INFORMATIONAL HEARING AND SITE VISIT
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:                  )
) Docket No.
Application for Certification     ) 08-AFC-2
Beacon Solar Energy Project by     )
Beacon Solar, LLC                  )
___________________________________)

CALIFORNIA CITY COUNCIL CHAMBERS
CITY HALL
2100 HACIENDA BOULEVARD
CALIFORNIA CITY, CALIFORNIA 93505

WEDNESDAY, JUNE 11, 2008
3:10 P.M.

Reported by:
Troy Ray
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
COMMITTEE MEMBERS PRESENT
Karen Douglas, Presiding Member
Jeffrey Byron, Associate Member

HEARING OFFICER, ADVISORS and STAFF PRESENT
Kenneth Celli, Hearing Officer
Diane Schwyzer, Advisor
Kristy Chew, Advisor
Terry O'Brien
William Pfanner, Project Manager
Jared Babula, Senior Staff Counsel

PUBLIC ADVISER
Nicholas Bartsch

APPLICANT
Thomas Henry, Attorney
Downey Brand Attorneys, LLP
Kim McCormick, Attorney
Gary L. Palo, Project Director
Kenneth Stine, Assistant Project Director
Duane McCleod
Meg Russell
Florida Power and Light

INTERVENOR
Rachael Koss, Attorney
Adams Broadwell
representing California Unions for Reliable Energy
ALSO PRESENT

Jeremiah Cravens  
Kern County Air Pollution Control District

Don Maben, Supervisor  
Lorelei Oviatt, Division Chief  
County of Kern

David Evans, Mayor  
Linda Lunsford, City Manager  
Al Greer, Chairman, Planning Commission  
California City

Michael S. Edmiston, Councilmember  
California City Council

Bill Dever  
Mojave Chamber of Commerce

John Diel, Assessor  
County of Kern

Chuck Holloway  
Los Angeles Department of Water and Power

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PRESIDING MEMBER DOUGLAS: This is an informational hearing conducted by a Committee of the California Energy Commission on the proposed Beacon Solar Energy Power Plant project. The Energy Commission has assigned a Committee of two Commissioners to conduct these proceedings.

Before we begin I'd like to introduce the Committee Members to you. I am Commissioner Karen Douglas; I'm the Presiding Member of this Committee. Commissioner Jeffrey Boyd (sic), right here, is the Associate Member of the Committee.

My Advisor, to my left, Diana Schwyzer. Did I say -- I'm sorry, Commissioner Jeffrey Byron, the Associate Member of the Committee. Commissioner Byron's Advisor, Kristy Chew, is on his right. And to my immediate right is our Hearing Officer, Kenneth Celli.

Would the parties please introduce their representatives at this time, starting with the applicant.

MR. PALO: Yes, I'm Gary Palo, Project Director for the Beacon Solar project. To my left is our regulatory counsel, Tom Henry, from Downey
Brand. And to the right is our environmental counsel, Kim McCormick.

PRESIDING MEMBER DOUGLAS: Thank you, and --

MR. PALO: -- Ken Stine, Assistant Project Director --

PRESIDING MEMBER DOUGLAS: Thank you.

And the Commission Staff.

MR. PFANNER: I am Bill Pfanner, Project Manager for the California Energy Commission. And on my right is Jared Babula, who is Staff Attorney.

PRESIDING MEMBER DOUGLAS: Great. And is a representative of the intervenor, CURE, here today?

MS. KOSS: Yes.

PRESIDING MEMBER DOUGLAS: Could you introduce yourself.

MS. KOSS: I'm Rachael Koss --

HEARING OFFICER CELLI: We need you to come to the microphone, please.

MS. KOSS: Hi, good afternoon. My name's Rachael Koss; I'm with Adams Broadwell. And we're representing California Unions for Reliable Energy.
PRESIDING MEMBER DOUGLAS: Thank you.

From other agencies represented here today, is there anybody here from the Kern County Air Pollution Control District?

MR. CRAVENS: Present.

PRESIDING MEMBER DOUGLAS: Could you introduce yourself, please, for the record.

MR. CRAVENS: I'm Jeremiah Cravens representing Kern County Air Pollution Control District.

PRESIDING MEMBER DOUGLAS: Thank you.

From Kern County I'm aware of a number of representatives, Supervisor Maben from Kern County. Are you here?

SUPERVISOR MABEN: Yes, I am, but I think Lorelei Oviatt from our Planning Department would be the appropriate one to represent us today.

PRESIDING MEMBER DOUGLAS: Great. Would you like to introduce yourself for the record?

MS. OVIATT: Thank you; I'm Lorelei Oviatt; I'm a Division Chief for the Kern County Planning Department.

PRESIDING MEMBER DOUGLAS: Thank you.

From California City, Mayor Evans, I believe is
present? Very good. Great.

And as well, Councilman Edmiston.

COUNCILMEMBER EDMISTON: Yes, back here.

PRESIDING MEMBER DOUGLAS: Is there

anybody else from Kern County, from California

City, or -- could you please -- oh, City Manager,

I'm sorry.

MAYOR EVANS: Our City Manager is over

here, Linda Lunsford.

PRESIDING MEMBER DOUGLAS: Thank you.

MAYOR EVANS: And we have a Planning

Commissioner right here, our Chairman.

MR. GREER: Al Greer, Chairman of the

Planning Commission, California City.

PRESIDING MEMBER DOUGLAS: Thank you.

And from Mojave, is there anybody representing

that city here?

MR. DEVER: Bill Dever, Mojave Chamber

of Commerce.

PRESIDING MEMBER DOUGLAS: Thank you.

What about the Lahontan Regional Water Resources

Control Board? Very good.

I'd also like to briefly introduce our

Public Adviser, Nick Bartsch, who will be speaking

later. He just raised his hand in the back of the
Beacon Solar filed an application with the California Energy Commission to obtain a license to build and operate the Beacon Solar Power Plant project here in Kern County.

The purposes of today's hearing are to provide information about the proposed power plant; to describe the Commission's licensing process in reviewing the application; and to provide information and opportunities to participate in this process.

Later in the hearing the Public Adviser's representative will explain more about how you can obtain information on the project, how to participate and how to offer comments during this review process.

Mr. Bartsch will also tell you how to intervene as a formal party if you would like to do that, to present evidence and cross-examine witnesses.

Beacon Solar, the applicant, conducted a site visit so that the public could enter the property to see the location where the project is proposed to be built. The site visit took place at 2:00 p.m. this afternoon and concluded just
prior to this informational hearing.

At this time Hearing Officer Celli will proceed with the hearing.

HEARING OFFICER CELLI: Thank you, Commissioner. Can you all hear me okay? Am I coming across? Thank you.

Basically what you're looking at up on the screen there is a shot of the California Energy Commission building on 9th and P Street in Sacramento. The California Energy Commission is a state agency that has exclusive jurisdiction to license or certify, as we say, new power plants that generate 50 megawatts of electricity or more.

On March 14, 2008, the Energy Commission accepted as complete, Beacon Solar's application for certification for the Beacon Solar Energy Power Plant project.

This is a nominal 250 megawatt solar power plant proposed for construction in eastern Kern County along California State Route 14 corridor, approximately four miles north-northwest of the northern boundary of California City at the western edge of the Mojave Desert.

Notice of today's event was mailed to all parties, adjoining landowners, interested
governmental agencies and other individuals. The notice was also published in the June 5, 2008 edition of the issue of the Weekly Mojave Desert newspaper -- the Mojave Desert News newspaper.

The Public Adviser will explain more about that in a moment.

Today's hearing is the first in a series of formal Committee events that will extend over the next year. The Commissioners conducting this proceeding will eventually issue a proposed decision containing recommendations on the proposed project to the full five-member Energy Commission.

To be clear, the Beacon Solar AFC Committee is made up of the two Commissioners, Commissioner Douglas and Commissioner Byron, their Advisors and me, the Hearing Officer.

It is important to emphasize that the law requires that the Committee's proposed decision be based solely on evidence contained in the public record.

To insure that this happens, and to preserve the integrity and impartiality of the Commission's licensing process, the Commission's regulations and the California Administrative
Procedure Act expressly prohibit private, off-the-record contacts concerning substantive matters between the participants in this case, in this proceeding, and the Commissioners, this Committee, their Advisors and me.

This prohibition against off-the-record communications between the parties and the Committee is known as the ex parte rule. This means that all contacts between the parties and the Committee regarding any substantive matter must occur in the context of a public discussion such as today's event, or in the form of written communication that is distributed to all parties.

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

The Energy Commission Staff, on my left, is a party to these proceedings in the same way that the applicant, sitting on my right, is a party, or the intervenor. Even though the staff and the Committee members are both part of the Energy Commission, we are completely separate entities for purposes of these proceedings. So the ex parte rule applies to the Energy Commission
Staff the same way that it applies to the applicant and intervenors.

Additional opportunities for the parties and governmental agencies to discuss substantive issues with the public will occur in public workshops to be held by the Commission Staff at locations near here, such as California City, and elsewhere.

Information regarding other communications between the parties and governmental agencies is contained within written reports or letters that summarize such communications. These reports and letters are distributed to the parties and are made available to the public.

Information regarding hearing dates and other events in this proceeding will also be available on the Commission's website.

The application for certification or what we call the AFC, the process is a public proceeding in which members of the public and interested organizations are encouraged to actively participate and express their views on matters relevant to the proposed project.

The Committee is interested in hearing
from the community on any aspect of this project. Members of the public are also eligible to intervene in the proceeding. And if there are potential intervenors, we encourage you to file a petition to intervene as soon as possible to allow for full participation.

In a moment we'll ask the Public Adviser's representative to explain the public participation process, and to provide an update on their efforts to contact local residents and other interested groups and organizations regarding this proceeding.

Following this, we will then ask the applicant and the staff to make their respective presentations. These will, in turn, be followed by intervenor's comments, and general comments from the public and/or agencies present.

At this time I'm going to ask Nick Bartsch from the Public Adviser's Office to please step forward and explain basically, in very brief terms, the outreach efforts made by the Public Adviser's Office.

MR. BARTSCH: Thank you, Hearing Officer Celli. If you don't mind, I'm going to face the public so that they will be able to hear me better.
My name is Nick Bartsch. I am representative of the Public Adviser's Office, which is an independent organization within the Energy Commission, whose -- the Public Adviser is appointed by the Governor.

Our main responsibility is to you folks, to provide full and meaningful public participation in the Energy Commission's processes, including this application process.

Now, how do we do this? We actually already started by contacting most of you. And I personally talked to many of you as part of our outreach effort to let you know (inaudible) to participate.

This is the first of many public opportunities for the public to participate and provide comments, either verbally or in writing. And just weigh in on the process. And all the public events are recorded, so your comments will become part of the record on which then the decision is made.

So, how can you participate? There are actually two ways. You can participate as an interested party. Simply you can start out by signing up -- signing our attendance sheet today
where you had an opportunity to mark your interest. And if you are on the internet, then you'll be getting notification electronically.

If you -- you'll be getting it through the mail. You will rest assured that from this point on if you expressed an interest then you will be kept abreast on what is happening.

Now, if you happen to have access through a computer to the web, the Energy Commission website has a dedicated website for this project. And you can find the web address right on this blue sheet -- I mean green sheet.

If you want (inaudible) access that site and where you can get up-to-date information.

Also, you'll be getting notifications in the mail. And if you sign up on what's called listserver, then you'll be getting -- or if you signed up on the list here, you'll be getting notified automatically of future events and future information about this project.

So you can stay tuned and continue to participate and offer your comments, either in writing or verbally at all these events.

If you want to write to us to submit written comments, be sure to put the name of the
project, and also what's called the docket number. Both of these are on this green sheet. So be sure you have those things written on all the communication that you send to the Energy Commission.

Now, the other way, if you want to be more involved, and a more formal way in this process, you can become an intervenor. The difference between being an interested party and being an intervenor, an intervenor is basically, as an intervenor, --

HEARING OFFICER CELLI: Nick, you're not on -- yeah, you need to speak right into that mike, please.

MR. BARTSCH: -- you will have an opportunity to submit testimony, yourself, instead of just information that you will be providing as an interested party.

You can provide your own witnesses in the formal hearings, and you can ask for information from the other parties, such as the applicant or the Energy Commission, or other intervenors.

You can ask for and get their information. You can provide your own witness.
And you can cross-examine witnesses of the other parties. And what you provide is testimony which carries weight in the decisionmaking process.

So, to become an intervenor I can help you with the process. You do not have to be an attorney to do it. The Public Adviser's Office is here to help you to get this, as an intervenor, to the process. We cannot, however, represent you in the process. You can represent yourself.

You have to -- I have the forms back there. I can explain the process for you if you choose to intervene.

Now, as to when you should participate, whether as an interested party or as an intervenor, the earlier the better, because that way you will get the benefit of the entire process, and the information from that process.

So, if you have, then, additional questions about it, I'll be available in the back to answer your questions.

HEARING OFFICER CELLI: Thank you, Mr. Bartsch.

MR. BARTSCH: Just very briefly --

HEARING OFFICER CELLI: Please speak right into that microphone.
MR. BARTSCH: I have been speaking --

(Parties speaking simultaneously.)

MS. SPEAKER: Give it a shake.

MR. BARTSCH: Anyway, before the end of this session we are going to have public commentary. And what I'd like to do is pass out these blue cards that I'd ask you to fill out. And then I'll collect them and take them up to the Hearing Officer, and they'll call you in turn based on these blue cards. This way we can have this done in an organized fashion.

One more thing I'd just like to mention quickly are outreach efforts. In addition to sending out letters with this information sheet, to elected officials in Kern County, and also the local elected officials, we have reached out to interested parties. We sent out some 50 letters and information, notified churches, schools, generally health facilities.

These are facilities or entities that, because of their involvement with children or treating folks for medical reasons, they are interested in all industrial projects that are locating in their area. We notify them within a six-mile radius.
We also notify the Native American Heritage Commission, Sierra Club, Audubon Society and all the Chambers and economic development corporations in the area.

You might have seen our ad in the Mojave Desert Times, January 5th issue. And I hope many of you folks are here because you saw the ad.

So this pretty much in a nutshell wraps up what I had to say. I'm available in the back of the room to answer your further questions.

Thank you very much.

HEARING OFFICER CELLI: Thank you, Mr. Bartsch. And, Ms. Russell, here's the mouse up here.

Folks, what we're going to do, first of all everything we say is going to be on the record. And there will be a transcript made available of these proceedings. And that is why it's so important that you speak directly into this microphone, so that everything you say will make its way into the transcriber's record, okay.

The way we're going to proceed today is first, Beacon Solar is going to describe the proposed project and explain its plans for developing the project site.
After that, the Commission Staff will then provide an overview of the Commission's licensing process and its role in reviewing the proposed Beacon Solar Energy Power Plant project. After that, we would hear from Ms. Koss, the Intervenor, if you would like to make a presentation, if you wish.

After that we will discuss scheduling and other matters that were raised in staff's June 2, 2008 issues identification report.

Upon completion of these presentations interested agencies and members of the public will then offer comments and ask questions. This will be a somewhat informal part of the process.

And at this point, now, we're going to ask the applicant to begin with their presentation. I'm going to ask the public to hold off on questions until the comment period at the very end, so it will be a comment-and-question period. And the applicant and staff will make themselves available to answer your questions at that time.

(Pause.)

MR. PALO: Good afternoon. My name is Gary Palo; I'm the Project Director for Beacon
Solar. And with me today, as I've already mentioned, is Kenneth Stine, Duane McCleod, Kim McCormick, Tom Henry and then we also have representatives of our ENSR and EDAW (phonetic), the outside consultants that we used to help prepare the application; as well as our outside engineering consultant, Worley Parsons (phonetic).

I won't introduce those folks now, but they are in the room to help address questions later in the day.

First, I'd like to thank the Energy Commission for this opportunity to be here today and to have this public hearing; and to quickly go through our slide presentation. I'd like to thank California City for allowing this meeting to be held in their facilities. And, of course, the officials and members of the planning department from Kern County for being here, and for their cooperation and helping us address some of the issues that are important to Kern County, as well.

I hope I don't leave anybody out, but I certainly wanted to make those --

ASSOCIATE MEMBER BYRON: Well, I think you've left somebody very important out. Meg Russell, who fed us all today.
1 (Laughter.)

2 ASSOCIATE MEMBER BYRON: Thank you, Meg.

3 MR. PALO: Well, Meg is a member of our team; and, yes, she has done double duty, and thank you for that. She would really let me know later if I hadn't thanked her. So, Meg, thank you for everything, the food, arranging for the bus transportation, everything for the meeting.

4 Meg is also one of our development team and is very involved in solar development, as a full member of the team.

5 I do want to make one comment. I just noticed on the white -- one of the forms that the Energy Commission put together, our company recently changed email systems. We're now on the Microsoft Outlook. So the email address give to me has now gone from the underscores to dots. It's the same thing, just replace, put a dot there.

6 But, you know, if you have questions on the environmental side of things, or the technical side of things, please feel free to, on the environmental questions, to send an email, because it's not on here, to kenneth.stine@fpl.com. And on the technical solar, how does solar work, to
duane.mccleod@fpl.com. So I'd like them to share
with me any responses to questions. We're a team
of three or four. And, of course, Meg Russell, I
will give you her email here later; I don't quite
know what it is at this point.

Okay, let's begin. I just wanted to
quickly state, who is Beacon Solar. Well, Beacon
Solar is a wholly owned subsidiary of FPL Energy.
And FPL Energy is an affiliate of Florida Power
and Light, probably the third largest electric and
gas utility in the country, probably behind
Southern California Edison and PG&E, in terms of
customers, but a similar sized utility company.

Both FPL Energy and Florida Power and
Light are owned by FPL Group, which is a New York
Stock Exchange company. And so essentially, we,
Beacon Solar, are owned by a very large company
who is very dedicated to the solar energy
business, and, in fact, FPL Energy owns and
operates the largest existing solar facilities in
the United States right now. They are in the
State of California; they're referred to as Kramer
Junction and Harper Lake. And they're located
east of here for those of you that may have seen
them before traveling on 58 and 395, in that
general location.

The technology that we're proposing to use at our facility is similar to what you might have seen in at that facility. And I'll mention that in a minute.

This slide just shows the types of assets and the value of the assets that FPL represents.

FPL Energy is probably the leading independent power company in the United States. We are the largest owner and operator of wind energy facilities. We also own hydroelectric and now nuclear power plants, as well as the solar facilities that I mentioned earlier.

We are, as I say, -- skip the second item there. We feel that solar energy is a valuable part of our energy portfolio, and we're dedicated to continuing development of new solar energy facilities, which is why we're here today.

This is just a quick map to show you the various facilities we have in the state. FPL Energy operates outside the State of Florida, so you'll see we don't have any FPL Energy facilities in the state, because our utility operates there.

But those generally show a number of the
wind projects and other type facilities that we have throughout the United States that one would consider green facilities.

Our Beacon project objectives for this project are to construct and operate, maintain an efficient economic reliable, safe and environmentally sound solar power generating facility.

One of the objectives, of course, as well, is to meet the State of California's objectives mandated by SB-1078, the renewable portfolio standards that the investor-owned utilities have to meet for their energy that they deliver to their customers.

And, of course, to meet the objectives of the new AB-32 global warming -- state global warming solutions Act of 2006.

This doesn't show very well, but for those of you on the bus tour today this is generally shows the location. It's very hard to see on this slide. I don't think I'd use this one next time. But, you can see a little -- I've got a pointer here that shows, if I can use it -- so that's the project site on highway 14.

The project overview, as mentioned
earlier, will have a proposed output of 250 megawatts. It'll use proven parabolic trough mirror solar thermal technology. That's not photovoltaic, that's an actual using the sun's energy to heat a fluid. The fluid then heats water to make steam. And the steam turns a turbine generator, and that makes electricity. That's the reason they refer to it as thermal. And the mirrors are curved in a parabola form, so that's why we call it the parabolic trough.

The solar energy will provide 100 percent of the power generated by the plant. We will use some natural gas to keep the fluid warm during certain times of the night, particularly the winter months when it can get kind of cold. The fluid has a temperature that it could get rather viscous if it's not kept warm during the evening hours.

This, again, shows -- and I didn't realize this wouldn't show too well, but essentially these are some of the elements of the project. This is the proposed project site. It actually contains all of the facilities. And then there are two different alternative routes where the transmission line that goes off of the site...
down to the Barren Ridge Substation, which the Los Angeles Department of Water and Power is currently constructing and will be in place by the time our facility starts up.

This is the route of the proposed natural gasline that would go down to the existing termination point of the larger Southern California Gas pipeline. They do have a smaller line in the street here, but it's not big enough for us. And so we would have a new line about 17.5 miles up here along Neuralia Road up to the project site, using the existing road right-of-ways.

This is, for those of you that haven't seen our existing facilities, this is a view of what a parabolic solar trough facility looks like, at least the mirror facilities. Here's the parabola. The insolation comes in from the sun, and these turn. They track the sun during the day. And all of that sun's reflective energy is reflected off of these mirrors back onto this tube.

So if you were flying a plane up here somewhere you would basically not see any back reflection. It would all go onto that tube.
surface. There's a metal tube in there painted
with a special black coating. And then
surrounding that is a glass cylinder, which is in
a vacuum. And then that has a coating on the
inside to prevent back-scatter. So it's a very
efficient absorption of the solar radiation from
the mirrors up to the tube.

There's an oil in there that gets hot,
that I mentioned. It's viscous at low
temperatures. And it goes down this way and
another loop comes back here. And eventually it
goes into a collector system where then a heat
exchanger, and that's where you make the steam.
And the steam turns the generator.

These are about a football field long,
Duane, is that right here? One of these --

MR. McCLEOD: Yeah, --

MR. PALO: Okay, and each one of these,
I don't know if you can see it, but each one of
these is a little mirror. And there's over
500,000 of these in our facility that we're
proposing. So that's a lot of labor involved in
building this facility. And there's a lot of
materials that you have to procure.

Here's a picture of one, as I say, these
will turn, and here's one turned down. It might be the end of the day, or they might be doing some work on it. And so, or if there's high winds you can turn it out of the wind to keep the wind from damaging it.

Here's a picture of how you wash these mirrors. Everybody wants to know about dust. We don't tolerate dust. We're a minimum dust; we coat the surface of the ground. This is not paved, but it's a very compacted dirt to prevent dust. And here's a truck with de-ionized water down the rows to clean the mirrors. I think this happens once a week or so. Can't see what that is, but here's again a mirror.

And then, of course, a larger look at a field. You can see these people standing here. I think the average height of these is no higher than about 40 feet off the ground, would you say, even when they're turned, is that roughly -- so we're not a very high profile facility, -- power plants that have high stacks. You can see that you could probably drive by here a distance away and probably not see much because of its low profile.

I'll be very quick here because this is
all in the application. It's roughly a 2000-acre site containing the arrays, the evaporation ponds, the power block and the drainage channel. So our whole site is going to be contained within this 2000 acres that we own, that Beacon Solar owns.

The new gasline, as I mentioned, 17.5 miles. And approximately 3 mile transmission line over to the Barren Ridge Substation.

Kern County, we feel, is a very excellent solar resource in the high desert here. The site was previously disturbed by farming. It's very close in proximity to the transmission lines, and it has available groundwater that comes with the ownership of the property for use for our project.

Why the Mojave Desert. The darker the red color, the better the solar insolation. And so this map shows most of the western United States, and essentially the Mojave Desert is one of the best solar resources in the world, really, but certainly in the United States, as well.

As part of our preparing the application, we addressed all of these topics in our application. I won't go into each of them. We do have some slides on the ones that are
highlighted in color. But I know that they would
like to move the hearing along.

    But we basically, in preparing the
application, tried to address all of the various
impacts that the project could have in these
various areas.

    As far as biological resources, we
indicated that it had been disturbed. That
extensive surveys have been done on the site, and
along the transmission line and gasline right-of-
ways. We also have to address permitting with the
California Department of Fish and Game and with
the U.S. Fish and Wildlife Service for species in
the area. And we, of course, would prepare a
mitigation plan for any impacts that we would have
on the biology resources.

    We do have two earthquake fault zones
present within the site. And so we, in designing
our facility, are addressing the effect of, you
know, the seismic events on the facility. And
that is also addressed in our application. This
is just to acknowledge that we're very much aware
of the geology of the area and the seismic
history.

    Land use consistency. We do have some
work to do with working closely with the Planning Department of Kern County as it relates to making sure that we do everything required to make sure that the use of the site is consistent with the zoning and general plan and circulation elements of the general plan that Kern County has in effect. And we're working closely with them and filing comments both with the Commission and with the County to address their needs. So that's something we're focused on.

Visual resources. I've mentioned that the plant is fairly low profile. We don't expect any significant glare that would have an impact on the military operations. We are in a restricted flight area, and we have presented the branches of the military information about the project. And they have provided correspondence back to us that we've included in the application about the compatibility of the facility with their operations.

I do have a couple of slides here --

HEARING OFFICER CELLI: Gary, I'm sorry to -- Ken Celli, on your right, over here. Just trying to be mindful of the time. How many more slides --
MR. PALO: Okay.

HEARING OFFICER CELLI: -- do you think you have?

MR. PALO: Probably no more than -- let me -- give me three minutes.

HEARING OFFICER CELLI: That would be great.

MR. PALO: Shoot for three, is that --

HEARING OFFICER CELLI: Thank you.

MR. PALO: -- okay?

HEARING OFFICER CELLI: Thanks.

MR. PALO: Okay, I'll be real quick.

This is just a slide of the area as it looks today. And here's a slide of what the area would look like. It's very hard to see in this slide. It's a projected view of what the plant would look like at that same location once it was built.

Here's a view of the road looking south from the entrance of our site, down highway 14. It shows what lines and things -- and here's our transmission line crossing the road. And, again, this doesn't show too well, but it's hard to make out where the towers are. But I think I see a tower crossing there and there.
Water is needed for the plant. It's a thermal plant and we do need make-up water. As I indicated, we want to use the existing groundwater underneath our site for the make-up water. We have existing onsite wells, but we're also looking into alternative water sources, including reclaimed water that the California City might ultimately have from a water treatment facility expansion that they might do here in the future as part of the City's public works programs.

Here shows some of the wells on the site now that were used prior for agriculture. There's also right here showing an existing storm kind of wash area. We propose to divert that around the mirror facility and come this way, and bring it up that way, so we would divert this channel that way.

Groundwater usage. We are aware that over the time that agriculture was prevalent on this site, that there was a drop due to the pumping. Agriculture uses a tremendous amount of water, way more than what our facility would use. And evidently there was a 200- to 250-foot drop in groundwater levels at that time.

It's now come back quite a bit. And we
have addressed the impact of using our 1600 acrefeet a year on that recovery. And I won't go into that now, but we have a very technical analysis of that. And we feel that the effect we would have would slow some of that rate of recovery, but would not have a significant impact on wells in the area.

Construction. We expect to begin -- our goal is to begin construction in 2009, after any licenses and other permits that are required are issued. And right now we hope to be complete in 2011.

The project would be owned, as I say, and operated by Beacon Solar. And the new gasline would be owned by Southern California Gas Company.

That ends my presentation.

HEARING OFFICER CELLI: Thank you very much. I'm sorry to have to rush everybody.

Next, Bill Pfanner from the California Energy Commission Staff, will speak briskly.

MR. PFANNER: Very briskly. While they're getting that set up, of course, I want to thank you all for coming. This is an excellent turnout. It is so critical to the process to have public participation, and early public
participation helps facilitate the process. So, again, great turnout, thank you so much for coming today.

Again, my name is Bill Pfanner; I'm the Project Manager for the Energy Commission. And I have Jared Babula, who is the Staff Attorney. We represent a staff of some 20-plus disciplines at the Energy Commission that are here to review this application for certification process.

So we have biologists, cultural resources staff, environmental, engineers, water hydrologists, all that are part of our team and we are representing them here today.

So I'd like to briefly go through the process here. It is a complex process. I'll keep it as simple as possible, but just understand at the end I'm probably the best person for you to contact if you have questions, you know, how do you get involved, what do you do next. I'm the good person, and I do have a handout on how to track me down.

So the purpose of the siting process is to insure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy for protection of public
health and safety, for promotion of general welfare and for environmental quality protection. So that's Public Resources Code; that's kind of broad language of what we do.

What the Energy Commission's role is, is that we do have the permitting authority for thermal power plants in the state of 50 megawatts or greater, and related facilities. So, any transmission lines, water supply lines, gas pipelines, waste disposal, roads, et cetera, that all falls under our jurisdictional requirement.

And if you're familiar with CEQA, the California Environmental Quality Act, we do a CEQA-equivalent process. So, many of the things that we do may have different names, but it is a CEQA-equivalent process.

In terms of our process, it's a three-step licensing program. The first step is data adequacy. And that is staff reviews the application for certification to insure that they have met the minimum requirements for an application.

Now, if you see on the applicant's desk there are two big six-inch binders over there. That's an application. So, there's a lot of
information that comes in.

Staff reviewed the application and it was deemed to be data adequate, which puts us where we are now, which is the discovery phase. So staff is looking at and analyzing the information. We are going to be preparing data requests, asking for more specific information on the applicant. We'll be conducting issue identification workshops. And we will be preparing a preliminary and final staff assessment.

So if you're familiar with CEQA, preliminary staff assessment and a final staff assessment are a lot like a draft environmental impact report and a final environmental impact report.

Staff makes a recommendation and then the Committee conducts the evidentiary hearings and makes the decision. So the Committee of the two Energy Commissioners here today, led by the Hearing Officer, would conduct evidentiary hearings on the final staff assessment and public input. And the Committee then produces what's called the Presiding Member's Proposed Decision, PMPD. And then the PMPD goes before all five of
the Commissioners for a final approval.

So, where we are now, if you think of it

as the staff discovery and analysis phase, staff

is kind of the center of the process right now.

So, we will be taking information from applicants,

from citizens, from legal agencies, from

intervenors, and all that information will be fed

into the staff to prepare its analysis.

During this discovery and analysis phase

staff determines if the proposal complies with

what we call LORS, laws, ordinances, regulations

and standards. So that's a term you'll hear us

say a lot. Does it meet LORS.

We will conduct engineering and

environmental analysis to identify issues,

evaluate project alternatives, identify any

mitigation measures that are feasible, and

ultimately make a recommendation on conditions for

the project.

We facilitate the public and agency

participation. And then staff produces the

preliminary staff assessment and the final staff

assessment, which is a recommendation to the

Committee.

So, staff does not make the decision.
Staff makes a recommendation based on the public
input, based on agencies, based on our workshops,
based on our technical objective analysis, we make
a recommendation then to the decisionmakers.

At that point it goes to the evidentiary
hearing and decision process, which the center of
that is the Committee and the full Commission.
And in that role you see staff provides
information, again, the public puts information
in, agencies put information in, all these key
players, again, are feeding information into the
decisionmakers, who ultimately make the decision.

The evidentiary hearing and decision
process. The Committee conducts hearings on all
information. They issue the Presiding Member's
Proposed Decision, and that contains findings
related to environmental impacts, public health,
engineering, the project's compliance with LORS,
recommendations, conditions of certification, and
a final recommendation whether or not to approve
the project.

The full Commission then votes on a
decision, and the decision, when it is done, if
the project is approved, the Energy Commission
then is responsible for monitoring and compliance
that all those conditions are met. And our
compliance section then, for the life of the
project, insures that all conditions in the review
and licensing are complied with. And that
includes the facility closure, which is typically
a 30-year process.

So right now we're conducting our
information gathering. We're working with local,
state and federal agencies. We have a very
extensive list. We always like getting more on
it. And I always am welcome to find out have I
missed an agency, is someone not getting noticed.
But just as a broadbrush idea, the staff is
working closely with the local Kern County, Public
Health, Waste Management, Public Works, Planning,
Building, fire, safety, sanitation. Would be the
cities in the area, California City, Ridgecrest,
Tehachapi and the Kern County specific districts
like the Air Pollution Control District, Regional
Water Quality Control Boards, Kern County Water
Agency.

On the state level a number of state
agencies, Air Resources Board, State Office of
Historic Preservation, the Department of Fish and
Game, Water Resources Control Board and Caltrans.
And then on the federal level, working with such agency as USEPA, Fish and Wildlife Service and Army Corps of Engineers. So these are just a few of the many many agencies that we work with.

Now, a bit about the public process. This is a critical part, and we encourage an open process. We conduct workshops and hearings. We will get notices out at least ten days in advance of the list. We have established a mailing list, and that will be expanded on based on people who may show up and present to the staff wanting to be on the notification list.

And then there's also the listserver, which is a good way to get an email sent to you of all the things that get docketed. And I'll explain more about that later.

The documents, the application for certification was sent out to Kern County Public Libraries in California City, Ridgecrest, Mojave, Rosamond, Tehachapi. And then we also have it at the public libraries where state documents go, in Eureka, Sacramento, San Francisco, Fresno, Los Angeles and San Diego. So the Energy Commission Library in Sacramento has the information.
The website is an excellent source of information, and I'll go into more of that later. And then the dockets unit at the Energy Commission dockets all information that enters into the public record.

So, ways for you to participate is you can submit written comments or statements to the Commission. You can provide oral comments at public meetings. You can become a formal intervenor by contacting Nick Bartsch with the Public Adviser's Office as he described earlier. And you can provide written comments on the PSA and the FSA and the PMPD.

So the listserver is a great way to get notified. Whenever anything gets sent to the web you'll get a notice and say this is what's gone into the record. This information, I can explain it in more detail later, of how you get on it. Be careful what you ask for; a lot of information gets put on these projects' website, so you'll be getting a lot of notifications if you want to be a server. But it's an excellent way to know what's come in.

The Energy Commission's website, itself, for the Beacon project. Again, I will provide a
handout that shows you how to do that. That will
give you all the information, maps, the
application, any technical reports. Everything
that gets docketed and put on the web you can
access through the Beacon website.

We're currently at the point of
preparing an issues identification report, which
is staff's way of identifying what we see, at this
point in time, as being the critical issues. And
staff's issues identification report has
identified some concerns regarding the project
description, air quality, biological resources and
soil and water resources.

And how we define what are the critical
issues are we try to -- the purpose of it is to
inform participants of what we see as the
potential issues. And for an early focus on the
important topics.

So the kind of things that we're looking
at with our issues identification report are what
might be a significant impact that may be
difficult to mitigate. Is there something that we
know right now does not comply with laws,
ordinances, regulations and standards. Are there
things that we see potential conflict between
parties about appropriate findings or conditions of certification or Commission's decisions that could delay the schedule.

And at this time the four areas that we've identified in the issues identification report, the first was project description, which is kind of a broad topic. And it involved the fact that the AFC identified moving 5.16 million cubic yards of soil on the project site. So this is a 2000-acre project site, that's a lot of soil that's going to get moved.

So staff is saying without a more thorough and comprehensive discussion staff can't properly analyze the project's construction-related impacts to their respective disciplines.

So we are conducting data requests in a number of areas for staff to provide more information. And the data requests are in the process of being completed at this time.

Under air quality as a potential issue, staff needs to understand how the particulate matter, which we refer to as PM10, generated by construction activities, will be managed and controlled on an ongoing basis during each phase of the construction.
Under biological resources, Pine Tree Creek is proposed to be re-routed, resulting in impacts to 8150 linear feet of the western channel of this dry wash, and approximately 6000 feet of the eastern channel. So staff has identified that eliminating the current drainage features will result in impacts to 13.7 acres of state-jurisdictional wetlands. And there are concerns about how this artificial channel could replace biological and hydrological functions of the natural drainage.

Under soil and water resources, staff has identified that the proposed project's using approximately 1600 acrefeet per year of high-quality groundwater from onsite well for the site, and that's for construction and for power plant cooling.

And there's concern that the use of fresh water for cooling could impact groundwater supply, and adversely affect the sub-basin's recovery from over-draft. We're looking at alternative water sources such as brackish water; and alternative cooling technology such as air cooling that we will be considering as part of our analysis.
And then the diversion of Pine Tree Creek may cause severe erosion and flooding due to un-naturally configured segments of the realigned drainage.

So, again, those are at this point in time. They're not, by any means, meant to be the only issues that will be identified. It's just a point to let the applicant, let the community know, these are the issues that we've seen at this point. And that we're just acknowledging.

So, this is a one-year process, 12 months. And we have prepared a preliminary schedule. As my experience knows, schedules often don't follow the path. This is the best case scenario. Probably the important things to know right now is that staff is in the process of preparing their data requests, round one. And we will be conducting in approximately 30 days a data response workshop that would be noticed. And we would be discussing many of these issues that we just identified.

Another date to just keep in mind is the preliminary staff assessment. We're looking at the middle of October. We're looking at a final staff assessment in early December. And then the
Committee's PMPD sometime we're looking at approximately March 7, 2009. And then the full Energy Commission hearing final decision approximately early May, 2009.

Lots of factors go into meeting this schedule. The applicant's timely response to requests are critical. Agencies' response, such as the Kern County Air Pollution Control District's filing of their determinations of compliance. Other determinations by local, state and federal agencies. And factors that just pop up. As you know, we don't see everything along the road, and many times there are issues that can come up that can impact a schedule.

So, project contacts. I did make a copy of this page; it's in the back. I am probably the best person on your day-to-day basis to contact. I have a phone number and email address there. The webpage is also listed to find out what's going on with the Beacon project, as well as the applicant's contact, which is not underscore, it's fixed there, I see. And Nick Bartsch of the Public Adviser's Office.

And I think we'll hold questions for the end.
HEARING OFFICER CELLI: Very good.

Thank you for your quick -- I'm sorry to rush everybody, but we're now in a bit of a time crunch. Mr. Bartsch, if you wouldn't mind approaching -- Nick Bartsch, if you could just approach ongoingly with the blue cards, I will have those.

Rachael Koss, you are representing CURE. Would you care to make comment about your -- the intervenor, please.

MS. KOSS: Thank you. We don't have any comments at this time.

HEARING OFFICER CELLI: Okay. Thank you very much. Brevity is greatly valued at this point.

So, folks, you've heard what the schedule entails in the next year. And you've heard some of the issues that were raised by the staff, as staff sees them.

So now what we'd like to do is, first of all, hear if Beacon cares to respond to the issues identification or the schedule, and has any problem with any of that at this point.

MR. PALO: No, we have no comment about that.

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HEARING OFFICER CELLI: Thank you. Very good. We now are going to move to the public comment part. And as soon as -- you can see Mr. Bartsch is passing out these blue cards. And what we do, ladies and gentlemen, is when I receive these cards, I call people in the order that I receive them in. But before we get to that, we had some local luminaries we wanted to hear from first.

So, Supervisor Maben, did you wish to -- he, okay -- but we do have Ms. Oviatt, Lorelei Oviatt, did you wish to make some comments? Okay. Please when you approach state your name, speak into the microphone.

MS. OVIATT: Thank you. I am Lorelei Oviatt; I'm a Division Chief with the Kern County Planning Department. I'd just like to note that this project is completely located in unincorporated Kern County.

The Kern County Planning Department and Kern County has successfully worked with the California Energy Commission on the siting and approval of three power plants in Kern County. We are very familiar with the process, and we very much appreciate your staff consultation.
Our primary concerns, which we have delivered to staff and will continue to work with them, focus on water supply, impacts on public services and infrastructure. And, of course, we're very interested in hearing the citizens' concerns. And we would be interested in knowing what those are.

We will be recommending conditions to address some of these various concerns, and we are always available for questions. We thank you very much for having these local meetings.

HEARING OFFICER CELLI: And thank you so much for coming. We also had someone from the Kern County Air Pollution District, is that correct?

MR. CRAVENS: Yes.

HEARING OFFICER CELLI: Did you care to make a comment?

MR. CRAVENS: Pretty much covered it. They're just waiting to get our --

HEARING OFFICER CELLI: And, Mr. Bartsch, if you wouldn't mind coming forward with the blue cards right away.

MR. CRAVENS: Jeremiah Cravens, Air Pollution Control. As he had mentioned, he had a
September 08 deadline. One of our top engineers is running the calculations. Everything should be on schedule as far as I know.

HEARING OFFICER CELLI: Thank you.

MR. CRAVENS: That's really about it.

HEARING OFFICER CELLI: And thanks for being here, we appreciate it. Would you make yourself available to people's questions --

MR. CRAVENS: Oh, yeah.

HEARING OFFICER CELLI: -- as we proceed?

MR. CRAVENS: No problem.

HEARING OFFICER CELLI: Thank you so much. From Kern County, so anyone else from the County level?

MR. DIEL: Just to go on record for my attendance, John Diel with the Kern County Assessor's Office. I'm an appraiser with the natural resources section.

HEARING OFFICER CELLI: Thank you very much. Thank you for being here.

Okay, now from the City of California City, Mayor Evans. Is he still here? Please.

MAYOR EVANS: I think Lorelei from Kern County Planning made some very good comments. I
would piggyback off those.

Unfortunately, I haven't had the luxury of seeing, at this point in time, what reports there are on impacts. And I'd certainly be interested in seeing that. I'm assuming there's going to be an opportunity for that in the process. As long as that is going to occur, that will be fine. I think that would be a wonderful place for us to start.

Obviously this is a preliminary meeting, so it sounds like it's just going to be a year's worth of process here. And an opportunity for the City to comment, as well as other jurisdictions. So, thank you.

HEARING OFFICER CELLI: Thank you, Mayor.

ASSOCIATE MEMBER BYRON: Mayor Evans, if I could for just a moment. I suspect you're not accustomed to addressing the dais, as you normally sit up here.

(Laughter.)

ASSOCIATE MEMBER BYRON: And I wanted to thank you very much for lending us your facility today.

MAYOR EVANS: I told Mr. Celli not to
get used to the chair --

(Laughter.)

MAYOR EVANS: -- but it's kind of nice
to address from here. But I am being very good
and on my best behavior, so I'm going easy on you.

ASSOCIATE MEMBER BYRON: Good. Well,
Mayor, could you get that microphone fixed, maybe,
for the next --

(Laughter.)

MAYOR EVANS: No.

HEARING OFFICER CELLI: Thank you very
much, Mayor Evans. And, folks, just so you know,
every hearing, every action that is taken is
always noticed and publicized. And so you will
all be aware of things well in advance before they
occur so that we can have maximum participation.

Were there any other -- we have the City
Manager, Linda Lundstrom (sic)?

MS. LUNSFORD: Lunsford.

HEARING OFFICER CELLI: Lunsford, I'm
sorry. Did you wish to comment?

MS. LUNSFORD: No.

HEARING OFFICER CELLI: Any City
Councilmen care to comment? Please. This is Mike
Edmiston, City Councilman.
COUNCILMEMBER EDMISTON: Not as tall as the Mayor is. I hope it's getting through. I'd like to thank you all for holding this here on behalf of the City Council and the City.

Mike Edmiston, Councilmember for California City. You have a card up there. I do have a couple of issues. If I may, I'd like to do them now and save some time.

HEARING OFFICER CELLI: Please.

COUNCILMEMBER EDMISTON: We're very concerned about water here in the Valley. Right now you're going to be tapping -- this agency is going to be tapping into our water aquifer.

The information we have is not consistent with the information that was just put out. And I understand staff is going to really be looking into that. So, I hope they include California City and our departments and our city manager in this discussion. Because it's very important. We're about to lose a large portion of ABAC coming next year because of the cutbacks in the state. And therefore, we're concerned about what we do have underneath our feet.

And right now the understanding is the recharge is not keeping up with the utilization we
have. And we're only using 40 percent of it for our city. And we have other users right now. So, we would like to see that.

The other item I have on there is we had a lot of sludge deposited somewhere in that general area by L.A. County before the County of Kern turned it off. I just want to make sure that this site does not contain any of that sludge, which could be a biological hazard to not only the inhabitants of the area there, but also the workers. So that might be something to look at, also.

Thank you very much for your time, and thank you.

HEARING OFFICER CELLI: Thank you for your comments. I think we have covered all of the local agencies and people in political positions. Is there anyone else that I've missed? I see none, so I'm going to go right ahead now to the public.

Ace Miller, are you still here? Please speak right into the mike.

MR. MILLER: Thank you. Ace Miller, Rancho Seco Water District in Cantil. And we're about like everybody else around here, we're kind
of worried about the water usage.

And you're saying 1600 acrefoot per year. And the ranch only used 6- to 8-acrefoot per year. And they was into a high density growth of alfalfa and sugar beets.

And so we're looking at this, and I don't know where Fairmont's getting their water at. But our water table's dropped. In the last three years our water table has dropped three foot.

And so we're really concerned about this. And I'm trying to figure out where you're using all this water at. If you're using 1600 acrefoot -- this system is going to be a closed system. You've got to have a boiler and a condenser to use the water.

And so we're not shooting straight steam into a turbine and letting go to the atmosphere. We've got to be reclaiming the steam. And so you're using 1600 acres of water. That's a lot of water. And here we're trying to conserve, like everybody else in the State of California is trying to conserve water. And here all at once, boom, you guys are using it all up on us.

And the other concern we do have is air
pollution. Because, as you all know, we are going through a drought. And out in the Cantil area right now we have nothing but blowing sand. And right now we're trying to -- Kern County is in -- we're developing berms, trying to hold the soil erosion. And now we're talking 2000 acres of clearing. And so that's going to be a matter of air pollution there. So that is one of our concerns there.

And so, but I do want to thank everybody for hearing what was said.

HEARING OFFICER CELLI: Thank you for your comments. Let's see, Lorelei -- oh, yeah, now didn't we already hear from Lorelei? Oh, well, thank you for filling out the form. We appreciate that. It's good to have a record of who was here.

Now, Bob Westbrook, are you still here?

MR. WESTBROOK: Yes.

HEARING OFFICER CELLI: Please. Everyone, please do your best to speak right into the microphone so we get a -- oh, good.

MAYOR EVANS: A couple things. Everybody in the room needs to turn off cellphones. We have a problem with that. I cuss
these mikes all the time, by the way. You have to speak right into it; all the cellphones need to be off; and maybe the best thing to do for this mike is to hold it, and then pass it on to the next person.

HEARING OFFICER CELLI: Thank you.

Thank you, Mayor.

MR. WESTBROOK: I'm Bob Westbrook. I'm down from Ridgecrest, and I'm really representing myself, but we have a proposed solar plant which is very similar, 250 megawatt solar plant, proposed on BLM property up in the Indian Wells Valley. So, I'm just an interested participant.

I wondered what the projected cost of the power generated from this site was going to be?

HEARING OFFICER CELLI: These questions, folks, are not rhetorical. And so we're going to allow the applicant to actually answer questions. This is your opportunity to both make a comment and ask questions of the applicant or staff.

MR. WESTBROOK: Yeah, and I assume this proposal is only a viable proposal if there's wet cooling, is that correct?

MR. PALO: You mean --
HEARING OFFICER CELLI: Yes. Do you not have a mike over there? Please, go ahead and answer, Gary.

MR. PALO: The pricing of the energy from a facility like this is subject to negotiation of a power agreement for a specific length of term, 20 or 30 years. With each of the electric utilities -- that discussed that with us. And it depends on the interested party being the customer and what their length of term is. That affects the price because we are building a large capital facility like this.

This facility will cost roughly a billion dollars. The longer the term of the contract the lower the price over that (inaudible) on a short contract, signed later.

So it's hard to describe exactly, but it would be roughly consistent with other renewable types solar projects that are being bid, (inaudible) contracts being signed for other projects. I think it's probably north of 10 cents a kilowatt hour, but I can't remember all the specifics because it's based on so many assumptions about the length of contract terms, and --
MR. WESTBROOK: Okay.

MR. PALO: -- other things such as --

MR. WESTBROOK: Okay, but it would be
less than 15 cents a kilowatt hour?

MR. PALO: I can't say, I really can't
say that. We don't really publish those numbers
because we're covered by negotiations and other
things. But, solar energy is slightly more
expensive than wind power, generally, so that wind
sites (inaudible).

HEARING OFFICER CELLI: Thank you, Mr.
Westbrook. Ralph Lachenmaier. I'm sorry if I
mispronounce anyone's name. Lachenmaier.

MR. LACHENMAIER: You did a good job on
that. I'm here also from Ridgecrest, and I'd just
like to follow up just a little bit. Does this
mean the plant is infeasible if you don't get the
water for wet cooling?

MR. PALO: No, not at all. It depends
again on the willingness of the customer to bear
the cost of a dry cooling system, if that's your
question.

MR. LACHENMAIER: Yeah, that's exactly
the question.

MR. PALO: The prior gentleman did ask
that. And my mind was just addressing the first
part. Dry cooling, as I mentioned, I don't know
if I said it on -- or not, adds about 15 percent
to the capital cost. So, in the end that adds to
the price of the energy, as well.

MR. LACHENMAIER: Okay, so you got the
capital cost, plus it costs you more to -- it's
got to run less efficiently on --

MR. PALO: It does run less
efficiently --

MR. LACHENMAIER: -- so that's another
10 percent or something?

MR. PALO: -- so we did address in the
application --

HEARING OFFICER CELLI: Excuse me, Gary,
you need to --

(Parties speaking simultaneously.)

MR. PALO: Is that coming through?

HEARING OFFICER CELLI: Yeah, now it is.

MR. PALO: -- like this. We did
address, in the application, the cost of the
impact -- the financial impact of dry cooling. I
don't remember the exact numbers, but we did try
to get that. I know the Energy Commission will
have more questions about that analysis.

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But there is an increased capital cost in the range that I mentioned, and in the operative costs based on the electricity required to run dry cooling.

MR. LACHENMAIER: Okay. My other real question was the -- you don't have any facilities for night/day, summer/winter, when the sun isn't out, and no thermal storage, as I understand it. And I guess I'm trying to understand what that means.

Now, I know at Kramers Corner, or I think I know, I wasn't here then, but they had to add a natural gas-fired plant in order to even out their electricity over the year.

And I guess I'm wondering is that a possibility for this, that you'll be forced to add a natural gas plant at a future time? Or maybe from the CEC, how is that regulated? If they don't have the thermal storage, do you people take responsibility for seeing that the day/night, summer/winter power needs are balanced out?

HEARING OFFICER CELLI: That would be a question, Mr. Pfanner.

MR. PFANNER: That will be reviewed in our analysis. I don't have an answer for that
right now, but that is -- it will be part of our
consideration.

MR. LACHENMAIER: Okay. So at this
point you don't know if you'd end up with a gas
plant here, as well, like they did at Kramer
Corner?

MR. PFANNER: I don't know the answer to
that. That would be part of our alternatives
analysis.

MR. PALO: I can say that there's a very
strong preference on behalf of the electric
utilities to have 100 percent renewable project.
Because that is what the legislation today is
calling for. That is what they're directed, in
preventing more global warming, and the RPS
programs of the utilities.

So, our facility wouldn't satisfy that
test of being 100 percent renewable energy project
if you added the type of equipment that would
provide for gas-fired -- generation. Not only
would it add to the cost of the facility, but it
would reduce the value from the standpoint of
being 100 percent renewable.

MR. LACHENMAIER: Okay.

MR. PALO: I mean, it's not the focus of
the utilities --

MR. LACHENMAIER: Yeah. Ridgecrest is getting a power plant, a solar power plant proposed there. And they were rather adamant about having a solar storage facility to average out the night/day. And I guess it struck me as you're taking a very different tack here. So I just mention that.

The other question I had, if I can finish it up, the ground treatment that you talked about to keep down dust, I hope that's a nonpolluting type material, not motor oil or something like that.

MR. STINE: We use an approved compacted, and I don't know, Duane might know the actual material that we use. It's -- I know the Energy Commission requires what we use be approved by both Lahontan and the CEC.

MR. LACHENMAIER: Okay, --

HEARING OFFICER CELLI: That's Kenny Stine speaking. When you kind of go back and forth I need you to re-introduce yourselves for the record. Thank you.

MR. STINE: Okay.

ASSOCIATE MEMBER BYRON: Excuse me, Mr.
Lachenmaier, those are both very good questions.
I can tell you, as a Commissioner on this case, as
well as before the full Commission, I'm very
cconcerned about the water usage.
A number of you have mentioned that
already, and probably some more will be mentioning
it, as well. So that's a significant issue that
we'll be looking at very closely on this case.
We're also fortunate enough to have here
today the Division Director, or the Deputy
Director from our Siting Division. And perhaps
Terry O'Brien could help provide a little bit
better answer to your second question about the
gas plant and the possibility of storage.
Terry, would you mind stepping forward
on that?
HEARING OFFICER CELLI: Mr. Bartsch, if
you have any further blue cards for me, would you
bring them up, please.
MR. O'BRIEN: I would say that in
response to the question on natural gas, is that
if the applicant, at some point in time, decided
to make a modification to their facility in order
to add a natural gas-fired facility, then they
would have to file a new application with the
Commission if that natural gas-fired power plant were 50 megawatts or greater in size.

If less than 50 megawatts, they still have to go through the Commission for approval. We would process that as an amendment.

So, that would obviously raise new issues, new environmental issues, or the air pollution emission issues. And it would get a thorough review by the Energy Commission.

HEARING OFFICER CELLI: Thank you, Mr. O'Brien.

MR. LACHENMAIER: Thank you.

HEARING OFFICER CELLI: Thank you, Mr. Lachenmaier. Ken Collins, are you still here?

Ken Collins.

MR. COLLINS: My name is Ken Collins. I'm a 21-year resident of California City. Seen a lot of things happen in this community and surrounding area.

I wanted to -- I went out of my way to make a little t-shirt says solar power. I'm totally in favor of this. The only drawback that I can see that maybe even would hinder the project is the water issue. That's going to be a great issue that's going to have to be overcome.
But the reason I'm speaking,

Commissioners, I want to take my hat off to you people for coming down here and putting this meeting in our community. I think it's great that you're having it here in this community. It could have been somewhere else. And I want to commend you all for your efforts of coming here, putting forth all your time and effort.

And I wanted to replace my hat. I made a special hat. I need to liven up the meeting a little bit.

ASSOCIATE MEMBER BYRON: I hope it's a Boston Celtics hat.

(Laughter.)

MR. COLLINS: It's a solar hat.

(Applause.)

MR. COLLINS: I heard that you guys are using solar mirrors for the electricity. I had a question that I'm hoping that somebody can answer. You're talking about 250 megawatts. I never heard it corresponded into amount of households. How many normal households would that supply power for?

HEARING OFFICER CELLI: Mr. Pfanner.

(Laughter.)
MR. COLLINS: I'm just talking about everyday households, not, you know, industry and different stuff like that.

MR. O'BRIEN: One megawatt for about 750 households.

MR. COLLINS: So, what is that total number correspond to, then?

ASSOCIATE MEMBER BYRON: About 15,000 households, I think. Right? Seven --

(Parties speaking simultaneously.)

HEARING OFFICER CELLI: 150,000.

ASSOCIATE MEMBER BYRON: 150,000.

MR. COLLINS: Okay. I think it's --

ASSOCIATE MEMBER BYRON: I'm trying to do some quick multiplication in my head.

MR. COLLINS: Okay. That would be more than ample to supply solar power for this community. We're about 12,000 now and continuing to grow gradually.

And also I wanted to comment that this is going to -- if this plant goes in fruition and comes online and during the construction this plant will have a great impact on our community, as a whole. It'll be a big economic stimulus for this community because we are the closest
incorporated city to the project area.

Ridgecrest is an incorporated city.

It's nearby, but we are the closest incorporated city. And we have a city charter; we have a city manager, a mayor and city council.

And also I'm in hopes that -- I brought something else today. It's kind of a little bit premature, but I wanted to show you something else I brought today.

How about a little golden shovel. I'm in hopes that in about a year from now I can go out there with you all to come and dig a little bit of dirt. So I wish it was happening today, but, you know, hopefully in about a year, maybe a little bit more, maybe a little bit less, I'll be out there with you all with my little golden shovel digging a little bit of dirt.

So, in closing I wanted to thank you all for coming and thank you for being here.

HEARING OFFICER CELLI: Thank you, Mr. Collins.

(Applause.)

HEARING OFFICER CELLI: We greatly appreciate your comments.

Is Ed Waldheim here? Friends of Jaw
Bone.

MR. WALDHEIM: Ed Waldheim, President of Friends of Jaw Bone. Welcome to our city, welcome to Cantil. Cantil's zip code 93519. I bring that up, too, because I want to make sure that the applicant does use the zip code of Cantil, because the post office boxes at the Jaw Bone Station, which I'm responsible for, for the Bureau of Land Management 93519.

Congressman Thomas is the one who got us the zip code, because otherwise -- I mean he kept us from losing it. Otherwise we would have not been part. You get your P.O. Box from the California City Post Office Box, but the box will be at the station when you come and get your mail. So I hope you keep that zip code.

We want to welcome you all to the City, as Kim said, on behalf of the economic development corporation and the Chamber of Commerce. As you drove through the town I hope you saw the restaurants that we have in town. We don't have a hotel; that's one that keeps eluding us. So we have to put tents up and so forth.

We have lots of homes here. We hope that when you start getting your folks coming up
this way you remember that California City is the
closest for you. You don't have to travel that
far to go. And we've got lots and lots of homes
for you to rent or buy, whatever you want to do.

Got a good golf course here; it's a
championship golf course. So we hope you make use
of that.

When you have your employees, we want to
make sure that we somehow set up a bus schedule.
We had the major general from Edwards Air Force
Base address us the other day. And there seems to
be, with the gas situation right now, a lot of
folks traveling between here and Edwards Air Force
Base. Don't seem to get their act together as far
as timing. It's a lot of driving, a lot of
pollution.

And so I would like to see that if we
possibly can, incorporate those folks who live and
work here in the City, and you probably will have
offices here in the City. We have commercial
buildings for you to establish your office here in
the City, that possibly you can establish a bus
service between here and there so we don't have to
have hundreds of cars going down Neuralia.

Because what you did today was the long
way around, because you could have gone Neuralia
and bingo, you were right there, in eight miles
you would have been there. So we hope --

(Laughter.)

MR. WALDHEIM: -- who's laughing on
that?

Anyway, the big issue also that we have
is access. Access for the public, access issues
along the project. I already talked to Mr. Palo
on that issue there.

Here out in the desert in the west
access is the key. Wherever you go, access is a
tremendous key. It may look like nothing, but a
trail and a road is an access. We live based on
these accesses that go to hunting and mining and
recreational things. So access is a big key. So
we want to work very closely with the applicant to
make sure that the access is there.

Another thing is the dust. The dust is
the thing that's really killing us right now, as
the citizens from Cantil have told you. The Honda
Proving Center, and I don't know if Steve is here
or not, but he has had to shut down his Honda
Proving Center a whole bunch of times because of
dust coming across from the subject property,
across Neuralia, and over into his Honda test track.

   Somehow we need to figure out what to do with that. I notice on their map you don't get all the way to Neuralia, you're back because of some private properties. But we need to really study what is happening with the moving of the sand in that area.

Kern County Road Department is constantly working with the tractors, and I shared that with Kenny earlier. They're constantly having to move just about every week they're having to bring a big skip-loader and move the sand off of the road. The wind here has been absolutely tremendous, absolutely tremendous.

The water issue we always talk about that. We want to make sure that somehow we work with the California City as far as the recycled water. I think it will be a win/win for all of us. It's quite a ways away, but still it would be a win/win if we can make sure to look at the utilization of that.

   Because sometimes when we have house boom increase, boom citizens coming in, a lot of water being used, the ponds get pretty full. I
mean they get full sometimes in the park, which is
the recycled water. It gets up onto the sidewalk
and starts walking into the parking lot, because
where are we going to put it, we can't get rid of
it.

And so there is an opportunity to, you
know, really get something done with the City, if
you can work with the City very closely on that,
that should be very very good.

So, anyway, again thank you for coming
to the City. And I echo for you having it here,
very much. And I hope we become good neighbors
with Cantil, with California City and with the
applicants, the energy facility.

Want to thank you for everything you're
doing. Thank you.

HEARING OFFICER CELLI: Thank you for
your comments. Nancy Devlin. Is Nancy Devlin
still here?

MS. DEVLIN: Hi, I'm Nancy Devlin; I'm a
property owner in Cantil. And a couple of the
things that I would like to know about, we moved
to the desert to be able to see our stars. And
what I'm wondering about is lights at night. And
also noise. We come to the desert to live, to
stay away from the noise and away from the lights.

How is that going to be handled?

MR. PALO:  Duane, would you like to
discuss the lights and noise --

HEARING OFFICER CELLI:  And, Duane, if
you would, please, identify yourself on the
record.

MR. McCLEOD:  Duane McCleod, FPL,
Project Engineer.  One of the -- I guess it's a
perspective, one of the beauties of a solar power
plant is it doesn't run at night.  And we have
done noise analysis on the site that indicates
that because of where the noise generation is,
which is the power block, which is the middle of
the site, it's a long ways away from the edge of
the site, and even farther away, away from any
residential areas.

Even when the plant's running there's
virtually no type of noise, below significance
levels.  At night the plant won't be running.  So
the noise that's even there during the day, with
the exception of a few vehicles onsite, basically
there won't be any.

In terms of lights, the facility, in
general, it will only be lit on critical roads,
which in the case of this facility is essentially mid -- from the highway on 14. In terms of operating lights from when the facility's in service, just because it's power -- we don't want to use it if we don't have to. Things are regulated on when they come on, on a need-to-be basis, so there's motion detectors and that kind of thing inside the plant, itself.

Again, since it's a daytime operation only, it's a very very minor issue.

MS. DEVLIN: I mean as far as security lights, because I know you can see DWP from our property at night.

MR. McCLEOD: Security lights, the only thing that will be right at the power block, itself, and that'll just be kind of in the middle. It's a mile and a half to 14, it's actually about a mile and a half into the property from pretty much any direction you go into it.

MS. DEVLIN: Okay, so from let's say Cholla and Quartz, that's where the berm is on the property.

MR. McCLEOD: I'm not quite sure where that's at.

MR. SPEAKER: A mile and a half from
Neuralia. The power block --

MR. McCLEOD: Right.

MR. SPEAKER: -- is a mile and a half from Neuralia. I'm not sure where Quartz Road is.

MS. DEVLIN: Quartz is just right on the other side of the farmland.

MR. SPEAKER: A mile and a half --

MR. McCLEOD: Right, yeah, the lighting, I mean the lighting's all downward facing. It's all onto the road, itself. That's become standard practice. And I won't speak for Bill, but I think we'll see that discussed as we go through the licensing process about how we'll light the facility.

MR. PFANNER: Correct. These topics will all be discussed in detail through our workshops; and then in the environmental analysis.

MS. DEVLIN: Okay. And one other question, why weren't any of us in Cantil informed about this earlier? We had to read it in the newspaper.

I mean Cantil is a little bitty place, but we still count.

HEARING OFFICER CELLI: You know, I would speak to that and just say that the Public
Adviser's Office does their best to hit everybody within a one-mile and a six-mile radius. And then they put out advertisements in the local newspaper, as they did. And sometimes they do inserts at the schools.

So they do what they can. And luckily you got word, because you're here.

MS. DEVLIN: Well, luckily -- I live in Los Angeles right now. And luckily I subscribe to the newspaper.

ASSOCIATE MEMBER BYRON: Well, Ms. Devlin, this is also an information hearing. Part of this is just to get the word out. So, we're glad that you got it. Please let others know, as well.

MS. DEVLIN: And I appreciate this meeting, thank you.

ASSOCIATE MEMBER BYRON: Thank you.

HEARING OFFICER CELLI: Thank you, and thank you for your comments.

Is Michael Sellard, Sellard, sorry if I mispronounced your name, Sellard.

MR. SELLARD: It's Michael Sellard. I really appreciate the opportunity that you're going to give to this area economically.
And, you know, we have some resources here. One is sand, that's not of much value. We don't have any rain. And we got plenty of solar; we got wind. And so I think this is really good.

The other thing is, as I understand, there's a state law in California that says approximately 20 percent of power is supposed to be renewable in so many years. Is that correct?

HEARING OFFICER CELLI: Yes.

MR. SELLARD: Okay, where are we at right now, approximately, in that --

ASSOCIATE MEMBER BYRON: Commissioner, would you care to answer that question?

PRESIDING MEMBER DOUGLAS: We are at approximately 11 percent right now.

MR. SELLARD: 11 percent.

ASSOCIATE MEMBER BYRON: Yes, we're not doing as well as we would like to be.

MR. SELLARD: Okay, so this is progressive and this is good that Florida Power Energy is bringing this project online. And, again, you know, we have to have energy. I guess we could have a coal plant someplace bringing it in from some other state, because they're not allowed here.
But this project has no carbon, except for some of the vehicles after it's built. And I think that's really good.

The water issue needs to be resolved as communication between all parties. Sounds like these guys are communicating, and that's good.

The air pollution thing that somebody brought up about the blowing sand, which happens a lot in that area, this project has the breadth and the scope and the size that will mitigate some of those issues. It won't take care of all of it, but it really really will make a difference.

Hopefully the FPL will consider the local people for construction, not bring people from unions from L.A. and so forth in here to do it. Hopefully it's done -- we have a lot of good people in the area. There's a lot of people without work right now. And there's a lot of good talented people in this area, also.

Thank you very much.

HEARING OFFICER CELLI: Thank you for your comments.

ASSOCIATE MEMBER BYRON: You know, if I may just add, I note that some folks seem to be in favor of this project, and some seem to be against
it. Would you mind, just by a show of hands, those of you that say you're in favor of this project. And those that say you're against this project. And those that are undecided.

Well, I'm glad to see there's some undecideds. Commissioner Douglas and I are in the undecided category. And, in fact, that's really why we're going to be involved in this process for the next year. And I'll be assisting her in making a decision to go before our entire Commission.

So, we appreciate your being here. It's informational in that, well, if we were to compare this to a baseball game, we're in the top of the first inning. And we're looking for information from the public, as well as all the fact-finding aspects. That was an excellent presentation, I thought, that you gave, Mr. Pfanner.

So I want to assure you that no decision has been made about this. We will make a recommendation to the full Commission, and that will take upwards of a year to do. So, again, thank you for indulging me with your show of hands. You can change your opinion as time goes on, as well.
HEARING OFFICER CELLI: Thank you. And I just wanted to say, also, that this being an informational hearing. That that goes both ways, it's informational to the Committee to hear from the local people what the local concerns are. And we're very grateful for your comments and thank you very much for them.

I have one last blue card. If anyone else wanted to have a comment or make a comment, to give a blue card to Mr. Bartsch.

Wayne Nosala.

MR. NOSALA: Good afternoon. You got it right. My name's Wayne Nosala. I live on the very other end of town right at the highway 14 interchange.

And my only concern is -- I'm not even sure if this is the right place to bring this up, but I can see the Barren Ridge switching station from my house at night. And it is lit up like a Christmas tree.

And the reason I bring this up because the gal brought it up awhile ago about the lighting. This thing has got to be using some immense amount of power just to light this thing up.
MR. NOSALA: Because you can see it literally all the way almost from Ridgecrest. So that might be something that if you can get the word to the right people, that that thing -- it doesn't just point down. It points up and it lights the whole canyon up.

So, that's my concern right now.

HEARING OFFICER CELLI: Thank you very much. And Commission Staff will be looking at visual impacts, as well.

Do we have any other public comment at this time? Because, if not, I'm going to turn it over to Commissioner Douglas to adjourn the meeting.

MR. PALO: On behalf of --

HEARING OFFICER CELLI: Gary Palo, please.

MR. PALO: On behalf of FPL Energy I wanted to thank all members of the public and the agencies who attended here today and made comments or may have comments. It's very important to us, as an applicant, to try to incorporate the comments that are made into our project design and operation, and the construction phase.
So, we take these comments seriously. That's the nature of our company, being our normal business. So we sincerely appreciate those that attended and the comments we've heard.

And the ones about the lighting and other things, we want to be very sensitive to. In fact, I want to mention, Los Angeles Water and Power, that we know some people there. It might be that that being under construction, they might be doing like Caltrans once in awhile, you know, when you're driving on the freeway, they're working at night and the lights are blazing. Maybe they're doing 24-hour construction; I don't know that. But I'm certainly going to bring that up, too. Because we don't want to have that happen during our construction phase.

So, we appreciate comments like that. That helps us incorporate and be sensitive to the community as we move our project forward.

Thank you.

HEARING OFFICER CELLI: Thank you.

PRESIDING MEMBER DOUGLAS: Commissioner Byron.

ASSOCIATE MEMBER BYRON: Commissioner, before you close I thought it might be helpful to
add one more piece of information for all of those
that took time off to be here today.

I believe there's 23 cases before the
Commission right now, 23 different siting cases
that are currently under evaluation by various
committees of the five of us.

And I wanted to assure you that everyone
at the Commission takes this responsibility very
seriously. As Mr. Pfanner indicated, there's a
number of distinguished professionals on the staff
side that are involved in reviewing all the
different aspects of this.

I want to assure you during my time at
the Commission I've become convinced that the
process that we have in the State of California
for evaluating and siting power plants I think is
the best in the country, if not the world.

Your health and safety, as well as the
environment, are the primary consideration of this
Commission. And we take that very seriously. And
I suspect we'll be back here again.

PRESIDING MEMBER DOUGLAS: I expect we
will. Do the staff or the intervenors have any
closing comments?

Very well, in that case, again, on
behalf of the Committee, I'd like to thank everyone here for your attendance and your participation in this informational hearing.

And as there are no further questions, the hearing is now adjourned.

(Whereupon, at 4:45 p.m., the informational hearing was adjourned.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of June, 2008.

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