: Are there any questions
15 that we might be able to address from the
16 audience?

17 This is the information on the contacts,
18 again. I am Doug Wheeler. Mark Kehoe is located
19 here in the front row, Director of Environmental
20 Safety. And then Hal Moore is our Engineering
21 Manager.

22 On the tour on our way back I pointed
23 out the 200 acre grassy field that was adjacent to
24 the peaker plant access road. About three weeks
25 ago the Tracy City Staff made a recommendation to

1 the City Council, which was approved by the
2 Council, to consider alternative uses of that 200
3 acre parcel. As I mentioned on the site tour,
4 originally that was designated as a sports park.
5 The City has moved to a different location for
6 that sports park.

7 The other part of the -- the
8 recommendation really went to looking at
9 alternative uses. The property was transferred
10 from the federal government to the City with
11 specific land uses, either recreation or
12 education. And the other part of the
13 recommendation was to negotiate with GWF and
14 others to look at an alternative energy facility
15 on that 200 acre parcel.

16 Obviously the land use issues have to be
17 resolved by the City and the federal government.
18 Once we get to that point if there is an agreement
19 between the City and GWF that would represent site
20 control then there may be an opportunity to look
21 at a solar component which would be integrated
22 into the combined cycle that is proposed,
23 currently proposed.

24 I want to emphasize that the project
25 that is in front of the Energy Commission is a

1 combined cycle project. This came up two weeks
2 ago. Certainly from an energy efficiency
3 perspective, its location to the existing combined
4 cycle, it may make very good sense to consider
5 integrating solar into it. But again, I just
6 wanted to mention to the community and to the
7 Siting Committee that this has come up and it may
8 be something that we will want to include in the
9 project down the road. I have no idea of time
10 frame but I just wanted to give you a heads-up.

11 Are there any comments form Mike
12 Carroll?

13 MR. CARROLL: No comment. I'd be happy
14 to answer any questions that anyone may have.

15 HEARING OFFICER RENAUD: All right, no
16 questions at this point. Remember, we will have a
17 public comment period at the end as well in case
18 something should come to mind.

19 Let's proceed with a presentation on
20 behalf of the Energy Commission staff. This will
21 describe what the Energy Commission does in
22 considering the Application for Certification.
23 And then we will discuss the staff's Issues
24 Identification Report as well as some scheduling
25 issues for handling the rest of the case.

1 MR. MEYER: It will take us just a
2 second to get the PowerPoint up. Elena Miller has
3 kindly offered to hand out some copies of the
4 presentation so you can have a place for notes.
5 And since there was some contact presentation
6 information on this slide on the presentation we
7 will be giving, you will have it for your records
8 if you have any questions further down in the
9 process.

10 Okay, I think we are ready to go here.
11 Good afternoon. My name is Christopher Meyer. I
12 will be the staff's project manager for the GWF
13 Tracy Combined Cycle Power Plant Project.

14 The first slide is just sort of a
15 recount of the key members of the Siting
16 Committee, Hearing officer and Public Adviser's
17 Office and also Staff Counsel.

18 You will hear people talk about the
19 docket number throughout the process and that is
20 that 08-AFC-7. It is just simply it was the
21 seventh project received by the Energy Commission
22 in 2008. Just one moment while I get the clicker
23 here.

24 Basically the purpose of the siting
25 project for the Energy Commission under the Public

1 Resource Code is, you know, two-fold. Really we
2 look at making sure that the process goes forward
3 to provide security, energy security for the State
4 of California while balancing that need to provide
5 the power with looking out for the public good as
6 far as environmental concerns. And when we talk
7 about environmental we are looking at you know,
8 bio, cultural issues. Also looking at things such
9 as visual, land use, health, air quality and
10 things of that nature as well in our review.

11 The Energy Commission looks at thermal
12 power plants that are greater than 50 megawatts.
13 When we talk about thermal people talk about solar
14 projects. There are solar projects that get their
15 energy out of using mirrors to heat a medium.
16 That's solar. Something like a PV which doesn't
17 have a thermal component is not something that the
18 Energy Commission would look at. In this case of
19 a natural gas-fired facility and it is over 50
20 megawatts, it is well within the jurisdiction of
21 the Energy Commission.

22 We also look at the infrastructure that
23 is related to the power plant. As the applicant
24 talked about, they will be reconductoring the
25 transmission lines because of this upgrade in the

1 project that has been proposed. We look at those
2 and we also look at any access roads, anything
3 that has either temporary or permanent impacts
4 that would be from the proposed project.

5 And when people talk about CEQA impacts,
6 the California Environmental Quality Act. The
7 Energy Commission is the lead agency that looks at
8 the CEQA review.

9 The Energy Commission has a three-step
10 process. Basically the first step we call data
11 adequacy. And I will go through these a little
12 bit more later. It has already happened. Where
13 we look at the project for completeness. Then we
14 go to a discovery and analysis phase, which is
15 where we are right now. And when that is
16 completed we will get into the evidentiary hearing
17 and decision phase.

18 And during the discovery and analysis
19 process there are several parties that can be
20 involved. As the Public Adviser explained, you
21 will have intervenors. People are formal
22 intervenors who petition. And if they are
23 accepted by the Committee as formal intervenors
24 they will become official parties. So they will
25 join the applicant and the Energy Commission staff

1 as parties to the project.

2 One of the big things that staff will do
3 is make sure that the public has a voice and a --
4 has basically a voice in the process, whether you
5 become a formal intervenor or not. Also we work
6 with a lot of state and federal agencies, local
7 agencies, to make sure that their voice is heard
8 as well.

9 And when we talk about agencies, local.
10 Even though this project is outside the city
11 limits of Tracy, because we recognize that the
12 City of Tracy was very interested in the original
13 Tracy Peaker Project through that proceeding, we
14 decided it would be very good to involve the City
15 of Tracy throughout this proceeding to find out
16 what their concerns are. We are also going to be
17 working with the County.

18 The different technical areas will have
19 different agencies that they will look at, whether
20 they are local or state or federal. Air quality
21 we will look at, we will work with the San Joaquin
22 Valley Air Pollution Control District to look at
23 what conditions they would have and learn how to
24 meld that into our process. I won't go through
25 all of these. You will have them in the slide,

1 the different agencies that we will be working
2 with.

3 As I said before it is a three-step
4 process. The data adequacy phase. Really what we
5 are looking at there, we are not saying that the
6 application is complete with everything we need to
7 do our analysis. The adequacy phase basically
8 says, does this application have the minimum
9 information for us to even start our review.

10 We have regulations that have a laundry
11 list of information that needs to be provided on
12 all the applications. Our staff goes through that
13 and makes recommendations to the Executive
14 Director who then makes them to the Commission to
15 determine whether the project can be accepted by
16 the Commission as complete and that will start the
17 12 month clock.

18 In this process the applicant has --
19 Excuse me, let me just back up just a second. The
20 first go-around there were some technical areas
21 that we found needed additional information. We
22 provided that to the applicant. They provided a
23 supplement to the AFC. So if you go to our
24 website you will see both the AFC and a supplement
25 with additional information clarifications. With

1 that supplement the Commission found the project
2 to be complete and we started the 12 month clock.

3 Right now that puts us into the
4 discovery and analysis phase. The discovery phase
5 is basically where we ask the applicant specific
6 questions in each technical area to provide
7 additional information that our staff needs to do
8 a very complete and thorough analysis. As we
9 draft those they will go up onto our website and
10 you can review those as well. So you get an idea
11 of what issues the staff has and what questions.

12 The Issues Identification Report is also
13 a very early process. We have completed that and
14 there are some copies on the dais of that. If we
15 run out just let me know, I'll make sure you get a
16 copy.

17 Once we go through the data requests
18 within 30 days the applicant will produce the data
19 responses to those requests and shortly after that
20 we will have one of the first of our workshops.
21 We will have several workshops which are held a
22 little bit less formal than this. There won't be
23 a record. It will be something where I will
24 conduct a workshop to, as the Hearing Officer
25 provided earlier, discuss all the issues between

1 the different parties in a public forum.

2 I won't be talking to the applicant,
3 Commissioners, Committee, anyone about the
4 substantive issues on this project outside the
5 public view. So as the public, as intervenors,
6 you will be completely aware of all the major
7 issues. We try to make sure that the process is
8 as transparent as possible.

9 So some of these workshops, like the --
10 we will have an issues resolution and data
11 response workshop where that's sort of one of the
12 first times the Energy Commission staff and
13 applicant's staff can really sort of work through
14 some issues. It is sort of like a working meeting
15 in a public forum.

16 So you will see a lot of discussion back
17 and forth between the parties so you can get an
18 idea of sort of what we are trying to deal with.
19 And then at the end of that meeting, that open
20 meeting, we open it up to the public so you can
21 ask any questions on either generally on the
22 process or specifically on the issues that we were
23 dealing with on that particular workshop.

24 Then that brings us to the staff
25 assessments. Staff will produce two documents,

1 two major documents on this, a Preliminary and
2 then a Final.

3 Basically each of the technical areas
4 will look at LORS, which are the laws, ordinances,
5 regulations and standards that pertain to that
6 technical discipline.

7 And we conduct both the engineering and
8 environmental analysis. When we talk about that
9 we talk -- there are certain issues like
10 reliability, noise. Excuse me, reliability,
11 efficiency, that are an engineering aspect rather
12 than biological, cultural or visual, which are
13 dealt with in the Environmental section. So it is
14 divided up within the document but it is all put
15 together in one Preliminary Staff Assessment and
16 then in the Final Staff Assessment.

17 One of the things that we will be doing
18 is evaluating alternatives. And when we talk
19 about alternatives we don't talk just about other
20 power plants, other locations. We look at both of
21 them. We will look at, can this proposed project
22 be met with different technology, whether it is
23 renewable or another combustion technology. Or if
24 there are impacts that are site-related on the
25 analysis we may look at those.

1 And one of the things, if staff looks at
2 certain issues and determines that there are
3 potential, significant environmental impacts, the
4 staff will propose mitigation for those. We will
5 identify potential mitigation and will recommend
6 the adoption of that mitigation as far as the
7 conditions of certification in both the
8 Preliminary and Final Staff Assessments.

9 But one thing to differentiate. The
10 Energy Commission staff -- I am representing the
11 technical staff for the production of the staff
12 assessments. Our role is not as a decision-maker.
13 We are just solely focused on the analysis and we
14 make recommendations to the Committee. The
15 Committee would be the ultimate decision-makers in
16 the process.

17 The third step is, as I talked about,
18 the decision-making process. When the staff has
19 produced its documents, we have produced our
20 Preliminary Staff Assessment, it goes out to
21 workshops. We get comments from all the parties
22 and the public. We incorporate those into our
23 Final. That document goes both out for public
24 review and also to the Committee. And at that
25 point they will have evidentiary hearings and

1 prior to that a prehearing conference. The
2 Committee at that point takes all the comments
3 from those steps and will produce a Presiding
4 Member's Proposed Decision. And that will contain
5 a lot of the information from those earlier
6 documents.

7 And once that Presiding Member's
8 Proposed Decision is completed it will go in front
9 of the full Commission for a decision. Because
10 the Siting Committee, as was explained earlier, is
11 two of the Commissioners on the Energy Commission.

12 And if approved, if the project goes
13 through that process and is approved, the Energy
14 Commission is required to make sure that all the
15 conditions that are accepted, proposed and
16 accepted and adopted are followed through both the
17 construction and operation phase of the project.

18 And that goes right up through closure.
19 So if the project many years from now as approved
20 has to be taken down, the Energy Commission also
21 will make sure that the project is removed in a
22 safe manner.

23 And this is just a little bit of an
24 overview of the people that are involved in the
25 evidentiary hearing and decision process. The

1 intervenors are still involved, you have public
2 comments again. The Public Adviser, who you heard
3 speak earlier, will be instrumental in making sure
4 that people understand how they can fully
5 participate in this process. At that point Energy
6 Commission staff, myself, we become one of the
7 people testifying and providing information into
8 this process, just as everyone else will, to help
9 the Committee make a decision on this.

10 And one thing just to -- that can be
11 sometimes misunderstood. Energy Commission staff
12 is almost like a disinterested third party in this
13 process. We look at all the information and try
14 to put a very sort of non-biased and cohesive
15 package together, either recommending or not
16 recommending approval of the project.

17 So we are neither an opponent or a
18 proponent of the project going through this. So
19 that is why we really invite information from all
20 parties, from the public, from intervenors, from
21 the applicant, from interested agencies, to help
22 us provide the decision-makers with the best
23 project possible so they can make the best
24 decision they can make.

25 And this was covered actually very well

1 by the Hearing Officer so I'll just sort of leave
2 it in here for your notes later.

3 And once again this gives you some
4 locations, some of the libraries and the name of
5 our website, where additional information will be
6 posted throughout the process.

7 And on that website you will see
8 Notices. we have figures, maps, all of the
9 document that the Commission produces. All the
10 public documents will go onto this website. There
11 are documents from the applicant. As I talked
12 about before, the application is on there in
13 electronic format.

14 So if one of the libraries is too far
15 away and you don't want to have to deal with that
16 you can actually, our website is designed so that
17 you can download the AFC in little pieces. You
18 can go to different parts of it. So it is not
19 going to overwhelm your computer in most cases,
20 and look at it in the comfort of your own home.

21 And if an intervenor has documents that
22 they provide they will go up on this website as
23 well.

24 And one thing, as the Public Adviser
25 talked about earlier, there is a list server on

1 this website where you can sign up and you will
2 automatically get e-mail every time a document is
3 posted at the website. You won't get the actual
4 document, because some of them are fairly large,
5 but you can take a look at what was posted and
6 decide if you want to go to the website and where
7 you can get more information.

8 So this is just a little bit more
9 information on the website. This you will have.
10 This is one of the slides in the handout that will
11 have my phone number. I encourage people, if you
12 have questions, issues on this project, please let
13 me know. The soonest you let me know is great.
14 If you have something that is a very technical
15 question, very detailed, shooting me an e-mail is
16 great because then I have that without sort of me
17 trying to translate it and I can provide it to the
18 appropriate staff committee to help me answer your
19 question.

20 Now we come to Staff's Issue
21 Identification Report. What staff does in one of
22 their very first stages is after we look at
23 whether the project has all the pieces necessary
24 for us to start our review. We look at, is there
25 anything that is a project killer. Is there some

1 major issue that could either significantly affect
2 our ability to recommend the project, or that
3 could significantly impact the proposed schedule
4 for the project or our review of the project.

5 What we do is we make sure that the
6 public, the Committee and the applicant are aware
7 of these potential issues so we can address them
8 early. And on this project, mainly because it is
9 an existing power plant that is operating
10 currently, there were no major issues that were
11 identified by staff by the proposed project. And
12 this is just the proposed project is converting
13 the existing peaker to a combined-cycle.

14 This is not saying that during the
15 process when we get farther into all of the
16 technical areas we won't identify significant
17 issues. It is just that at this first blush look
18 we did not identify any.

19 That said, staff will be looking very
20 closely at water use to make sure -- and we will
21 be sending out in our discovery phase data
22 requests to make sure that the water use for this
23 project, even though it is minor in its increase
24 over the existing use, is compliant with state
25 water policy. And that is really the only smaller

1 issue that we are really concerned about that we
2 will be looking at in this initial process.

3 This brings us to the proposed schedule.
4 In your handout I did this one as a full page,
5 otherwise no one would be able to read it. And I
6 will say right at the beginning, this is a
7 proposed schedule from staff and it will be, the
8 Hearing Officer and the Committee will ultimately
9 look at this and determine whether this is an
10 appropriate schedule. But it shows us at this
11 point down about the fifth item, the Informational
12 Hearing and Site Visit.

13 The applicant received our data requests
14 on the 21st and they will have a month to provide
15 responses to that. And then as I talked about
16 before, shortly thereafter we will hold a workshop
17 to deal with the resolution of any outstanding
18 issues and also to talk about staff's questions on
19 those data responses. So if any of those data
20 responses have minor issues we want to clarify,
21 instead of going back and forth with different
22 requests and responses we will do that in that
23 open meeting.

24 And as you notice in my schedule, I
25 worked to set the schedule up so that we don't

1 have anything, any sort of public involvement
2 during the major holidays. So we are not going to
3 ask anyone to be here Christmas week for anything.
4 So you can look that over at your leisure. And
5 please, if you have any questions about my
6 schedule call me and I will do my best to answer
7 your questions.

8 One of the things that we look at in our
9 proposed schedule that many of you who have been
10 following the Energy Commission's workload in this
11 current period of time are aware that our schedule
12 is hopeful and we will work very hard to keep on
13 it. But with the workload of the Commission right
14 now we can't guarantee that all those dates are
15 absolutely set and there might be slippage due to
16 sharing staff time with other projects right now.

17 And there's other agencies. As I talked
18 about before, the San Joaquin Valley Air Pollution
19 Control District, that have to produce documents
20 that we need as part of our review. That if those
21 are delayed that could impact our schedule.

22 And that concludes my presentation.
23 This again is just a slide of the key players from
24 the staff and the Hearing Officer if you have any
25 questions. Also, as the applicant provided

1 earlier, their contact information if you have any
2 questions you want to go directly to the applicant
3 on. Are there any questions on my presentation I
4 can answer? Excellent, thank you very much.

5 HEARING OFFICER RENAUD: Thank you,
6 Mr. Meyer. As Mr. Meyer showed, his schedule
7 shows roughly a 12 month period from the time the
8 Commission determined the application was data
9 adequate until the issuance of the Commission
10 decision. This is the 12 month period we strive
11 to maintain. It is not always possible. Lots of
12 bumps in the road can occur during this process
13 and sometimes it takes longer.

14 But I take it, Mr. Carroll, that if we
15 could stick to that 12 month schedule the
16 applicant would have no objection.

17 MR. CARROLL: We would have no objection
18 to that.

19 HEARING OFFICER RENAUD: Very good. The
20 Committee will issue a Scheduling Order in the
21 near future that will set forth various landmark
22 dates by which things are to be done.

23 And with that I think we have completed
24 everything we need to do at this hearing save and
25 except the very important public comment period.

1 And at this time we will invite any members of the
2 public to come forward, ask questions, make a
3 comment. The microphones are open.

4 Going once. No one? All right, in that
5 case I think we consider it adjourned after
6 closing remarks or comments.

7 PRESIDING MEMBER DOUGLAS: Very well.
8 Thank you, everybody. I think we are at the cusp
9 of adjourning this hearing.

10 I just wanted to say one thing, which is
11 that the Energy Commission has convened an order
12 instituting an investigation for looking at how we
13 analyze greenhouse gas impacts in our power plant
14 siting cases. I point this out because we will
15 have hearings or workshops in October, November,
16 quite likely December, leading to a draft, and
17 then ultimately I think early in 2009 a final set
18 of recommendations or guidance from the Commission
19 to staff.

20 So I raise this just to say that I hope
21 this is not something that will affect our
22 timetable here, although it could, and that there
23 may be requests for information or analysis coming
24 out of that process.

25 Beyond that, if there are no questions

1 and no comments the hearing is adjourned, thank
2 you.

3 MR. MARSHALL: Christopher, did you want
4 to mention Angelique's contact information as the
5 Compliance Project Manager for the program.

6 MR. MEYER: Yes, I apologize. We are
7 going to do something a little bit new. And it
8 was completely my error in forgetting to introduce
9 the Compliance Project Manager who, if the project
10 is approved by the Commission, would be in charge
11 of ensuring that all the conditions of
12 certification are addressed during the compliance
13 phase. And she has just a very brief presentation
14 that she wants to give explaining what our role
15 will be.

16 MS. JUAREZ-GARCIA: Hello, my name is
17 Angelique Juarez-Garcia. I am the Energy
18 Commission Compliance Project Manager assigned to
19 this project. I just wanted to start by saying my
20 presence and presentation here does not assure or
21 imply that the Energy Commission has already made
22 a decision to approve this project. In fact, that
23 approval or disapproval will come only after a
24 comprehensive siting process that is just starting
25 here.

1 I am basically here to provide assurance
2 that if and when this project is licensed there
3 will be a rigorous and ongoing process to ensure
4 that the project is constructed and operated in
5 compliance with all applicable laws, ordinances,
6 regulations and standards to include all
7 conditions of certification imposed on the license
8 if it is issued.

9 It is also important to note now that
10 the Commission's siting process is time for public
11 participation and involvement to comment on
12 conditions of certification that will apply to
13 this project. Once the Commission has issued a
14 Final Decision it is more difficult to change the
15 conditions of certification for a given project.

16 In addition to myself and the Commission
17 management a third-party delegate is involved in
18 the compliance process with the Commission to
19 oversee construction of power plant projects. The
20 Commission delegate is the Chief Building Official
21 or CBO.

22 The CBO can be a local building official
23 such as the City or County building departments or
24 a third-party company from a pre-approved
25 statewide list of qualified delegate CBOs,

1 maintained by the Commission Compliance Unit.
2 Though the CBO reports directly to the Compliance
3 Unit, its activities and expenses are paid for by
4 the applicant through a contract agreement with
5 the CBO prior to the construction activities.

6 In most cases, shortly after the Final Staff
7 Assessment is published, the Compliance Program
8 manager with the assistance of the staff attorneys
9 will assign a delegate authority to enforce the
10 on-site compliance program to the CBO through a
11 Memorandum of Understanding or MOU.

12 The delegate CBO is responsible for
13 monitoring the following: All critical
14 construction activities to ensure compliance with
15 the facility design, transmission engineering
16 system, related civil, structural, electrical and
17 mechanical codes are consistent with county,
18 state, federal building requirements. The CBO is
19 the on-site inspector that reviews engineering
20 documents similar to what an inspector does for a
21 local building department.

22 If and when this project receives a
23 license a compliance fee is imposed on the project
24 and those fees are due after licensing and each
25 year after licensing by July 1.

1 Occasionally the project owner will
2 realize after receiving a license that they would
3 like to amend conditions of certification to the
4 license. This may occur during construction or
5 operation for a variety of reasons such as a new
6 technology becoming available or because of
7 undiscovered, operational or site constraints on
8 the existing license. Should an amendment be
9 requested the project owner will contact the
10 Energy Commission's CPM for a pre-amendment
11 petition meeting and discussion.

12 If and when the project owner proceeds
13 with the amendment petition the Energy Commission
14 will send out a Notice of Receipt explaining the
15 purpose of the license amendment petition to a
16 combined mailing list of all parties that were
17 identified during the licensing process and in the
18 compliance phase of the project. This list will
19 include all surrounding landowners and residents
20 within 1,000 feet of the project, to include
21 agencies.

22 The Commission staff then process the
23 amendment, and when needed, provides technical
24 analysis similar in format and levels of review as
25 the original application for certification review.

1 Similar to the process that we are in now.

2 Again, my name is Angelique Juarez-
3 Garcia. I am based in Sacramento. I have cards
4 outside on the sign-in table. And if this
5 project, if and when this project is approved my
6 contact information will be available during the
7 compliance phase of the project. Thank you.

8 PRESIDING MEMBER DOUGLAS: Thank you
9 very much.

10 And now we really are finished and
11 adjourned. Thank you.

12 (Whereupon, at 5:42 p.m., the
13 Informational Hearing was
14 adjourned.)

15 --o0o--

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of October, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□