

INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification) Docket No.
for the Willow Pass) 08-AFC-6
Generating Station Project)
_____)

DELTA DIABLO SANITATION DISTRICT
2500 PITTSBURG-ANTIOCH HIGHWAY
ANTIOCH, CALIFORNIA

THURSDAY, DECEMBER 18, 2008

6:30 p.m.

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

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Karen Douglas, Presiding Member

James D. Boyd, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Paul Kramer, Hearing Officer

Kelly Birkinshaw, Advisor to Commissioner Boyd

Diane Schwyzer, Advisor to Commissioner Douglas

STAFF PRESENT

Eileen Allen

Ivor Benci-Woodward, Project Manager

PUBLIC ADVISER'S OFFICE

Loreen R. McMahon, Associate Public Adviser

APPLICANT

Lisa A. Cottle, Attorney
Winston & Strawn

Jonathan A. Sacks, CFA
Mirant Corporation

Chuck R. Hicklin
Mirant Corporation

Kathy Rushmore
URS Corporation

INTERVENOR

Gloria D. Smith, Attorney
Adams Joseph Broadwell & Cardozo
representing California Unions for Reliable Energy

ALSO PRESENT

Gary Darling, Delta Diablo Sanitation District

Garrett Evans, City of Pittsburg

Madhav Patil, Bay Area Air Quality Management
District

Bob Nishimura, Bay Area Air Quality Management
District

June Forsyth

Erkki Kochketola, Contra Costa ACORN, Association
of Community Organizations for Reform Now

Rick Treat

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

2 7:05 p.m.

3 PRESIDING MEMBER DOUGLAS: Good evening
4 everyone, we'll get started now. Please take a
5 seat if you plan to.

6 Thank you for being here today and
7 welcome to the Site Visit and Informational
8 Hearing for the Willow Pass Generating Station.

9 My name is Karen Douglas. I am the
10 Presiding Member of this Siting Committee. The
11 Associate Member of the Committee, Commissioner
12 Jim Boyd, is not to my immediate right but one to
13 the right of the Hearing Officer who is to my
14 immediate right, Paul Kramer.

15 To Commissioner Boyd's right is Kelly
16 Birkinshaw, his advisor. My advisor is to my
17 left, Diane Schwyzer.

18 Normally in these Informational Hearings
19 the Hearing Officer essentially runs the
20 proceedings so at this point I will turn over the
21 mic to him.

22 HEARING OFFICER KRAMER: Thank you,
23 Commissioner Douglas. First of all this
24 PowerPoint presentation is available in an
25 audience-friendly format in the back, on the back

1 table. Maybe if somebody can -- so everyone
2 doesn't have to get up and step on everyone if
3 somebody can pass out copies to those who raise
4 their hands indicating they want one.

5 For the rest of the introductions let's
6 start with the applicant.

7 MS. COTTLE: Thank you. My name is Lisa
8 Cottle. I am with the law firm of Winston and
9 Strawn and I am serving as project counsel to the
10 Willow Pass Generating Station. To my left is
11 Jonathan Sacks. He is the project director with
12 Mirant and heads up project development and
13 business transactions for the west.

14 And to my right is Chuck Hicklin, also
15 with Mirant. He is acting as the Mirant project
16 manager. And to his right is Kathy Rushmore with
17 URS Corporation and Kathy is the URS project
18 manager. And URS is providing the environmental
19 and technical support on this project.

20 HEARING OFFICER KRAMER: And staff.

21 MR. BENCI-WOODWARD: My name is Ivor
22 Benci-Woodward, I am with the California Energy
23 Commission. I am the project manager for the
24 proposed Willow Pass Generating Station.

25 HEARING OFFICER KRAMER: And then we

1 have one intervenor from CURE.

2 For those of you who were not at the
3 previous proceeding, if you are not up at the
4 table, when you need to speak we need you to come
5 to this microphone so that you can be recorded by
6 our court reporter. And if you are worried that
7 she might misspell your name in the transcript
8 please spell it for her. Or if you end up filling
9 out one of these blue cards, if you print very
10 legibly she will copy it off of that when the
11 hearing is over.

12 MS. SMITH: Gloria Smith from Adams
13 Broadwell for Intervenor California Unions for
14 Reliable Energy.

15 HEARING OFFICER KRAMER: Thank you. We
16 also have a representative from the Delta Diablo
17 Sanitation District. And before you speak, thank
18 you for providing this room for us to hold this
19 meeting.

20 MR. DARLING: You're welcome. My name
21 is Gary Darling and I am the general manager of
22 Delta Diablo Sanitation District.

23 HEARING OFFICER KRAMER: Do we have any
24 representatives from any local agencies?

25 MR. EVANS: Garrett Evans, City of

1 Pittsburgh, G-A-R-R-E-T-T, E-V-A-N-S.

2 MR. PATIL: My name is Madhav Patil and
3 I am from Bay Area Air Quality Management
4 District. I am working on the -- I am the permit
5 engineer for Willow Pass. And my name is spelled
6 M-A-D-H-A-V and the last name is P-A-T-I-L.

7 HEARING OFFICER KRAMER: And then
8 finally, we have a representative here from the
9 Energy Commission's Public Adviser's Office.

10 MS. McMAHON: My name is Loreen McMahon,
11 I am the associate public adviser.

12 HEARING OFFICER KRAMER: There are other
13 documents relating to this case on the back table,
14 I believe. So if you are interested you could
15 collect them now or perhaps at the end of the
16 proceeding.

17 I created what I call a list of acronyms
18 or acronym soup. And it is a very hearty soup
19 because we have lots of them at the Energy
20 Commission. These first few are in an order that
21 they will likely confront you in this case.

22 The whole matter began with an
23 Application for Certification from Mirant Willow
24 Pass. Certification is the Commission's term for
25 a license to build a project.

1 At some point the Bay Area Air Quality
2 Management District will issue a Preliminary
3 Determination of Compliance. And that is their
4 report about the air quality aspects of the
5 project, including conditions that it needs to
6 meet in order to comply with their rules and
7 regulations. Following that the Commission staff
8 will issue its Preliminary Staff Assessment.

9 Then the air district will issue a Final
10 Determination of Compliance and the staff will
11 follow that with a Final Staff Assessment.

12 In our proceedings we don't prepare
13 anything that is called an EIR or an Environmental
14 Report under the California Environmental Quality
15 Act. Of course in local processes you are used to
16 seeing that on a big project and this is certainly
17 a big project, an Environmental Impact at some
18 point.

19 But you need to understand that in our
20 proceedings the Preliminary Staff Assessment and
21 then the Final Staff Assessment and the Decisions
22 that ultimately result from the Commission take
23 the place of an EIR. So you should be looking at
24 those. They serve several purposes, one of which
25 is to provide an environmental analysis. And that

1 would be the place you would look to find out what
2 the environmental issues are with regard to the
3 project.

4 The Committee will issue a Presiding
5 Member's Proposed Decision after it conducts
6 evidentiary hearings. And that is a
7 recommendation to the full Energy Commission about
8 whether or not to approve the project.

9 Fitting in to all this, one major
10 question is whether the project complies with
11 LORS. That's Laws, Ordinances, Regulations and
12 Standards. Basically all the rules that would
13 apply to this project, whether they are from the
14 federal government, the state, the city or the
15 county in some cases.

16 Finally, the Bay Area Air Quality
17 Management District will also often be referred to
18 by their acronym.

19 This is the agenda for the rest of our
20 hearing tonight. First the Public Adviser will
21 describe how the public could participate in the
22 process. Then the applicant will talk about the
23 proposed project.

24 Commission staff will talk about our
25 licensing process and staff's role in that

1 process. They will go into much more detail about
2 the various reports and hearings than I just did.
3 And then the staff will discuss the issues that
4 they have identified with regard to the project
5 thus far and also propose a schedule for the
6 remaining activities in the case.

7 And then we will have presentations from
8 interested agencies. I understand that the City
9 of Pittsburg wishes to make one.

10 And we will receive public comments and
11 questions from members of the public. This is a
12 great time for you to tell the staff, the
13 applicant and us what your concerns are. It will
14 help them make sure that they address those
15 concerns when they prepare their reports.

16 And following that we will have some
17 housekeeping items which should just take a few
18 minutes and then we will adjourn.

19 I need to tell you about one, basically
20 one rule that you may not be familiar with that
21 applies to the Committee and that is what we call
22 our ex parte rule. I looked it up once and ex
23 parte is Latin for one-sided, at least in the
24 definition that I saw.

25 The idea is that the Commission

1 decisions are supposed to be based on the evidence
2 that is presented at the hearings. And to have a
3 fair process, all of the people involved, that's
4 the applicant, the staff, the intervenors and the
5 public, deserves to be able to see all the
6 information that has been on the table that might
7 be a basis for that decision.

8 So in order to do that we prevent
9 discussions with the Committee members because
10 ultimately it is the Committee that makes a
11 recommendation based on that evidence of a final
12 decision. You can't talk about substantive
13 matters such as, I don't like the project because,
14 whatever the reason is, or even that you like the
15 project, with the Committee. That needs to occur
16 in a public meeting. This is one of those events.
17 Or it can be in the form of a letter or an e-mail
18 that can be shared with everyone so that we are
19 not having private conversations about substantive
20 matters.

21 It is okay though to talk about
22 procedural issues. When would the next hearing
23 be, what is the deadline for comments on a
24 particular document. That's just fine and we
25 encourage that.

1 As far as how to stay informed goes, the
2 last two slides I have, this one and the next one
3 are basically information for you to take with
4 you. This is the Internet page on our Commission
5 website for this project. There are subpages that
6 have the major documents relating to this case
7 that you can download and look at at your leisure.

8 And then also there is what we call a
9 list serve, an e-mail list. And that list
10 receives notices of things like the fact that say
11 the Preliminary Staff Assessment is released. You
12 will get an e-mail telling you that it has been
13 released. You probably don't want an e-mail with
14 the document itself because the last two I've
15 received, they were 15 and 16 megabyte documents
16 and I think a lot of e-mail systems would probably
17 choke on that. But you will get a notice. If
18 there is workshop that is coming up or the
19 evidentiary hearings you will get notice of that.
20 So it is a good way to keep track of what is going
21 on in the case without having to check the website
22 every day, for instance.

23 And then finally I have some contact
24 information for you. I have Ms. McMahon, my
25 contact information and Mr. Benci-Woodward's

1 contact information.

2 So going back to the agenda. We will
3 begin then with Ms. McMahon's presentation for the
4 Public Adviser's Office.

5 MS. McMAHON: Thank you. This is going
6 to be something of a repeat for some of you. We
7 used the same presentation for both of them with
8 some slight nuances. And of course different
9 speaking styles so you might get some different
10 information.

11 Our office, the Public Adviser's Office,
12 is a unique office within the Energy Commission as
13 Elena had said earlier. She is appointed by the
14 Governor and I am appointed by the Governor. We
15 operate independently of the staff so that our job
16 is to work with the public and to help you
17 understand how you can meaningfully participate in
18 the process.

19 The other things that we have to do is
20 we make recommendations on the best way that you
21 can be involved in the process. Later on in the
22 presentation there are two primary types of
23 involvement that I will go into. We can assist
24 you through those types of involvement and what
25 you have to do in each instance to make sure that

1 your participation meets your goals.

2 We have developed brochures that define
3 what the Public Adviser's Office does so we have
4 these out on the table. Many of you have already
5 taken them. So that you can get a summary of what
6 we do. Our website also goes into that as well.
7 And hopefully this presentation will give you some
8 further information on that. As well as we have
9 copies of our presentations on our table so that
10 all of the links and contact information that is
11 going to be provided is also available as a
12 handout in the front room.

13 To start with it's the wrong website.
14 Paul gave you the right website. You can see we
15 cut and paste, I'm sorry about this. At the end
16 instead of solartwo it would be willowpass, all
17 lower case, one word. It is correct on other
18 handouts so if you could remember not to use that
19 project name.

20 The Dockets e-mail address is there. If
21 you want to send in comments directly to the
22 Energy Commission, Dockets is the one that records
23 it in the file. So that it is just straight in to
24 where it needs to go and then it gets distributed.

25 And then the List Server contact

1 information. That is on our front page. If you
2 go there and you click on the List Server link it
3 will give you a lot of choices on things you can
4 sign up for. If you sign up for this project you
5 will get all of the notices that have to do with
6 this project as it progresses through the time.

7 In your community there are places that
8 you can get information if you -- obviously if
9 have Internet access at home you could just do
10 that. You can get it at these libraries that we
11 have listed here. They have actual copies of the
12 Application for Certification, which Paul has
13 described to you as the applicant's document that
14 he put in. A very, very thick document.

15 Sometimes I know people read things more
16 easily visually as a unit as opposed to page by
17 page. You can go here and look at that. Or you
18 can go to the library even and bring up the
19 website, which is still wrong. Okay, get that
20 away.

21 For this project what we have done so
22 far for outreach. When the applicant's
23 Application for Certification came in the siting
24 committee sent out mailing notices. They sent it
25 to the property owners that lived within 1,000

1 feet of the project.

2 They sent letters to the librarians with
3 copies of the AFC. They sent it to the three
4 local libraries and to other libraries throughout
5 the state.

6 They sent it to agencies and to elected
7 officials.

8 Then next in order to announce this
9 meeting we went back and we sent the notices of
10 this meeting, they were sent by the Hearing
11 Officer. He sent it to all of those same places
12 as the proof of service list, which is a list that
13 kind of builds as the project goes on. It is made
14 up of the applicant, of the Committee, the staff
15 and intervenors and interested agencies. So as
16 people decide throughout the project that they may
17 want to intervene they get added to the list. So
18 the list gets updated and changes as the project
19 goes on.

20 Then the interested parties was also
21 part of this mailing, as well as the list server.
22 So anyone who had already been signed up
23 previously would have gotten notification. That
24 list also of course grows.

25 And then the Public Adviser's Office, we

1 also sent out a notice. We do a different kind of
2 outreach in our office. We send to the Mayor a --
3 we send to the local officials. We sent to the
4 supervisor. And we also go on the Internet and we
5 try to find out community organizations. We try
6 to find schools, places of worship, any local
7 nonprofit groups. We do a search for any local,
8 Native American Indian tribes. So we try to
9 capture the kinds of things that are not normally
10 captured in the other offices and their types of
11 research. And then they get on our list.

12 So you may have received -- It is
13 possible you could have received double
14 notification, most likely you didn't.
15 Notification would have come from either our
16 office on this type of search or from the Hearing
17 Officer.

18 We also put ads in local papers. We
19 also contact the media and encourage them to do
20 public service announcements or to come in person
21 and cover these hearings.

22 Then at the end of this we will also
23 take the sign-up sheets for all the people that
24 have come. Hopefully we will have gathered
25 additional names at that point and we will add to

1 our list of interest too so we can keep people
2 apprised of the project as it goes on. And that
3 is the sign-in sheet, I kind of jumped ahead of
4 myself.

5 I would also like to emphasize at this
6 point that everybody is encouraged to participate.
7 We usually provide translators, especially if we
8 know in advance that we need one. We encourage
9 the non-English-speaking public to participate.

10 We have an ability to accommodate
11 special needs. We have a contact person for that.

12 And the public is encouraged to comment
13 on the noticed topics that are on the agenda. And
14 that will become significant as the different
15 types of workshops and hearings are held. A lot
16 of times they are topic-specific. It helps the
17 staff. We have certain special expertise in our
18 staff that will be at those workshops so it helps
19 if you stay on point for those workshops when you
20 do speak at them. But you can send in comments on
21 any topic at any time.

22 This is where -- We have two levels of
23 public participation, I mentioned that at the
24 beginning. It is informal and formal. The first
25 one is informal and it is primarily a way of just

1 getting your comments out there. You can
2 informally speak at any of these hearings. The
3 first way we have of getting you to have access,
4 basically to the podium, is to fill in the blue
5 cards. And if you hand them to me I'll take them
6 up to the Hearing Officer and he will just read
7 them in an orderly fashion.

8 And then again as I said, you can write
9 comments to the Commission at any time. You can
10 bring them to the meeting if you want and just
11 submit them or you can send them in, fax or e-mail
12 or by written mail. And it helps if you put the
13 docket number on it. Because there are so many
14 siting projects before the Commission right now it
15 helps the mailroom sort through what comments go
16 where.

17 And these comments that are offered by
18 the public during as an informal participant are
19 considered by the Commission as part of their
20 decision-making process. They become part of the
21 record, they become docketed.

22 The difference is, in an informal way
23 they are not considered evidence. Because this is
24 a quasi-judicial proceeding that is a big
25 difference when they have to make their decision

1 because it is based on the facts and the evidence
2 of record. So it depends on what your comments
3 are and what you want to gain out of making your
4 comments on what type of participation you want to
5 have.

6 So the next one is the formal
7 participation. We call it Intervenor. You can
8 contact the Public Adviser's Office to help you if
9 you want to become an Intervenor. We have links
10 on our website that walk you through the process
11 and we have forms but we are there to help you.

12 You have to file a petition, it goes to
13 the Committee and then they make a decision. We
14 have one intervenor in this case and she was
15 already introduced to you when the introductions
16 went around, it's for CURE.

17 And so who can become an intervenor?
18 Anybody can become one. You become a party once
19 you get accepted by the Committee. You have the
20 same rights as others when you decide to
21 intervene.

22 You do not have to be an attorney to
23 intervene.

24 And your petition is, as I said,
25 considered by the Committee.

1 There are benefits and responsibilities
2 to intervening, this is just a quick list.

3 You will receive all the filings as
4 opposed to just a notice that a filing has been
5 filed because sometimes they are too cumbersome.

6 Many of the things that are filed are on
7 the website but many of them are too big. So you
8 can request copies of those documents and will get
9 them anyway but if you are an intervenor you get
10 them automatically.

11 And you get notices of all hearings and
12 workshops through the proof of service list.
13 Which you would also get all notices if you were
14 not an intervenor.

15 You get to fully participate. You can
16 obtain information, you get to file motions. I
17 don't know if that's a get to but you file
18 motions. You have to serve any filings that you
19 make on all the other parties on the proof of
20 service list.

21 You can cross-examine witnesses and
22 provide witnesses for cross-examination. All part
23 of the quasi-judicial process and it is explained
24 on the website in more detail.

25 And then finally my contact information.

1 And if there's any questions I'll be out front as
2 well, thank you.

3 HEARING OFFICER KRAMER: Now it's time
4 for the applicant's presentation.

5 MR. SACKS: Good evening. My name is
6 Jonathan Sacks. I am the project director for
7 business development and transactions for Mirant,
8 operating out here in California and in the
9 western United States.

10 First of all I want to welcome everybody
11 to the Willow Pass Generating Station
12 Informational Hearing. I am pleased the turnout
13 is so good and that people are interested to learn
14 about our project. I would like to thank Gary
15 Darling and Delta Diablo for hosting us basically
16 all day and putting up with us. I also would like
17 to welcome and thank Commissioners Douglas and
18 Boyd, their advisors, Hearing Officer Kramer, Ivor
19 and the staff and other interested agencies.
20 Thank you for coming and spending the day with us
21 to learn about the project.

22 The project that is being proposed is
23 being proposed by Mirant Willow Pass. Mirant
24 Willow Pass is a fully-owned subsidiary of Mirant
25 Corporation. Mirant Corporation is an independent

1 power producer. We own 13 power plants around the
2 United States. they do tend to be concentrated in
3 large, metropolitan areas, namely Boston, New
4 York, Washington DC and here in the Bay Area.

5 We do own total generation in excess of
6 10,000 megawatts. We own three power plants here
7 in Northern California, representing about 2347
8 megawatts. They are the Pittsburg Power Plant,
9 which is the facility that we are talking about
10 this evening about putting the new station at the
11 site of the Pittsburg Power Plant.

12 It is the Contra Costa Power Plant in
13 Antioch, California located up the road, which was
14 the subject of the Marsh Landing Generating
15 Station Informational Hearing immediately prior to
16 this. And finally, we own the Potrero Power Plant
17 located in San Francisco.

18 This next slide shows you just
19 graphically where our generating units are located
20 around the United States. It also shows the
21 capacity by fuel type for the facilities that
22 Mirant does own. The Mirant facilities that are
23 being proposed today would burn natural gas only.

24 So the first obvious question is, why
25 new generation? And the second obvious one is,

1 why here? The fact of the matter is that
2 California needs new generation capacity to meet
3 the ever-expanding load growth and demands of the
4 state. Also California's aggressive Renewable
5 Portfolio Standards require an increased use of
6 intermittent resources in supplying the electric
7 needs of the state. And as these resources are
8 renewable that requires back-fill and backup of
9 new power plants that are dispatchable that are
10 able to meet changes in, for example, wind or
11 solar, and that can fill in so that we can ensure
12 that the state has a reliable electric supply.

13 So why here? State policy encourages
14 the use of construction at brownfield sites.
15 Brownfield sites are units, are sites that are
16 already in use in, for example, power generation.
17 Heavy industrial uses. And the reasons for this
18 are many and they include things that the
19 infrastructure is already in place, that land uses
20 are dedicated to these types of facilities and
21 that these are the -- they preserve the greenfield
22 sites, that is undisturbed sites, for example, for
23 other uses.

24 The next reason is that the area that we
25 are in right now is part of the, it is part of the

1 greater Bay Area sub-area, and this relates to the
2 transmission system. And the way the electric
3 transmission system works is that there are
4 certain areas that are inaccessible to remote
5 generation and are not able to import as much
6 power as they need into this area. And so this
7 means that generation needs to be produced locally
8 to meet the needs of the local area. And as we
9 are in one of those so-called load pockets here,
10 the greater Bay Area generation here is needed to
11 power the needs of this area.

12 The next slide shows you relatively
13 speaking where we are talking about. We are on
14 the right hand side, that is the eastern, that is
15 to the east. We are at Delta Diablo's facility.
16 About three or four miles to the west is the
17 Pittsburg Power Plant site. And a very small
18 component in the northeast corner of that is the
19 Willow Pass Generating Station.

20 It is worth saying that the Pittsburg
21 Power Plant site that Mirant owns is in excess of
22 1,000 acres. It is a very large site. The
23 proposed generating facility that we are talking
24 about today would occupy approximately 26 acres of
25 that 1,000 acre site.

1 The next picture shows the visual
2 simulations of kind of what the facility looks
3 like now and what it would look like after the
4 construction of the units. In the bottom left
5 here we have the existing facility. You notice
6 first of all on the right hand side the four
7 boiler structures and stacks. These stacks are
8 211 feet tall. To the left of those, these were
9 Units 1 through 4 and they were retired in 2003.

10 To the left of those units we have Units
11 5, 6 and 7. And these are units that are
12 operating to this day and continue to supply power
13 to this area.

14 For the new facility, if you look in the
15 picture to the right, you will notice first of all
16 that the boiler structure and the four 211 foot
17 stacks are gone and have been replaced by these
18 units here in the foreground, which represent the
19 new units that are being proposed.

20 Next we have a brief video that will
21 show you how simple it is to build this facility.

22 (Laughter)

23 (Whereupon a video was shown.)

24 MR. SACKS: And we're done.

25 The next slide is a site plan of the

1 proposed facility. You will notice the area
2 bounded in red represents the site itself that the
3 units will be built on. This area basically from
4 here down represents the area of demolition and
5 the areas that will be remediated to build the new
6 units.

7 You see -- First of all we had a site
8 tour earlier today and the first thing we did when
9 we drove in, we noticed the existing gas metering
10 station. This gas metering station is where the
11 gas interconnection point would be. And you see
12 the gas line would run along the western side of
13 the property, around the PG&E switchyard that
14 occupies the middle, and would terminate here.

15 The proposed water supply and discharge
16 lines would run here along the southern side of
17 the property and up to the water treatment center
18 that is located here.

19 Generally speaking the new units, one of
20 the units would be about here and the other of the
21 units would be about here. You see the proposed
22 transmission lines that would connect into the
23 PG&E switchyard at 230 kV.

24 And finally I will note that we have the
25 area here, the previously disturbed and unused

1 graded area that would be used for laydown and
2 parking. Also additional laydown and parking is
3 available here on the eastern edge of the property
4 on the back side of the fuel oil tanks. And also
5 here on the northern, on the northern part of the
6 property as well in a graded and unused area of
7 the property.

8 You see units 1 through 4 which are
9 being, which are retired and will be removed. You
10 see existing Units 5, 6 and 7 that would continue
11 and stay in operation as part of this project.

12 Some of the features and benefits of the
13 facility. We did note that it is about 26 acres
14 on the 1,000 acre Pittsburgh Power Plant site. It
15 is a brownfield development. It is located on
16 previously disturbed areas. It is within a local
17 reliability area.

18 We will be demolishing existing, retired
19 Units 1 through 4, an administration building and
20 one fuel oil tank. We are replacing four 211-foot
21 tall stacks with two 150-foot tall stacks. We are
22 also removing the boiler structure which exists at
23 the existing units and providing an improved
24 visual profile and opening up the views of the bay
25 from the south.

1 We will be locating the plant within the
2 existing plant footprint and we will recycle the
3 demolition materials where it is feasible.

4 As we talked about earlier with
5 brownfield development, being adjacent to existing
6 infrastructure has many advantages. It allows us
7 to connect to the immediately adjacent PG&E
8 substation which allows for no off-site linears as
9 it relates to the transmission system. And also
10 utilizing the natural gas system that has been
11 previously put in place, thereby not needing any
12 off-site gas lines.

13 There is a new administration building
14 and I'll point that out to you in the next slide.
15 But we are pursuing LEED certification for that
16 administration building. LEED certification is
17 Leadership and Excellence in Environmental Design,
18 which is a nationally recognized program basically
19 for office buildings and similar type structures
20 to make them as environmentally friendly as
21 possible.

22 We anticipate construction, which is
23 obviously dependant on many issues. Namely the
24 issue at hand being approval by the California
25 Energy Commission. And we would anticipate either

1 late 2009 or possibly early 2010 to start
2 construction, with commercial operation by the
3 mid-2012 time frame. All of that is, of course,
4 highly subject to change based on, based on a
5 variety of time tables.

6 The construction of the facility would
7 involve approximately up to 390 union construction
8 jobs. We estimate that the construction phase
9 would generate about \$1.9 million in construction
10 sales tax revenue.

11 And I will also note that, as I pointed
12 out earlier, the construction laydown and parking
13 areas are all within the power plant site, thereby
14 minimizing any off-site impacts. And it would be
15 utilizing previously disturbed areas so there
16 would be no impacts to greenfield-type areas.

17 Next is the site layout. You see, you
18 see these overlaid over the existing footprint of
19 the units. You have one unit here just to the
20 left or the west of the other unit, which is on
21 top of the fuel oil tank that is kind of off by
22 itself in the middle.

23 Just to the south of those you see the
24 new administration building. That is a
25 combination administration building, warehouse,

1 control room-kind of multifunction building.

2 And you see the transmission lines
3 coming into the switchyard here. The water
4 treatment area is here on the left hand side, on
5 the western side of the property. Also adjacent
6 to the proposed gas line.

7 There are some screening walls that are
8 proposed in-between the tanks and these would
9 provide both visual and noise screening for the
10 project site.

11 The facility. The facility is two one-
12 on-one, Siemens FP-10 combined cycle units. I
13 realize that's a mouthful. The one-on-one refers
14 to the fact that they are a combined cycle
15 facility. Combined cycle facilities mean that
16 they utilize both combustion turbine technology
17 and steam technology to be at maximum efficiency.
18 These are state-of-the-art units. They are highly
19 efficient, ultra-low emissions.

20 They have fast start-up times, which
21 means they are able to come on-line extremely
22 quickly. They can reach about 150 megawatts in
23 ten minutes, they can reach 190 megawatts in 12
24 minutes, and they can reach baseload, which is
25 about 275 megawatts, in about an hour. This is

1 extremely fast as compared to existing units, most
2 existing units today, which can take a minimum of
3 three and possibly up to six hours of time to
4 reach, to reach baseload.

5 These units provide a lot of operational
6 flexibility to follow load and respond to changes
7 in market conditions and in other generation
8 options such as renewables.

9 And finally we will note that all
10 permitted emissions will be offset by local
11 emission reduction credits. Mirant currently owns
12 emission reduction credits sufficient to offset
13 any emission impacts. All of these emission were
14 generated by local sources and come from this area
15 and were related to plant operations that have
16 ceased in this area.

17 The facility would meet the best
18 available control technology standard. We will
19 control air emissions to the lowest feasible
20 level. We will meet all of the Bay Area Air
21 Quality Management District emission requirements.
22 And the units will be equipped with a continuous
23 emission monitoring system will which constantly
24 capture the emissions on a real-time basis to
25 allow the operators and various regulators to see

1 the actual emissions at the facility as it is
2 being dispatched.

3 The facility will utilize pipeline
4 quality natural gas. Natural gas is a clean and
5 abundant domestic fuel source. It is the cleanest
6 combustion source that we have.

7 And we will utilize air cooling, which
8 will eliminate the need for water cooling. The
9 design is a compact design with a less visual
10 impact and there is no visual plume associated
11 with an air-cooled condenser. So for those of you
12 who saw, drove in maybe this morning or leaving
13 town this morning you saw very large visual plumes
14 from a variety of wet-cooled facilities. There is
15 no such plume associated with this facility.

16 The output of the facility is about 550
17 megawatts, which is equivalent to supplying about
18 450,000 homes.

19 The facility proposes utilizing recycled
20 water from Delta Diablo Sanitation District. You
21 see here the orange line which connects the Willow
22 Pass Generating Station to the Delta Diablo
23 facility. This is where we are at right now,
24 right about there. And this easement or this
25 right-of-way up until this point is already owned

1 by Mirant. It was previously used as a fuel oil
2 transfer line between the Pittsburg facility and
3 the Antioch Contra Costa Power Plant, which is off
4 the page to the right, that is to the east. So
5 you see the proposed route that that would follow.

6 Recycled water is -- I'll talk about the
7 benefits for a minute. The facility as I said is
8 dry cooled. That means that no water is used for
9 cooling purposes. The plant will use far less
10 water than a wet-cooled plant. I said there is no
11 visual plume. And the plant, the dry cooling, the
12 recycled water proposal here fully satisfies the
13 CEC policies regarding uses of water for cooling.

14 The plant would use a small amount of
15 recycled water and would discharge that water back
16 to the Delta Diablo Sanitation District. This
17 conserves potable, fresh water for other uses.
18 The recycled water supply and discharge would be
19 connected here to the Delta Diablo Sanitation
20 District. A smaller percentage of the -- about 40
21 percent of the water that is delivered to the site
22 would be actually returned back to Delta Diablo as
23 the rest would be lost to evaporation.

24 Community economic benefits. We
25 estimate about \$2 million in sales tax related to

1 construction, about \$25,000 a year in sales tax
2 related to operation. Property tax revenue up to
3 \$6.6 million on an annual basis.

4 Jobs. About 390 jobs at peak, 390 union
5 jobs at peak. Twenty full-time, union permanent
6 employees with about a \$3.5 million payroll.

7 In summary. Just to finalize and
8 summarize what we have talked about. we are
9 looking to providing the needed, efficient
10 electric generating capacity to Northern
11 California and the local area.

12 Brownfield development such as this at
13 an existing power plant is an excellent way to
14 advance a lot of the state's social goals and is
15 encouraged by the state.

16 We will connect to the adjacent PG&E
17 switchyard, therefore there would be no off-site
18 transmission linears.

19 The facility would provide a significant
20 amount of tax revenue and job opportunities to the
21 local community.

22 And finally, the facility would impose
23 no significant environmental impacts.

24 Now to finally summarize. For more
25 information, we are here to answer any questions

1 that you may have. And we have a couple of ways
2 for you to do that. Certainly you can go through
3 the Energy Commission and they will be glad to
4 relay anything to us. We also provided here Chip
5 Little, our external affairs manager, community
6 relations manager. His phone number, 925-427-
7 3599. And he is available to help facilitate any
8 questions and get you any answers that you might
9 have.

10 We also have a website that we have set
11 up. It is www.mirantwillowpass.com. And that
12 website has information about the project with
13 links to the CEC website. It has an e-mail link
14 to e-mail us and also has the phone number. And
15 finally, there is a brochure in the back that you
16 are welcome to take and it has information on
17 there as well.

18 I am going to turn it over to Gary
19 Darling who is the general manager of the Delta
20 Diablo Sanitation District to talk about recycled
21 water. Thank you.

22 MR. DARLING: Thank you. I have got a
23 couple of slides to basically highlight the fact
24 that serving recycled water to a facility like
25 this is consistent with the types of projects that

1 the district is involved with, that's enthused
2 about, as well as is capable of doing.

3 Delta Diablo Sanitation District was
4 formed in the mid 1950s to treat wastewater from
5 homes in the East County. And we have the
6 capability of full treatment services here,
7 primary, secondary is what we call that. But we
8 also serve tertiary treated water to landscape
9 applications as well as to existing power plants.

10 Our service area is depicted on the map.
11 We serve approximately 200,000 customers in the
12 cities of Antioch, Pittsburg and Bay Point. And
13 our board is composed of the mayors of the cities,
14 both cities, as well as the Board of Supervisor
15 for District 5.

16 This district has a philosophy of not
17 just treating the wastewater but we actually have
18 turned a lot of our focus on developing new
19 sustainable resources. So rather than just treat
20 water to the standards that it takes to discharge
21 it we have invested a lot of time and effort into
22 recycling that water. And I'll get into that a
23 little bit later.

24 We are also involved in a desalination
25 project for the East County as an energy project

1 from our biosolids. As well as looking at
2 watershed management opportunities in the local
3 streams.

4 We are taking the lead on a coalition in
5 the Bay Area to help start six new recycled water
6 project around the Bay. And we sought legislation
7 and have been successful in doing that in
8 Washington DC. But just to give you an idea of
9 the importance that we are putting on the
10 development of recycled water, We are doing it on
11 a regional basis and having great success.

12 So recycled water is a development in
13 the Bay Area. It's a new water supply. It is a
14 valuable but limited resource. It's good from the
15 standpoint of rather than use water from the Delta
16 or water that could be turned into drinking water,
17 this is a water of a lower water quality standard
18 but it is perfect for an application like cooling
19 or processing at a new power plant.

20 Why use recycled water? The benefits
21 include reducing the demand for fresh potable
22 water. It reduces discharges into the river. It
23 makes use of a resource that would otherwise not
24 be used. The recycled water supply does not
25 depend on weather so it is actually a very

1 reliable source of water. And Delta Diablo has
2 sufficient quantities to supply the proposed
3 project.

4 We are looking forward 20, 30, 50 years
5 out. We are thinking that as this industrial area
6 in the Pittsburg/Antioch area develops there is a
7 need for firmer and firmer water supplies. So we
8 have gathered a coalition, you can see the
9 partnership agencies on the right hand side at the
10 bottom of the slide. Looking at ways of bringing
11 in recycled water to our service area to meet
12 future demands.

13 We are quite involved in the
14 conversation amongst California and actually the
15 United States on the water/energy nexus. We
16 realize that a lot of energy is used to treat, to
17 heat, to pump water. Around California in
18 particular there is a statistic to the tune of 20
19 percent of electricity is used for water. So we
20 are in the process of developing alternative
21 energy supplies, both from -- I talked about our
22 biosolids or other biofuels, grease-to-fuel
23 energy, solar and wind.

24 And why do we do that? The philosophy
25 of this district is to look ahead, 20 years, 50,

1 100 years out. And the types of projects that we
2 are doing for our community are for the future
3 generations. Thank you.

4 HEARING OFFICER KRAMER: Thank you. And
5 now we will turn to our staff for their
6 presentation.

7 MR. BENCI-WOODWARD: Good evening. My
8 name is Ivor Benci-Woodward and I am the person
9 that is assigned by the California Energy
10 Commission to be the project manager for the
11 proposed Willow Pass Generating Station.

12 This presentation is to provide you with
13 an overview of the Energy Commission's licensing
14 process. However, many of the issues have been
15 thoroughly explained already by Mr. Paul Kramer
16 and by several of the Public Adviser's Office so I
17 am going to make it a brief overview.

18 There are three phases in the
19 Commission's licensing process. The data adequacy
20 phase in which staff reviews the Application for
21 Certification to determine if it meets the minimum
22 requirements as required by the siting
23 regulations. When the application is accepted as
24 complete the clock starts on the one year process.

25 And I have to make a note here like

1 several other members have of the Commission that
2 we have approximately 25 projects in-house and
3 that this is about four times our historical
4 workload. With this workload it makes it
5 achieving the 12 month schedule problematical.
6 The staff will do its best, however, to review
7 this project in question and all projects in as
8 timely a manner as possible. Simply put, we'll do
9 the best we can.

10 The next phase of the licensing process
11 is the discovery and analysis phase. It is
12 period of data gathering by the staff, agencies
13 and intervenors. Staff develops data requests to
14 obtain further information in order to more fully
15 understand the project. The first round of data
16 requests for the Willow Pass project were filed on
17 November 14. In public workshops and hearings
18 held like this one here today staff identifies the
19 issues, spells out the issues in the Issues
20 Identification Report which I will discuss a
21 little later, and staff also produces two other
22 environmental documents similar to the CEQA
23 initial draft and final draft assessments they do.
24 Ours are called the Preliminary and Final Staff
25 Assessments.

1 The Committee evidentiary hearings are
2 the last phase of the process. They are held
3 after the Final Staff Assessment is published.
4 These hearings will include formal testimony from
5 all the participants in our process.

6 The Committee will produce the Presiding
7 Member's Proposed Decision or the PMPD, one of the
8 many acronyms that Paul put up on his PowerPoint,
9 which is a recommendation on the proposed project.
10 This document will go before the full Commission
11 to make a final decision on licensing.

12 The evidentiary hearing and decision
13 process. After the Final Staff Assessment is
14 released the Committee conducts evidentiary
15 hearings and accepts testimony from all the
16 parties formally involved in the siting process as
17 well as public comment.

18 At the conclusion of the hearing the
19 Commission issues the Presiding Member's Proposed
20 Decision or the PMPD. The PMPD contains findings
21 relevant to the project's environmental, public
22 health and engineering impacts, the project's
23 compliance with LORS, recommended conditions of
24 compliance in certification and recommendations on
25 whether or not to approve the project.

1 The PMPD is then used by the full, five
2 member Commission to decide whether or not to
3 grant a license to the proposed project.

4 If the project is approved and a license
5 is granted, Energy Commission staff will monitor
6 compliance with all of the conditions of
7 certification for the life of the project.

8 If the project is approved the
9 compliance phase will apply during construction,
10 operation and decommissioning. The purpose is to
11 assure compliance with all of the conditions of
12 certification and the application of LORS.

13 If the project is approved a compliance
14 project manager, a CPM, will be assigned. This
15 is Donna Stone, please, could you stand up,
16 please. Donna is the proposed CPM manager for
17 this project and it will be her job to oversight
18 the construction, operation and may include
19 possible amendments.

20 Staff's analysis and input to the
21 Committee's final decision requires that staff
22 seek input from other agencies at the local, state
23 and federal levels. Staff's participation with
24 these entities assists us in identifying issues,
25 environmental impacts and appropriate mitigation

1 measures.

2 Staff develops the Issues Identification
3 Report early in our process. The process is to
4 inform participants, including the applicant, of
5 potential issues staff finds relating to the
6 project. And it is also to provide focus on
7 important topics that may affect the project and
8 staff's analysis of the project.

9 The criteria for determining whether
10 something is identified as an issue include: the
11 potential for any significant impacts that may be
12 difficult to mitigate; non-compliance with laws,
13 ordinances, regulations and standards; or if there
14 is a conflict that could affect the schedule.

15 A copy of the staff's Issues
16 Identification Report for the Willow Pass proposed
17 project can be found on the table in the back
18 there.

19 Staff has identified potential issues in
20 several areas. This evening I don't think we are
21 going to deal with air quality because we did not
22 get answers back on that early enough to answer so
23 the three important issues this evening are the
24 biological resources, soil and water resources and
25 waste management.

1 Potential issues for biological
2 resources are that there may be the need for --
3 federal and state permits may be required for
4 construction of water supply and return lines that
5 may infringe upon designated wetlands.

6 Also the Energy Commission staff needs
7 to know the status of several important permits so
8 this project can proceed. The United States Army
9 Corps of Engineers Section 404 permit, the
10 California Department of Fish and Game Streambed
11 Alteration Agreement, and the Regional Water
12 Quality Control Board Section 401 Water Quality
13 Certification process. We need those to complete
14 our analysis and know what the status is of them.

15 Potential issues of soil and water
16 resources. They were identified as making sure
17 that there is an adequate recycled water supply
18 and that a potential new discharge wastewater
19 permit may be required from the San Francisco Bay
20 Regional Water Quality Control Board.

21 Potential issues of waste management.
22 As a result of a Phase I environmental site
23 assessment, nine areas of the site contained
24 recognized environmental conditions.

25 A Phase II environmental assessment was

1 started in 1998, however, it is incomplete.

2 Additional testing is required to
3 determine the nature and concentration of
4 contaminants that may exist in areas proposed for
5 demolition and construction. The staff has sent
6 data requests regarding the status of all these
7 potential issues.

8 This is an update of the proposed
9 schedule. All proposed dates are tentative and
10 subject to change.

11 Meeting this deadline in the proposed
12 schedule is dependant on several things. A timely
13 response to staff's data requests and resolution
14 of issues.

15 Timely inputs and determinations from
16 other agencies are also important to completing
17 our preliminary and final assessments.

18 And the resolution of the biological,
19 soil and water and waste management issues.

20 And the schedule may be affected by
21 other factors that we are currently unaware of.

22 I think I will return the floor to
23 Mr. Paul Kramer.

24 HEARING OFFICER KRAMER: Thank you.

25 Applicant, did you wish to respond to

1 the Issues Identification Report and the schedule?

2 MS. COTTLE: I think I would just say
3 that we have a workshop scheduled for tomorrow and
4 we have provided some additional information and
5 thoughts on the issues identified in the staff's
6 report. We are confident that all of those can be
7 resolved. And we intend to work with staff and
8 hopefully we can make some progress at tomorrow's
9 workshop toward that end.

10 On the schedule, we support the schedule
11 and are hopeful that we can stick to it. I guess
12 the only item I would just ask about is there is a
13 proposal for status reports to be filed on
14 December 23, which I believe is Tuesday. I might
15 suggest that we just extend that a bit since that
16 is coming up very soon and the holidays are upon
17 us.

18 HEARING OFFICER KRAMER: I agree, it
19 wouldn't tell us much that we didn't hear tonight.

20 And for the benefit of the audience who
21 weren't aware of it, exactly when and where will
22 that -- that's a staff workshop tomorrow so the
23 Committee won't be here. But when and where is
24 that?

25 MR. BENCI-WOODWARD: That is going to be

1 in the City of Pittsburg at the City Hall at ten
2 o'clock tomorrow morning.

3 HEARING OFFICER KRAMER: Thank you.

4 Okay, now I believe we have a presentation from
5 the City of Pittsburg. Mr. Evans.

6 MS. ALLEN: Paul, I would just like to
7 add a bit regarding the schedule.

8 HEARING OFFICER KRAMER: Okay, please --

9 MS. ALLEN: I am Eileen Allen, I am the
10 manager of the Energy Commission's siting and
11 compliance office.

12 We will do everything we can to meet the
13 schedule. But as printed and shown up there it is
14 optimistic. In the last few weeks we have
15 received yet more applications. Some of the
16 applications involve projects proposed on sites
17 that are thousands of acres in size.

18 So we will do the best we can, as Ivor
19 noted at the beginning. But we may have to revise
20 the schedule. As we noted, I am not too confident
21 that we will be able to put out a PSA in February.
22 Thank you for bearing with us on that.

23 HEARING OFFICER KRAMER: Thank you.

24 Mr. Evans.

25 MR. EVANS: Thank you very much and good

1 evening, Commissioners and staff. And thank you
2 to DDS and Mirant for putting this on all day, it
3 has been very informative, and thank you to the
4 members of the public.

5 Quickly. Obviously I don't need to go
6 into the CEC's role here. But the City of
7 Pittsburg monitors and participates in the CEC
8 process to ensure adequate community benefit and
9 mitigation measures necessary for plant
10 construction and operation. In fact, eight years
11 ago this month we were sitting in this very room
12 talking about the plant right out that window,
13 talking about Delta Energy Center.

14 And obviously Jon alluded to, Mr. Sacks,
15 you know, this is a very important project in the
16 community of Pittsburg. They have a very large
17 site, 1,000 acres along the waterfront there.

18 Some of the energy projects, to give you
19 sort of a point of reference for the City of
20 Pittsburg. There are six plants in the city
21 limits. The Mirant plant, there are five others.
22 There's Los Medanos at 550 megawatts owned by
23 Calpine, Delta Energy a 880 megawatt facility
24 owned by Calpine. There is a small GWF facility
25 out on Third Street, Loveridge Road has a 19

1 megawatt facility and Dow has a 74 megawatt sort
2 of shared between Dow and Calpine. And then the
3 TransBay cable project which is under construction
4 on Tenth Street and scheduled for operational date
5 on March of 2010.

6 Here are some of the locations. If you
7 start west to east you have the Mirant facility
8 and the TransBay cable is due south. As you go
9 east you have the Los Medanos facility then GWF
10 pretty close across the street from there. You go
11 down the Pittsburg-Antioch Highway. If you were
12 on the tour you saw the GWF plant. And then
13 obviously right out the window here you have Dow
14 and the Delta Energy Center.

15 To give you a frame of reference. Our
16 involvement as we sort of walk through these next
17 few slides. The City of Pittsburg has been
18 engaged or participated in during the last ten
19 years nearly \$3 billion worth of electrical
20 infrastructure in the state of California. We
21 either have participated or are proposing. And so
22 it is something that obviously we look forward to
23 working with the CEC once again as we go on.

24 A little more specific. The Los Medanos
25 facility was originally a Pittsburg-Enron project

1 that was sold to Calpine. Community mitigation
2 efforts, H Street median improvements. If you
3 took the tour the road we went on was the truck
4 bypass route. And also a community park adjacent
5 to it. Obviously there was economic development
6 in keeping United Steel-POSCO Industries here and
7 the property tax benefits, about \$3.5 million a
8 year.

9 Delta Energy Center was a project by
10 Calpine and Bechtel where the City helped with the
11 linears. Community mitigation, the power facility
12 helped with Dow Chemical. There were fiber optic
13 conduits and property tax benefits going through
14 there.

15 Other agencies that obviously receive a
16 lot of interest or benefit by having power
17 facilities in their community. One example is the
18 Pittsburg Unified School District. There's an
19 additional \$7 million coming to it due to new
20 power facilities that have been constructed here.
21 Other taxing agencies, the fire district, mosquito
22 abatement, flood control, parks, county. There's
23 a lot of interested agencies that really do
24 benefit by seeing projects here.

25 Real quickly. The City of Pittsburg and

1 the Pittsburg Power Company is a municipal utility
2 of the City. We are probably the smallest muni in
3 the state of California with only 450 accounts but
4 we have won national and state awards for our
5 activities. The only nice thing I guess about
6 being this small is our RPS goals are easy to
7 meet.

8 And one final site I really wanted to
9 touch on. The TransBay Cable project is a project
10 under construction. It is a 53 mile cable that
11 goes, a submarine cable from Pittsburg to San
12 Francisco. It will supply 40 percent of San
13 Francisco's needs. Again, it will be operational
14 in March of 2010. The City, the Pittsburg Power
15 Company will own it, a non-commercial operation.

16 And much as the CEC is the lead agency
17 in this action, we were the lead agency for that
18 cable and there are no challenges to our EIR. And
19 through the CEC process we know that will be the
20 same type of activity.

21 And finally there's contact information.
22 I strongly encourage you all to contact Ivor and
23 the CEC staff. This is a very public process.
24 But if you have any questions about what we are up
25 to my information is up there and certainly we

1 will try to help you out. Thank you.

2 HEARING OFFICER KRAMER: Thank you. Any
3 other agency representatives wish to make a
4 presentation or ask questions about the project?

5 Seeing none we will move on to the
6 public comment.

7 Actually I have one question for the
8 applicant before we do that. The parcel that you
9 outlined within the existing Mirant facility. Are
10 you intending to create a separate, legal parcel
11 for that?

12 MR. SACKS: Yes, that is the proposal.

13 HEARING OFFICER KRAMER: Okay.

14 MR. SACKS: Through the City's lot line
15 adjustment process we would alter the existing lot
16 lines. The current 1,000 acres that we have been
17 kind of commonly referring to as a parcel of land
18 is actually eight parcels of land. And so we
19 would go through the lot line adjustment procedure
20 working with the City to redraw those lines.

21 HEARING OFFICER KRAMER: So when would
22 you, when would you have that completed?

23 MR. SACKS: It would be completed
24 certainly well in advance of commercial operation.
25 But, I mean, we would look to get that done as

1 expeditiously as possible. I am not going to
2 quote the ministerial times of the City but it is
3 a relatively quick procedure, about 90 days.
4 About 90 days is the time for the City to make
5 those adjustments.

6 HEARING OFFICER KRAMER: But will you be
7 able to provide the Committee with an indication
8 from the City as to whether they would approve
9 that and any conditions they would apply prior to
10 our decision?

11 MR. SACKS: I am not going to speak for
12 the City but we have had some discussions with the
13 City already about doing that. I would expect
14 there to be adequate information for the committee
15 to understand that that process is underway and is
16 -- you know, the City is amenable to that process.

17 HEARING OFFICER KRAMER: Okay. I
18 understand that may be an issue so you want to
19 make sure it is not a roadblock to the time table.

20 MR. SACKS: We'll follow up, thank you.

21 HEARING OFFICER KRAMER: Okay, on to
22 public comments. You do not have to have filled
23 out a blue card but we will go to the people who
24 did fill out a blue card first, and I have two of
25 those. So June Forsyth will be first followed by

1 Erkki Kochketola.

2 MS. FORSYTH: I live in Pittsburg and I
3 have lived there for just on 14 years. I just
4 want to be sure the dollar signs do not trump
5 Pittsburg's quality of life for the homes and
6 houses that are in that area near the river.

7 At night when I get up to walk my dog,
8 when it's a very still night and no wind,
9 occasionally I get the smell of gas, natural gas.
10 And at times in the past few years we have had
11 blowout noise, especially if you get one in the
12 middle of the night and if you have jumped
13 straight out of bed thinking a bomb has landed.

14 We also get some sort of grit and
15 pollution. There have been deals to wash down the
16 boats in the Pittsburg Marina. Our houses don't
17 get that deal but somehow or other the boat owners
18 do.

19 I am very concerned about the air
20 quality. I live between two power stations. And
21 I understand now instead of -- with the new
22 generators the smokestacks will be 150 feet high.
23 Well that is a blessing because the other three,
24 big, huge things on the Mirant property are over
25 400 feet high.

1 I would like to know when all the large
2 storage tanks come down as well as those large
3 smokestacks. If those generators are so
4 inefficient, why run them? Why not have
5 generators that are, you know, good for the 21st
6 century.

7 As I said, I live between two existing
8 power companies. And a few days ago at six a.m. I
9 had no power for over six hours. So again, I can
10 only blame that on the old generator, it was some
11 old transformer, and I hope someone is responsible
12 for proper maintenance of these things.

13 My suggestion is certainly put in the
14 two new generators, especially if you take out the
15 ugly, guaranteed ugly, 430 feet smokestacks. Take
16 them out, put the new ones in. And that would
17 really make a big difference on how the views of
18 Pittsburg are perceived as you come across the
19 hills and the first thing you see is that ugly,
20 ugly, ugly smokestack.

21 So as I said, I am not against these new
22 installations but certainly I am for bringing the
23 old ones down. Thank you.

24 Oh, and another thing is, if you are
25 going to pull all of this stuff down, what sort of

1 control of dust and mitigation of dust will you
2 have for the nearby houses? Thank you.

3 HEARING OFFICER KRAMER: Does the
4 applicant wish to respond to that?

5 MR. SACKS: I'll respond to a few of the
6 issues that were raised. One of the questions was
7 related to the tanks and we are proposing that one
8 of those tanks would be brought down related to
9 this facility.

10 The other question about the 450 foot
11 stack units and why aren't those units going away
12 if they are less efficient. While it is true that
13 they are less efficient they do serve a very
14 valuable purpose in the California energy system.

15 And that is to provide energy at the
16 peak time of the year. Because the fact of the
17 matter is that California needs all the power it
18 can get when it comes to the summer periods. So
19 until new resources can come on at a rate faster
20 than load is growing those existing units are
21 going to need to stay in place so that you can
22 have power through the hottest days of the summer.

23 But, you know, certainly over the years
24 as new units come on-line there will be a natural
25 effect that older units that are less efficient

1 would retire and go away.

2 As you see with the existing Units 1
3 through 4 at the site that we talked about, the
4 boiler structures, the four 211 foot stacks.
5 Those units were even less efficient than the
6 three remaining units. Those units were retired
7 in 2003 because it simply wasn't feasible to keep
8 them on-line. But until such time that we are
9 able to, one, safely and reliably retire those
10 units and that they are no longer needed, those
11 units will stay on-line.

12 There was also a question about dust
13 mitigation. And the AFC, the Application for
14 Certification does address in that document the
15 extensive dust mitigation measures that will be
16 taken. There's regular watering trucks and other
17 means of covering, for example, exposed piles of
18 dirt. Things like that to mitigate the dust. And
19 the dust mitigation is a very large and important
20 part of the construction activities.

21 MS. FORSYTH: Why do I smell natural gas
22 every now and again? It is not continually,
23 depending on which way the wind is blowing. Why
24 do I smell it?

25 MR. SACKS: That is a question I cannot

1 answer. It would be extremely unlikely that that
2 is related to the power generation site.

3 MS. FORSYTH: It comes from nowhere.

4 MR. SACKS: Well, there's a large system
5 of underground pipes. There could be a gas leak
6 somewhere. Natural gas is odorized so that people
7 can smell it, so that you can identify if there is
8 a leak. The burning of natural gas is a odorless
9 process.

10 MS. FORSYTH: Thank you.

11 HEARING OFFICER KRAMER: Mr. Erkki
12 Kochketola.

13 MR. KOCHKETOLA: My name is Erkki
14 Kochketola. I am a resident of the city of
15 Pittsburg and I am a member of the Association of
16 Community Organizations for Reform Now or ACORN.
17 ACORN is a community-based organization that works
18 with low- and moderate-income households to build
19 stronger communities.

20 Essentially at this point we are just
21 looking for information. I am a little unclear on
22 what exactly the process for getting power plants
23 built in California entails. The certification
24 from the Commission I understand is essentially
25 what is required to get one built.

1 I am wondering if other agencies,
2 obviously the Air Quality Management District has
3 some say in this. I am just wondering like what
4 is the permitting process. Is certification from
5 the Commission essentially it or do they still
6 have to go through the normal process through the
7 local agencies?

8 HEARING OFFICER KRAMER: The Commission
9 basically steps into the shoes of all state and
10 local agencies. Local agencies certainly and then
11 state agencies to the extent that their permit
12 doesn't have some kind of federal aspect. We are
13 not allowed to take over the permitting powers of
14 federal agencies.

15 And this is a general statement, there
16 are nuances, of course. But for instance if the
17 project needed a use permit, would have needed a
18 use permit if the City was permitting it. Then
19 the Commission staff will -- they won't issue a
20 use permit but as a part of their analysis they
21 will ask if the City would have if it had been
22 asked, if it were up to them, and they will make
23 that analysis.

24 Similar for other permits. The air
25 permit is at least in part federal so it is also,

1 you know, it exists separate from our permit.

2 Sometimes the Regional Water Quality
3 Control Board permits also have a federal aspect
4 so they also grant their own permits.

5 And then for some things that are
6 basically proprietary, say a local agency needs to
7 give permission for an applicant to put their
8 pipelines in the city street. We don't take that
9 over either.

10 MR. KOCHKETOLA: Okay.

11 HEARING OFFICER KRAMER: And as far as a
12 subdivision goes, it has been -- while perhaps we
13 could. Because it involves so much engineering on
14 a local level and recording things locally we have
15 tended to refer people to the local agency to take
16 care of a subdivision or most likely this lot line
17 adjustment.

18 MR. KOCHKETOLA: Okay. My other
19 question is, I was looking through the -- one of
20 the documents, I forget exactly what it was. It
21 was talking about the categories involved under
22 the data adequacy review. And I was kind of
23 wondering what was sort of considered under the --
24 there's a heading there for Socioeconomics. I was
25 wondering what was considered under that?

1 HEARING OFFICER KRAMER: I don't know if
2 Ivor could summarize it for you but I would
3 suggest that if you can -- Can you get to our
4 website?

5 MR. KOCHKETOLA: Sure.

6 HEARING OFFICER KRAMER: Take a look at
7 a staff assessment in another case, an older case.

8 MR. KOCHKETOLA: Okay.

9 HEARING OFFICER KRAMER: And read the
10 section and you will get a feel for what issues
11 they discuss in there. Do you want to describe it
12 in a little more detail, Ivor?

13 MR. BENCI-WOODWARD: It just basically
14 brings up a review of issues concerning
15 environmental justice. The balance --

16 THE REPORTER: Use the mic, please.

17 MR. BENCI-WOODWARD: It brings up issues
18 basically like environmental justice, for
19 instance. The makeup of the community and if it
20 being impacted unequally as opposed to the rest of
21 the community because of this particular project.
22 It involves an analysis of the different income
23 stratas in the community and if those are
24 associated with heavier than usual impacts because
25 of the project. Does that -- That's basically

1 what socioeconomics is.

2 MR. KOCHKETOLA: Okay.

3 HEARING OFFICER KRAMER: It will also
4 tote up some of the benefits that were mentioned,
5 the tax benefits, the jobs and that sort of thing.
6 It may discuss whether local services, service
7 providers, police, fire, et cetera, are able to
8 provide services to the new project, that sort of
9 thing.

10 MR. KOCHKETOLA: Okay. Finally, I have
11 heard -- I was at the hearing previously for Marsh
12 Landing and heard there was some discussion about
13 emission reduction credits. I was wondering what
14 those are, where they came from and basically what
15 do they do?

16 HEARING OFFICER KRAMER: The applicant
17 could perhaps explain. I don't know that we have
18 air quality staff here.

19 ASSOCIATE MEMBER BOYD: We do.

20 HEARING OFFICER KRAMER: We have
21 representatives from the air district.

22 MR. SACKS: We will certainly defer to
23 the air district.

24 (Laughter)

25 MR. NISHIMURA: My name is Bob

1 Nishimura, it's N-I-S-H-I-MU-R-A.

2 Emission reduction credits are
3 basically, for instance like Gaylord plant shut
4 down. And what they do is that they get credits
5 for those emissions. They won't get full credit.
6 What they do is that they get credit up to what
7 the regulation -- or they have to meet a certain
8 regulation. So if they operate so many hours per
9 day, depending on what the emissions are, they get
10 those credits. And we annualize it over a year
11 basically so it's pounds. It is not pounds per
12 year but it is pounds and that is all reported.
13 Do you have some additional questions?

14 HEARING OFFICER KRAMER: So the idea is
15 if somebody shuts down then at least a significant
16 portion of what they were putting into the air can
17 be -- the right to do that can be purchased by
18 somebody else.

19 MR. NISHIMURA: That is correct. It may
20 not be significant, it may -- they don't get a
21 full credit, they get up to what we call
22 reasonable available control technology.
23 Basically it's that -- Basically that's what's in
24 our rules and so we give credit up to that,
25 depending on the number of hours that they

1 operate.

2 HEARING OFFICER KRAMER: So whatever
3 credit transfers it is always less than what was
4 originally put into the air.

5 MR. NISHIMURA: That's correct.

6 HEARING OFFICER KRAMER: And if they
7 keep trading this thing eventually quite a bit of
8 pollution will come out of the air because of
9 these reductions, right?

10 MR. NISHIMURA: Yes. And the people
11 that use it, basically it's that sometimes it's a
12 one-to-one ratio and in some cases it is a one-to-
13 1.15 ratio. So it is actually being reduced. So
14 there is kind of a reduction there. They don't
15 get full credit for it. Or they have to give up
16 more credit than what the plant is putting out.

17 HEARING OFFICER KRAMER: So that may
18 sound a little abstract. But if you look at one
19 of the air quality analyses from a previous case
20 that may help you understand it a little bit more.

21 MR. KOCHKETOLA: Okay. Finally, I
22 wanted to thank the Energy Commission for holding
23 this hearing.

24 HEARING OFFICER KRAMER: Thank you.

25 That is my supply of blue cards. Does anyone else

1 wish to make a public comment? Sir, come to the
2 mic.

3 MR. TREAT: Yes, I have concerns too as
4 the lady does about --

5 HEARING OFFICER KRAMER: Please give us
6 your name.

7 MR. TREAT: Rick Treat, T-R-E-A-T.

8 HEARING OFFICER KRAMER: Thank you.

9 MR. TREAT: About breathing in, you
10 know, smelling the natural gas at night. And I
11 bought a house here 20 years ago. How many people
12 here live in Pittsburgh. One, two. This is about
13 a place in Pittsburgh, there's three people here
14 from Pittsburgh. Four, okay.

15 On hot summer days you smell that
16 metallic, iron smell in the air. Anybody smell
17 that? You remember that? And I don't even know
18 what that's from. But all I know is that
19 Pittsburgh has been dumped on enough. Six power
20 plants. We have six power plants already in our
21 city limits right now.

22 And I know why they want to expand this
23 power plant, it's because it is really cheap. The
24 infrastructure is there. So Mirant is here to
25 make a lot of money. Don't fool yourself, this is

1 about money. It is not about more power, it is
2 not about air quality, it is about money. It is
3 about making a lot of money.

4 I've hated that power plant since I
5 moved in here 20 years ago. And at one point I
6 know it was a coal-burning power plant which
7 emitted tons of pollutants into the air, tons of
8 it. Now it's natural gas, okay. So as far as CO2
9 -- I'm sorry. As far as methane and CO2, it still
10 emits about half as much as a coal-burning power
11 plant. That's great, it's only half as much.
12 That's still a lot of pollution, it's a lot of
13 pollution.

14 So when they say here, safe, clean
15 energy, that's a lie. It's absolutely a lie.
16 When they say right here, reduces emissions, okay,
17 that's more honest. But up here they say, clean
18 burning natural gas. That's a lie, it's not
19 clean.

20 And the guy -- I'm disappointed, the
21 California Energy Commission glossed right over
22 the air quality. It's just, we are not going to
23 discuss that tonight because we don't have the
24 results and they glossed right over it. And
25 that's the main thing, that's my main concern, you

1 know.

2 Like I said, six power plants in our
3 city limits already. I'm a 20 year resident here
4 and that's just my opinion, thank you.

5 HEARING OFFICER KRAMER: Let me ask, is
6 air quality going to be a discussion point at
7 tomorrow's workshop?

8 MR. BENCI-WOODWARD: Yes it is. Both
9 leads from the proponent and from the Energy
10 Commission will be there tomorrow.

11 HEARING OFFICER KRAMER: So I don't know
12 if you have the time, sir, but if you can come --

13 MR. TREAT: I work like everybody else
14 and it was hard for me to get here tonight.

15 HEARING OFFICER KRAMER: I understand.

16 MR. TREAT: It's not real, it's not real
17 convenient.

18 HEARING OFFICER KRAMER: And that's why
19 we try to hold these meetings for the Committee in
20 the evening if we can so that you can come.
21 Unfortunately there won't be a transcript of
22 tomorrow's workshop either. But if you can get to
23 it somehow it might help answer some of your
24 questions.

25 MR. TREAT: It's at City Hall in

1 Pittsburg?

2 MR. BENCI-WOODWARD: Yes.

3 HEARING OFFICER KRAMER: The City Hall
4 in Pittsburg starting at ten a.m.

5 MR. BENCI-WOODWARD: Ten o'clock.

6 Actually that will be the first item.

7 MR. TREAT: I hope so because that's a
8 big, a big issue. It's a huge issue.

9 MS. ALLEN: Staff's data requests for
10 the air quality area and the others are posted on
11 the Energy Commission's website too. And the
12 applicant's data responses should be posted there
13 too. So that will give Mr. Treat a flavor for the
14 topics that staff is pursuing in the air quality
15 area right now.

16 MR. SACKS: Mr. Kramer, if I could just
17 make a quick statement.

18 HEARING OFFICER KRAMER: Certainly.

19 MR. SACKS: I would just like to first
20 of all emphasize that the facility that we are
21 proposing to build here is, as I said in my
22 presentation earlier, would incorporate best
23 available control technology, which would minimize
24 to the extent that engineering and science can the
25 emissions that would come from the facility.

1 Also as I said earlier, the quick start-
2 up and shutdown ability of the facility also
3 minimizes the emissions that come because of the
4 fact that it doesn't have to burn as much gas to
5 get started. It reaches emissions compliance
6 sooner. And the technologies that you are seeing
7 with this facility are truly state-of-the-art as
8 compared to facilities that were even built within
9 this decade, since 2000.

10 Finally I would like to just correct the
11 record that in fact the Pittsburg power plant has
12 never been a coal-burning facility. Thank you.

13 HEARING OFFICER KRAMER: It was oil,
14 correct, it used to burn?

15 MR. SACKS: It did, it did burn number
16 six fuel oil and natural gas.

17 HEARING OFFICER KRAMER: Okay, any other
18 public comments?

19 Okay, seeing none we have just a couple
20 of housekeeping items.

21 One of the things we are trying to do
22 with our documents, and this applies both to
23 parties and also to people who have signed up on
24 the Public Adviser's sign-up sheet. For parties,
25 anybody who files a document is required to serve

1 it on all the other parties. Even if they e-mail
2 it to them our current regulations require that
3 you also send them a physical copy.

4 And I know some people, and I'm one of
5 them certainly, I don't need all that paper in my
6 office. I have -- You can't come and see it
7 because I'm embarrassed by the piles of paper
8 already and I don't need more. And there must be
9 other people out there who feel the same way.

10 So if you are a member of the public,
11 when you signed that sheet if you gave your
12 address, your mail address as well as your e-mail
13 address, and you are of the mind that you would
14 rather just get e-mails, go back on the sheet and
15 make it clear. There's a box you check to say
16 that you want e-mails. Or you give your e-mail
17 address and say you want to receive things by e-
18 mail. But you might also make a note by it that
19 you don't want hard copies if that's the way you
20 are. It will save everybody the cost of mailing
21 you something you don't want.

22 And for the parties, the order that will
23 come out, the scheduling order will mention this
24 requirement. But also suggest that parties who do
25 not want to receive physical copies can let me

1 know and we will make a note on the proof of
2 service list that you are perfectly happy just
3 receiving an e-mail.

4 Now if somebody only sends physical
5 copies of course you will get that because they
6 are not using e-mail but by and large most things
7 do get sent around via e-mail.

8 MS. FORSYTH: Could you tell me what
9 your e-mail address is so I don't delete it as
10 junk mail.

11 HEARING OFFICER KRAMER: Did you get my
12 slides?

13 MS. FORSYTH: No.

14 HEARING OFFICER KRAMER: Okay. See me
15 afterwards and I'll give you a copy or my card.

16 MS. FORSYTH: Thank you.

17 HEARING OFFICER KRAMER: But you want to
18 get the other addresses too because -- actually
19 you won't see this Committee for quite awhile.
20 The staff will do their work and they will have
21 some workshops. We probably won't be back here
22 until the Prehearing Conference unless there is
23 some dispute among the parties that we need to
24 settle in the meantime.

25 Okay, so let me know if you would prefer

1 just to receive e-mail. And that applies to the
2 parties. And let the Public Adviser know if you
3 are a member of the public.

4 The other thing we want to stress to
5 people is that when you create your .pdf files,
6 which is the way most people create the documents
7 that they file and serve electronically, don't do
8 it by printing out your letter or whatever it was,
9 putting it on a scanner and taking a picture of it
10 and then sending that in a .pdf file.

11 Because when you do that you lose -- the
12 words are not embedded, accurately embedded in the
13 file anymore and it is harder for people to read
14 it, you can't cut and paste from it. If you have
15 got something really great and you want to see it
16 in the decision you are more likely to get quoted
17 if I don't have to retype it.

18 (Laughter)

19 HEARING OFFICER KRAMER: And also it is
20 hard to read on your BlackBerry, your small
21 screen. And people who are visually impaired.
22 You know, they have software that can read
23 electronic words to them very well these days.
24 But if it is just a picture, you know, they are
25 out of luck as well. So that is a service to

1 everyone and we ask that you do that. If you are
2 not sure how to do it --

3 And we also offer the option of sending
4 things like a Word document where you don't have
5 to go through this step but if you have any
6 questions about how to do that give me a call. I
7 am the designated geek on the Committee and I'll
8 take care of your questions.

9 Finally, and this is really for the
10 applicant but it bears hearing by everyone I
11 suppose. Of late the Commission has been seeing
12 more amendments after approval of a project that
13 they are about things that seem if they could have
14 been addressed during the process of reviewing the
15 AFC in the first place.

16 So we encourage the parties, the staff
17 and the applicant but especially the applicant, to
18 really give the conditions a going over. And if
19 there's something that is just impractical about
20 them or it doesn't fit with the engineering plan,
21 to raise that during this proceeding rather than
22 taking everybody through the extra steps of an
23 amendment down the road.

24 I think that is all I had by way of
25 housekeeping.

1 PRESIDING MEMBER DOUGLAS: Very good.
2 In that case I would like to thank everyone for
3 being here. Particularly the members of the
4 public who are very much here on your own time. I
5 know it is not easy to get here and you have got
6 many other things you could be doing. It is very
7 important to us that we have public participation.
8 I am very pleased to see the turnout tonight.

9 With that the meeting is adjourned,
10 thank you.

11 (Whereupon, at 8:42 p.m., the
12 Informational Hearing was
13 adjourned.)

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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 2nd day of January, 2009.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□