STATUS CONFERENCE

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

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

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

TUESDAY, DECEMBER 1, 2009

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David Marcus, Consultant for CURE

ALSO PRESENT
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California Environmental Protection Agency

Dennis LaMoreaux
Rosamond Community Services District

Tom Weil, City Manager
Michael J. Bevins, Public Works Director
City of California City

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PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345

My name's Karen Douglas; I'm the Presiding Member of the Siting Committee. To my immediate left is Hearing Officer Ken Celli. And to his left is Commissioner Jeff Byron, Associate Member of this Committee.

To Commissioner Byron's left is his Advisor, Kristy Chew. And to my right is my Advisor, Galen Lemei.

At this point we'll take introductions from the parties.

HEARING OFFICER CELLI: Starting with the applicant, please.

MS. LUCKHARDT: As we all look around, looking for where to start.

Good morning, my name is Jane Luckhardt from Downey Brand. And I'd like to start by introducing the folks who are here from Nextera, some of whom you've had a chance to meet.

We have T.J. Tuscai, who is the Senior
Vice President of Business Management. We have Matt Handel, who is the Vice President for Solar Development. We have Cindy Tindell, who is the Vice President of Business Management for the Western Region.

We have also in the audience Diane Fellman, who is the Director of Regulatory Affairs for the Western Region.

And then sitting to my right is Scott Busa, who is the Director of Business Development. Sitting behind me is Kenny Stein, who's the Environmental Manager for this project. And also Frank Chetalo, who is the Project Manager for Business Development.

Also sitting at the table, to Scott's right, is Mike Flack from AECOM. He's been the water expert for the Beacon Project. And then behind me as well are two folks from Worley Parsons. We have Jared Foster and Dan Sampson.

And then also from my office I have Sophia Rowlands here this morning.

HEARING OFFICER CELLI: Thank you. And staff.

MR. BABULA: Yeah, hi. I'm Jared Babula, Staff Counsel. And sitting next to me is
Eric Solorio, the Project Manager. And if other staff end up speaking they can introduce themselves when they come up. Thanks.

HEARING OFFICER CELLI: Thank you. And CURE.

MS. GULESSEIAN: Good morning. Tanya Gulessarian on behalf of CURE. To my right we have David Marcus, who is a consultant for CURE.

HEARING OFFICER CELLI: Are there any elected officials who came today who would like to speak? Seeing none, any governmental agencies who are present? Anyone representing any governmental agency? Please.

MR. CURTIS: Chuck Curtis, Lahontan Regional Water Board.

HEARING OFFICER CELLI: We need you to come on the mic. Everyone, we are on the record, and everything we're saying is going to be recorded. So we need everybody who wants to address the Committee to come up to the podium, speak clearly into the microphone so that it gets into the record. I'm sorry, go ahead.

MR. CURTIS: My name is Chuck Curtis with the Lahontan Regional Water Quality Control Board.
HEARING OFFICER CELLI: Thank you for coming.

MR. LaMOREAUX: Dennis LaMoreaux with Rosamond Community Services District.

HEARING OFFICER CELLI: Thank you for coming.

MR. BEVINS: Mike Bevins with the City of California City.

MR. WEIL: And Tom Weil, City Manager for the City of California City.

HEARING OFFICER CELLI: Thank you. We also have the Public Adviser here. If you wouldn't mind, Loreen, standing up, and Jim, so that if there are any members of the public who would like to comment, and there will be an opportunity to comment at the end of today's status conference, we would like you to speak with Jim or Loreen so that we know that you're here and that you intend to speak, so that we can call on you when we get to the public comment period, okay? Thank you.

Yes, we do. We are on WebEx today, which means that people can get in on a computer; they can watch any PowerPoints; and they can participate in any documents. Plus they can...
telephone in. You can see on the overheads there who's on the line.

Are any of the people on the line -- Rosemary, I don't know if you have them muted, but are -- well, you don't necessarily have to. The question is are any of them from governmental agencies that wanted to introduce themselves.

Let's un-mute them for the moment. And let me know when you have un-muted the WebEx. They are now un-muted.

Is there anyone on the telephone who is with a governmental agency? Okay, hearing none, then we can go back to the mute mode and we'll proceed.

The Commission scheduled today's status conference on the proposed Beacon Solar Energy Project in the notice dated November 19, 2009. On November 17th the applicant, Beacon Solar, LLC, filed a motion requesting the Committee to vacate the previously ordered prehearing conference and evidentiary hearing and the filing dates for rebuttal testimony and prehearing conference statements.

Further, Beacon Solar requested the Committee to conduct a status conference in place
of the prehearing conference that had been
previously scheduled for today's date, December 1,
2009.

On November 18, 2009, the Committee
granted the motion and ordered the status
cference to take place today. The Committee
urther ordered the parties to come to the status
cference prepared to discuss and propose a
vised schedule. We have received a schedule
rom Beacon.

As to the purpose of today's conference,
the status conference was calendared at the
request of Beacon Solar to discuss a refined water
plan with the Committee, Commission Staff,
fo Caliornia Unions for Reliable Energy, which goes
y the mnemonic CURE, and the public.

At the status conference parties will
inform and advise the Committee on producing a new
cheduling order that accurately reflects the
ject's current status.

As to the procedure, we will give the
parties an opportunity to summarize their view of
the case status and their comments regarding
cheduling. The parties should also comment on
any other legal or procedural matters that may
affect the timing.

The applicant will go first, followed by staff, and then CURE. After this discussion the Committee has some questions and comments on the FSA that we'd like to share with the parties. And after these discussions we will provide an opportunity for the general public to make comments.

So, with that, let's first hear from applicant, Beacon, please.

MS. LUCKHARDT: And we have a PowerPoint presentation that we'll use. So, if we can get that set up.

HEARING OFFICER CELLI: Is that on WebEx now? Can we --

MS. LUCKHARDT: It should be loaded on such that it can be.

HEARING OFFICER CELLI: There you go.

MS. LUCKHARDT: Yeah.

MR. BUSA: And as far as advancing to the next slide, should we just ask for that to occur? Will you be able to do that?

(Pause.)

MR. BUSA: Actually, we can start there.

MS. LUCKHARDT: Yeah, that's fine.
Okay.

MR. BUSA: Again, good morning. My name is Scott Busa. I'm a Director of Business Development with Nextera Energy Resources. And I've been with the project, the Beacon project, for over a year now.

The purpose of today's meeting is to review some proposed water plans that we have adopted which basically flow out of the final staff assessment. And we wanted to discuss those with the Commission and postpone the hearings for the time being until we could work out some details in those plans that we felt was necessary to make the project viable if we were to adopt one of these alternative water plans.

So we have a short PowerPoint presentation this morning. We're going to go through exactly what it is that we're proposing; some details on that. And then we'll get into the schedule that you asked about.

If you'd go to the next slide. Kind of the purpose of what we're doing here is to refine the water plans that have been analyzed in the final staff assessment already, and adjust those so that we can make those workable, usable water
plans.

There were a couple things in the final staff assessment that really weren't addressed, were kind of left open. And we feel that's very necessary to address those ahead of time, ahead of the hearing so we don't spend a lot of time at the hearings either, you know, debating certain water plans or getting into other areas that may no longer be necessary once we adopt one of these water plans.

One of the areas that we think that needs to be addressed is we do still propose to use onsite groundwater for noncooling water purposes. We also want to discuss an orderly approach and the timing of implementing, in particular the recycled water plans, and some of the necessary or unnecessary potentially infrastructure that are in the current proposals.

And as I mentioned before, too, we want to focus our hearing time when we get there to this wet cooling solution that we believe should be agreeable between both us and staff.

If you'd go to the next slide. A couple of the other more detailed issues that we wanted to address that we felt really weren't addressed
in the final staff assessment.

The first one being the annual water use. There's a lot of talk of averages in the final staff assessment, and we want to make sure that everybody understands our need for, and we have certain ability to go to peak high demand days; that the averages should not be caps in any water plan.

For construction purposes, for process water and potable water, all noncooling applications, we need to have those incorporated into the water plan that we adopt.

The issue that if we do adopt a offsite water plan, recycled water plan or other, that we need to have the ability for an emergency water supply, which would be using our groundwater we proposed. This, we believe, is important, not only for the project viability, but financeability of the project, that there is some backup water supply in case there's an upset or a problem at a recycled water treatment plant.

We would also again like to discuss with staff the idea of a phased-in approach. In particular this is important to our option of recycled water for California City, who needs to
complete a number of infrastructure improvements, including over 2000 sewer hookups in order to supply the project water from California City.

Also on the Rosamond option, there is a large surface impoundment that was included in the Rosamond option that was put in basically to meet the Beacon water supply's peak demand days. And we are proposing that be deleted from that alternative. And that in its place we would actually use some groundwater to meet our own peak demand days. We'll go into some details on why that is.

And the other thing that we'd like to actually not be addressed in any documents going forward is in the final staff assessment there was some question on what Beacon could do with its groundwater outside of power plant uses. And we don't believe that the proceedings should either authorize or restrict Beacon from using water which may be allowed under other circumstances that has nothing to do with power plants, or power plant use.

Those are the points that we're really hoping that we can work through in the next few weeks and few months, so that we could focus the
hearing time on a workable plan for Beacon.

And, again, in summary, if you'll move to the next slide, it is we're proposing to keep open three of the options that have been analyzed by staff in the final staff assessment, the California City tertiary treated water option, the City of Rosamond's tertiary treated water option, and the potential for using water from the Koehn Lake area, which is a poor quality groundwater option.

And I'm going to let Mike Flack from AECOM go into some little bit more details on each of those.

MR. FLACK: Thank you, Scott. Again, my name is Mike Flack; I was the water resources lead for the Beacon Solar Project, and the gentleman who is in charge of directing groundwater modeling, which you'll see here in a minute.

What I'm going to do for these next three options is go through the water supply options in a little bit more detail. Discuss their challenges or the things that we need to look at in each one of the options.

And then what we did is we took the calibrated numerical model that we developed for
the project and that staff reviewed and worked
with us on, and what we did is we took each of the
options and we used the calibrated numerical model
to try to get an assessment of the impacts for
each one of the options.

I think you're going to see,
particularly for the first two options, that the
impacts are substantially less, which is really to
say that the water usage is dramatically lower
than what it was proposed originally. So I think
that's something to see.

Next slide, please. Scott mentioned
that the water requirements for the project. What
it is, it's 12,082 acrefeet. That's a total,
that's an annualized average -- I'm sorry, 1282
feet, thank you. 1282 acrefeet.

What that is, it's an annualized value;
it's a total that takes in the highs and the lows
during the year.

The California City option would require
the city to provide tertiary water to the project.
It would be phased in over a period of five year.

And --

HEARING OFFICER CELLI: Can I just ask a
question?
MR. FLACK: Yes, I'm sorry, Ken.

HEARING OFFICER CELLI: So essentially you're carving out cooling uses only. Because I remember seeing in the AFC there was something like 1600 acrefeet per year number --

MR. FLACK: That's correct. This number is strictly the cooling number. It does not include the mirror washing and process waters, nor does it include an emergency supply, which ends up being about 200 acrefeet per year.

HEARING OFFICER CELLI: Okay.

MS. LUCKHARDT: Yeah, the reason that the number has gone down from the originally proposed 1600 acrefeet per year is because of the addition of a partial ZLD system.

MR. FLACK: Right.

MS. LUCKHARDT: And so what that does is that increases the cycles of concentration through the cooling tower and reduces the overall water use for the project.

And that's something that staff had recommended that Beacon evaluated and agreed to, and is now a part of the project. And has been analyzed in the FSA.

And so that helped to bring the number
down, although all of the modeling analysis that
has been done has been based on the 1600 acrefeet
number. And the number that you have here, the
1200 acrefeet is an average, realizing that there
are going to be some fluctuations from year to
year. And so this is an average, not an absolute.

HEARING OFFICER CELLI: But for our
purposes, just shorthand, we're looking at 300
acrefeet a year of noncooling uses?

MR. FLACK: Two hundred.

MS. LUCKHARDT: Two hundred.

HEARING OFFICER CELLI: Two hundred,
okay. Go ahead, I'm sorry.

MR. FLACK: That's fine. That's quite
all right. Really the proposal here is to phase
in the city tertiary treated water over a five-
year period at 300 acrefeet increments.

So what we would do is start with
groundwater, and then incrementally reduce that
groundwater use over five years at 300 acrefeet
per year bites, to get down to zero at the end of
five years. And at that point the only supply
would be from groundwater. From a groundwater
resource perspective it would be just for process,
mirror washing, emergency supplies, that would be
the 200 acrefeet.

MR. BUSA: And just to clarify something, too. I wanted to make sure the Commissioners understood that we would actually have the infrastructure in at the beginning of operation, and supply 300 acrefoot for the first year. So there wouldn't be any delay, at least starting the use of tertiary treated water from the beginning of the commercial operations date onward.

So it's 300 acrefeet in the first year beginning from day one.

MR. FLACK: Okay, next slide, please.

ASSOCIATE MEMBER BYRON: If I may, unless you're going to get back to this later on, why not all immediately? What's the reason for the phase in?

MR. BUSA: And, again, I'll let essentially the California City folks speak to that, too, --

ASSOCIATE MEMBER BYRON: All right, so we'll get to that later?

MR. BUSA: Well, I think it's important. It's an important question. The pressure on both us and the city to make all the infrastructure
improvements, you know, in an extremely short
period of time, we don't believe is feasible or
even fair to the citizens of California City.

For example, tearing up a number of the
streets in town all at once. I believe California
City has provided some maps that they'll go over
with you in a few minutes, which talks about
phasing in the options and affecting only certain
parts of the city over periods of time.

So, it's really just a common sense
approach. I mean if you ask the question is
absolutely could you get it done from day one on,
if everybody bent over backwards and there wasn't
a lot of public, you know, interest in not having
the project happen, it probably could happen that
fast.

But it's really just a more common sense
approach, we believe, without any impacts to the
groundwater basin.

ASSOCIATE MEMBER BYRON: Well, and, Mr.
Busa, really what my question has to do with, I'm
not a water expert, you have to source this water
is what you're saying? It's going to take time to
basically find the sources for the tertiary
treated water?
MR. BUSA: Well, it's actually going to take time to hook up the houses. The houses are already there, for the most part. I don't believe we're counting on any growth or anything like that.

But it's just a matter of they're on septic systems right now, so there's a number of, you know, both building a pipeline and the pumping facilities to get the water to our project. And then hooking up all the inputs to the tertiary treated water system from California City, it is going to make sense to take some time to do that.

PRESIDING MEMBER DOUGLAS: Follow-on question. Why restrict the recycled water use to the cooling water? Why not also use recycled water for the other water needs?

MR. BUSA: We believe that the Commission's policy and the direction the Commission was taking was they were concerned with cooling water and using recycled water for cooling water. And so we're attempting to be compliant with the policy.

You know, the final staff assessment was pretty clear that there really aren't any impacts to using the groundwater, itself. Or if there
are, they can be monitored or watched for. But because there really is no impacts from using groundwater, no CEQA issues from doing that, it was really a matter of policy compliance.

And so we restructured our programs to be compliant with Commission policy, we believe.

MS. LUCKHARDT: I would just like to add just a few points. When you're talking about using recycled water there's certain uses that are very difficult to have recycled water.

One is potable water uses for hand-washing, drinking water and staff onsite. Those are very difficult to transfer.

And mirror washing is something that we have heard from Lahontan on, where they did not want recycled water use because there is some drip-off onto the ground.

And so there are some uses where it is harder to apply a recycled water use. So regardless of what system or approach is used at this facility, there will probably always be a certain amount of groundwater that is required to be used for the facility.

MR. FLACK: Okay, going forward. What this slide shows is the results of the numerical
simulation using the calibrated groundwater model.

What we did with the model is -- this is a snapshot at the end of the ramp-down period. What it reflects is we put into the model at the start the construction water supply use. And what we did with that is we took the FSA estimate, the high end, 8086 acrefeet, and we put it in for a period of five months. And then we ran, starting out at the cooling water requirement of 1282 acrefeet and ramped it down to zero at the end of five years.

So what you're seeing in this particular figure is the results of that simulation. And what it shows in the terms of the contours, it shows a five-foot and a ten-foot contour. And really what that represents is the potential, you know, effect of the project pumping.

The pumping well, you can see, is in a star; it's right near the ten. That's the well we use to pump groundwater during that time. And what it shows is -- what it would be really is the amount of water that would affect or potentially affect a drawdown.

But I think what's really important to emphasize here is we believe that this groundwater
basin is recovering. There is some discussion, you know, that some of the recovery is due to groundwater movement within the basin.

But I think if you look at the water balance that was concluded within the FSA and our own work, there is more recharge than there is discharge in this groundwater basin.

And the current proposal, particularly for California City, at the end of the five-year period, we're really only going to be using 200 acrefeet per year.

So that water balance is going to really not be substantially impacted by the project. So we would expect, you know, continued recovery of the groundwater basin.

And what these contours show at the end of five years is the differential on that recovery imposed by the project pumping.

So we think water levels are going to continue to recover, but at a rate slower within those contours. And it would be affected by five or ten feet.

Let me go to the figure. The lines going down the figure, those dotted lines -- well, let me back up for a second.
Up in the northeast corner is Koehn Lake. The lines coming down the figure are the faults. The topmost is the top portion of the Garlock Fault. The middle figure or middle line is the Cantil Fault. And then the lower line is the Randsburg-Mojave Fault.

The colors are the various wells that we've been able to identify via field walks and surveys. The red wells represent single family homes. The yellow wells represent Honda; those are the industrial wells used by Honda. And the test track's pretty obvious on the figure.

The green wells are wells that were formerly agricultural wells. We're not quite sure what the status is because we haven't been able to inspect the wells.

The blue wells essentially are the site wells that are on the Beacon property that were formerly used for agriculture.

So you can see on the figure that at the end of five years there's really only two wells northwest of the site that would be affected by -- potentially affected by ten feet or more of drawdown.

And that was the number that was used in...
the soil and water condition as kind of a trigger for potential consideration of mitigation.

So really what this figure is showing is that at the end of five years there really is significantly, you know, there isn't that many wells that could potentially be affected.

Questions? I know numerical modeling and groundwater modeling, in general, is a bit of an abstract science for people. So, if there's any questions on that I'd be more than happy to entertain them.

HEARING OFFICER CELLI: Commissioners, questions?

ASSOCIATE MEMBER BYRON: Just want to make sure I've got it. Looks like there's two wells affected on drawdown as a result of using 200 acrefeet per year, is that correct?

MR. FLACK: No. What this is, is at the end of the ramp-down period. What you're seeing here is the --

ASSOCIATE MEMBER BYRON: At the end of the ramp-down period.

MR. FLACK: Right, this is basically --

ASSOCIATE MEMBER BYRON: When you get to 200 acrefeet per year.
MR. FLACK: Bingo. This starts at, you know, right now we would be ending, so we'd be using no groundwater for cooling at this point, and we'd be starting just on process water for groundwater. So this is essentially the impacts associated with that ramp-down.

ASSOCIATE MEMBER BYRON: Thank you.

MR. FLACK: Okay.

MR. BUSA: And this is basically the worst period of time for withdrawal that we're looking at right here.

MR. FLACK: Correct. This would be basically the worst case scenario, at least for this particular option or alternative.

Next slide, please.

So what I did, again, with the numerical model is I took it to the next step for the California City option. I took it out to the project life of 30 years and I ran essentially the process, only the 200 acrefeet per year only from basically year five to year 30.

What you're looking at here is essentially a snapshot at year 30 and the potential impacts to the project for using 200 acrefeet per year.
You can see that realistically there isn't anything that's really impacted to ten feet or more. We've got a little bit of a cone of depression around the pumping well, which isn't much. And then there's a two-foot contour that's out there. So that's really what we're seeing, which it really is no significant impact at the end of 30 years, using that minimal amount of groundwater.

HEARING OFFICER CELLI: So that five represents five feet of drawdown --

MR. FLACK: What's important to understand --

HEARING OFFICER CELLI: -- at the well?

MR. FLACK: -- it's a bit of a tricky concept, Kenneth. What it is, is this groundwater basin's recovering. Water levels are going up. Some of it's due to groundwater movement within the basin. Some of it's due to groundwater coming in as recharge. But water levels are recovering. What the model's really trying to tell you at this point is, we believe the water levels will continue to recover because we're not taking out that much water. We're taking out 200 acrefeet per year.
What it's showing is that's the differential of, if you will, of how much less the water level would recover at the end of 30 years because of the project pumping.

HEARING OFFICER CELLI: So, am I reading this map correctly if I go, okay, right at the source it's going down five feet. Farther out, up there to the northeast, it goes up to two feet.

MR. FLACK: What it is, is it would -- the water level would be coming up, okay, at a certain rate at the end of 30 years without the project. Think of it that way. The water's going to come up at a certain rate, without the project, for 30 years.

With the project we're saying that it's two feet less than what it would be if the project wasn't there.

HEARING OFFICER CELLI: Okay, so the map before where it showed ten feet --

MR. FLACK: Yeah, that's a little bit more complicated because it doesn't go out the full 30 years. But essentially it's the same concept. It would be ten feet less over that time, if you will, because water levels are recovering over five years. We're saying it would
be ten feet less.

So it's essentially a moving water level. The water levels are coming up over time in the groundwater basin. The project doesn't stop that. What it does is it affects the rate of recovery at the end of, in this case, 30 years. There's a little bit less water that would have recovered at a certain location, as opposed to without the project.

So, I see foreheads being rubbed. This is not a good sign --

(Laughter.)

MR. FLACK: -- for somebody trying to explain groundwater modeling.

ASSOCIATE MEMBER BYRON: No, I'm sorry. Fatigue is not the problem for you, it's for me. I'm fine in understanding it.

MR. FLACK: Okay, I'm just not --

HEARING OFFICER CELLI: But I would like to hear --

MR. STEIN: So essentially if the groundwater levels --

MS. LUCKHARDT: Get a mic, Kenny.

MR. STEIN: Sorry.

HEARING OFFICER CELLI: Would you take
the podium, Mr. Stein, and introduce yourself for
the record.

MR. STEIN: Kenny Stein, Environmental
Manager with --

THE REPORTER: Would you turn the
microphone on, please, sir.

MR. STEIN: Kenny Stein, Environmental
Manager with Beacon. If the groundwater levels
are here right now, and they're recovering over
time on their own, so that at some point over time
when full recovery will get over here, with our
project they'll still continue to recover. But
instead of getting up to here at the end, they
might be -- what these lines are saying is that
they'll be two feet or five feet or ten feet less.

So they're still going to continue to
move up, but at the end of the day what those
contours are telling you is how many feet less
they would have recovered at the end, versus if
the project wasn't there.

So it's not that they're going down by
five feet or ten feet. They're just, at the end
of the day, five or ten feet less than they would
be without the project.

HEARING OFFICER CELLI: But in five
years it's ten feet, and in 30 years it's two feet, because there's an increased use in the first five years?

MR. STEIN: That's right.

MR. FLACK: Correct. There's more use from construction to the initial ramp-down, and then that tails off. Think of it as a kind of a logarithmic curve.

HEARING OFFICER CELLI: Thank you.

MR. BUSA: And just for the Commissioners' information, too, just to give you a little bit of history of the Fremont Valley. This was a valley that was heavily put in alfalfa growing from the 1950s to the 1980s. And there was a tremendous demand on groundwater during that period of time. I believe the number was something like 60,000 acrefoot a year was being pumped from the groundwater basin in the Fremont Valley for alfalfa production.

In the mid-1980s basically the farming in the valley has subsided to almost nothing at all. So that's allowed the groundwater to be in recovery in this basin for the last 25 years or so. And so that's why you're seeing this natural recovery there now; it really comes from the
cessation of the agricultural production in the valley.

HEARING OFFICER CELLI: And do we have a number for how quickly that's coming? What the speed of that increase is in terms of the feet?

MR. FLACK: It varies in the basin. Basically wells in the area of the Beacon property and a little bit to the east, they recovered about five feet per year.

Okay, then outward from there they go down to a couple feet per year, to zero. There are some portions within the basin northeast of Koehn Lake where they're actually in decline. So on the other side of Koehn Lake there's a little bit of a decline going on.

So, --

HEARING OFFICER CELLI: Thank you.

MR. FLACK: Okay. Next slide, please.

Okay, the Rosamond option. What I wanted to highlight with the Rosamond option is really when I mentioned earlier the total amount of water that's required for cooling, it represents an average and doesn't really reflect peaks and valleys.

What happens with the Rosamond option is
during the summertime we need about 1.9 million gallons per day. The Rosamond option has a limit at 1.3. So there's a situation here where we can't meet summer peak requirements, or the Rosamond option won't meet summer peak requirements.

So, that shortfall ends up being pretty much April through August, and it's about 179 acrefeet, and we're proposing that that would be provided by groundwater during that shortfall period.

There was some thought about putting a large surface impoundment or some type of storage facility on the project site. This would be a very very large facility, many many many acres, which would present significant environmental -- have significant environmental considerations. But we actually went through the evaporation ponds, and frankly it would be much bigger than the evaporation ponds.

So that would add to the environmental impacts of the project; plus it would also be significantly costly.

So, again, Rosamond can provide the water, but it's short on the summer peak, April
through August.

Any questions on that option?

Okay, so it's the same situation -- next slide, please. What I did with this particular simulation is, is I took it from the construction water supply. Again, we used 8086 acrefeet; ran it for five months. That was essentially the high-end water use from the FSA.

And then we took the periodic additional Rosamond water to the project and really ran out for 30 years. So what you're seeing with this simulation is a snapshot for the Rosamond water use at the end of 30 years.

So, again, back to that model that says that the groundwater basin is recovering. The line that's shown on this particular model run is there's a five-foot contour. That represents the area that would recover less at the end of 30 years.

Again, there's only two wells within that zone that would be affected by the Rosamond option and potentially have less recovery. Well, two wells outside of the project, correct. They're right across highway 14.

Any questions?
HEARING OFFICER CELLI:  Not yet.

MR. FLACK:  Koehn Lake.  I'm going to leave this up for just a second because it's important to show the Koehn Lake option.

The poor water quality located around Koehn Lake is really located on the north side of the lake, possibly the northwest side of the lake, off that little knob on the upper right-hand corner of the photo.

Also on the north side, the Garlock Fault. That's where we believe that there's potential for poor water quality. So just to get everybody oriented when we're talking about the Koehn Lake option.

Next slide, please. There have been pumping in that area. There's both agriculture and industrial pumping in that area. There isn't a lot of information in terms of the well completion or the information associated with the depth or where the wells are completed.

We do have limited information that there's potentially enough in terms of water supply up there. But there would need to be some additional investigation to prove out that supply.

There hasn't been a lot of work on
hydrogeology to understand the nature of the aquifer in that area. So, staff concluded in the FSA that there would need to be additional investigation. And that is correct from my point of view.

What's key of this option is that we would use the Koehn Lake water for the cooling water option, much like the other two. The difference, though, realistically is water in this area would basically be pumped for the full amount of 1282 acrefeet per year. So it wouldn't come up from a tertiary source. This would be a poor water quality source.

So what you would probably see -- and we didn't model it because we don't have enough information in that area -- but what you would see is a larger cone of depression because you're going to be pumping much more water than you would from the other two options over the course of the project. But you'd see a larger cone of depression up in the area of the Garlock Fault.

One thing that is important to note that we have seen is the Garlock up there does tend to act as a groundwater barrier. So there is some possibility if you pumped on the north side of the...
Garlock Fault that you wouldn't necessarily influence wells to the south. But that would remain to be demonstrated.

Questions on the Koehn Lake option?

HEARING OFFICER CELLI: I just wanted to ask Ms. Gulesserian, if you wouldn't mind turning off your mic until it's time to talk, because we're picking up your side conversation.

MS. GULESSERIAN: Excuse me.

HEARING OFFICER CELLI: Thank you. Go ahead.

MR. FLACK: Next slide, please. So for all three options we're proposing to follow the soil and water one, mitigation and monitoring plan that was proposed in the FSA, with some modifications, based on these changes in water use.

We would propose that the wells that would be monitored would be essentially selected using the calibrated numerical model. We would look to the California City option to monitor during construction at the end of the ramp-down period. But as shown by the modeling that's been done thus far, beyond that there really isn't much impact associated with that to a value of ten feet.
or more. So we would want to shut down that monitoring program at the end of the ramp-down period.

For the Rosamond option we propose something very similar. But at the end of the five-year period we would propose to evaluate the water levels, because there is a little bit more water use. And if you remember that particular figure, there was a five-foot contour, you know, that was more or less, could affect those two wells across the site to the northwest.

So we would propose to look at that at the end of five years, and then determine whether or not those wells are being impacted. And address the monitoring accordingly, going forward.

MR. BUSA: Again, I just wanted to summarize that before we moved on to -- an important point is staff proposed both a monitoring and a mitigation plan in the FSA. We fully understand the mitigation requirements if someone's well went down a certain amount of feet, we'd have to dig the well deeper or pay for electrical pumping, something like that. So we're in agreement with the mitigation as proposed by staff.
Really what we're looking for is just a more realistic monitoring program that's predicted by the models that Mike's discussing.

MR. FLACK: So essentially the monitoring would reflect the significantly reduced water use.

Next slide, please. We've also proposed to add a Tamarisk mitigation program in coordination with stakeholders and BLM. There is some definite local interest in removal of Tamarisk out there.

We would want to look at funding the initial eradication commensurate with groundwater use, and then look at an annual maintenance depending on how many Tamarisk were removed.

It really is an option that would be coincident with any particular groundwater option, whether it would be Koehn Lake or Rosamond or California City. And it's been supported both by Kern County and the local folks.

HEARING OFFICER CELLI: And the --

MR. FLACK: I'm sorry, Tamarisk is an invasive species. It's a tree that -- well, sort of, I guess, -- that draws a tremendous amount of water from the ground, upwards of 200 gallons per
year. So it's a very water-hungry plant.

And removing it would essentially remove, if you will, -- it allows for more recharge if you think about it, because the Tamarisk essentially is -- it's what's called transpiration.

It takes the water through the roots and transpires it through the leaves. So it takes water out of the groundwater basin. By removing that particular tree, water is then allowed to infiltrate and recharge the groundwater basin.

So it ends up being a help, if you will, to the recharge program.

HEARING OFFICER CELLI: I imagine you'll have metrics on that, how many trees will equal --

MR. FLACK: That would -- absolutely.

MR. BUSA: Well, let me comment a little bit on that, and that's one of the reasons it's kind of been left open to this point, too.

Again, we're trying not to match number for number or gallon for gallon because it's almost impossible to do that without an extensive survey of the county beyond the BLM lands.

So we're trying not to make this a let's count the gallons and the trees. We really would
like to come up with an amount of money that's reasonable, in particular to Kern County.

This is a particular issue with Kern County. I believe they recently commented to the Commissioners on their desire to have the Tamarisk removal included. I believe California City is also interested in Tamarisk removal, and maybe they can mention something when they get a chance to speak, too.

But, you know, it's just something we want to do and not likely a couple hundred thousand dollars, you know, to start with to supplement BLM programs, or other programs that are already out there for Tamarisk removal.

And so we do want it to be significant, but we really don't want it to be a numbers game, because it's going to be very hard to quantify especially without a lot of upfront surveys and searching basin-wide for what Tamarisk are actually out there.

HEARING OFFICER CELLI: Thank you.

MR. FLACK: Any questions? Okay, I'm going to turn it over to Jane. Next slide, please.

MS. LUCKHARDT: Okay, and then what I'm
going to do is talk a little bit about the stipulation. And you have a draft of it up there. We also provided a draft late yesterday to staff counsel and to CURE. So they haven't had a lot of time to look at it.

But basically when Beacon started looking at, okay, we'd like to shift our primary cooling water use from groundwater to something else, to one of these other options, they were looking at kind of what is bounded by staff's analysis. And bounded by the other analyses in this case.

This project was data adequate in May of '08, and so there's been a lot of work done. A lot of work done by CURE; they've reviewed a lot of stuff that's done; they've had experts look at it.

By staff in developing alternatives, developing the Rosamond alternative, the California City alternative and other options. And a lot of work by Beacon in doing groundwater modeling and supporting the Koehn Lake investigation. And just a lot of analysis has been done.

So, we looked within the bounds of the
environmental analysis that's already been done.
The 100 percent groundwater use that was initially
proposed and analyzed by staff in the FSA, the
Rosamond option, the California City option. And
yet try to structure a workable cooling water
solution for the project.

And that's how these three options have
come up and why they have emergency water
associated with them and process water, and
different pieces, is trying to structure it within
the environmental analysis that's already been
done, within that box.

And then my work then, or as it shifted,
it's how do we present this then to this group, to
you, to the other parties to evaluate. And we
wanted to present it in such a way that the
parties would understand that the project was
taking this seriously. That they are shifting
cooling water supply.

There was some skepticism, we felt, on,
well, maybe the project's just trying to hide the
ball and keep using their groundwater and they
don't really want to go to these cooling water
options.

So we put it in the form of a
stipulation. And we're hoping that, in working with at least staff, we might be able to reach agreement. Potentially with CURE, we're not sure. They just received it, like I said. So we don't have any feedback from them yet.

But we put it in the form of a stipulation to really kind of set in stone that, yes, the project is serious about using these alternative water supply.

And then also explain the other uses of water. What will be supplied by recycled water or Koehn Lake water. And what things are not. And put some numbers associated with that. And so then folks could also get an understanding of the various quantities of the different amounts.

Mike has talked about the base use, the 200 acrefeet per year. That number includes an emergency supply. And that is in case the treatment plant -- if a treatment plant is supplying the water, if the treatment plant had trouble with quality or went out for some reason, or there was a problem with the pipeline, one of the things that the project really wants to be, as, you know, a solar-thermal project, is very reliable.
And this gives them that backup supply so that if the treatment plant goes down for a day or so, they can keep running the solar-thermal plant.

You know, you hear a lot of talk about oh, the problems with intermittent renewables. And the goal here is to not be as intermittent, and to be more predictable.

HEARING OFFICER CELLI:  Excuse me, Ms. Luckhardt, I'm just going to interrupt because I wanted to ask that Mr. Curtis from Lahontan and the people from Rosamond and California City a question that later, when you address the Committee, we would like to know is how often does the tertiary treated water system go down, as just described by Ms. Luckhardt.

Did I word that unartfully, I don't know. But, essentially what I'm trying to do is say we're interested in knowing how reliable is your water. How often does it break down?

MS. LUCKHARDT: And our assumption is that it's very reliable. But we asked the engineers, and yeah, there have been -- I've been on four or five phone calls with the engineers trying to come up with numbers just to say, you
know, let's put something in it, and not just call it emergency without a number behind it. So that at least folks would understand it's not like 200, 300, 500, 600, 700 acrefeet, and starting to inch up into larger numbers that we thought might be more of a concern.

But we're not anticipating major problems with that. It's just to have the ability to keep running should a problem occur.

And then in looking at building stipulation, you know, like I said before, within that box, the staff -- the FSA found, with the mitigation proposed, with the monitoring program, the mitigation from the nearby wells, that there weren't significant adverse impacts associated with the 100 percent groundwater use that was proposed for the project.

So we're not talking about, when we are shifting cooling water sources, addressing a significant adverse environmental impact. We are addressing a staff-identified conflict with the IEPR policy, the 2003 IEPR policy that this Commission adopted. And addressing that specific concern that was identified by staff.

And we believe that any of these three
alternative cooling water sources will meet and
satisfy that IEPR policy, which is finding a
cooling water source that is not a potable water
source. And having that truly be the primary
cooling water source for the project.

And so when we shift to that another
goal of this whole process is to reduce and
streamline the hearing process and the other
alternatives that have to be evaluated.

And it is our belief that now that we've
satisfied the IEPR policy we don't need to get
into discussions during the hearing about dry
cooling or the PV alternative, where there are
significant differences of opinion.

I think in the stipulation it says
something to the effect of the parties agree to
disagree on the application or the suitability of
dry cooling or PV for this facility.

And that, you know, is one of our goals,
is not to extend and make this process tougher and
more difficult. It's to reduce the number of
hearings that we have to deal with; reduce the
time and effort on certain issues.

And so part of the goal here is to not
only propose something that we believe that it is
our hope that staff will agree meets the 2003 IEPR policy; but also then removes the need to go over some other contentious issues that would take a considerable amount of hearing time. So those are -- that's the other item that's included in the stipulation.

And then finally, changing the slide, -- and I can answer any questions on that if anybody's got individual questions.

We tried to put together a more realistic timeframe to complete the proceeding. You know, usually we put together timeframes that are super-aggressive. And I think the Hearing Office has great entertainment value with that.

This time we actually tried to produce something that we thought was reasonable, and would allow time for the other parties to evaluate and provide any comments they have if they are interested in participating in a stipulation.

And also allow us to hopefully discuss and resolve some outstanding issues on conditions of certification. We've got some miscellaneous conditions of certification that we've sent to staff. We have comments on cultural resources. We've commented on biological resources. And CURE
has commented, as well.

And we've got some additional comments on soil and water, including a revision of soil and water-1, which is the condition that talks about monitoring nearby groundwater wells with the reduced water use that we would like staff to evaluate and give us some feedback on.

And we'd like time to have a teleconference kind of workshop or WebEx conference workshop to address those issues during this time. And hopefully move some of those issues into at least an agreement with staff and applicant, potentially an agreement on some issues with CURE. And so that when we go forward to the hearing we're not addressing some of these smaller issues that really should be addressed between the parties.

And that's what we have, so we can answer any questions or comments you all have, or take comments from the other parties at this time.

HEARING OFFICER CELLI: Thank you. We'd like to hear from the other parties. I'm going to have to take a little time to stew on all of this before we can really get into it. So, let's just hear from the other parties, and then we can roll
up our sleeves and deal with the schedule and so
forth.

Is Mr. Solorio, necessary, do you need
him?

MR. BABULA: No, we can go. Actually,
I'd like to suggest, --

HEARING OFFICER CELLI: Staff, please.

MR. BABULA: -- since we're sitting here
talking about California City and Rosamond, since
they're here this might be a good time to allow
them to come up and just discuss their programs
now.

HEARING OFFICER CELLI: Before we do,
I'm really interested -- and we do want to hear
from them, but what I'd like to hear from staff
right now is staff's position on everything we've
just heard from the applicant with regard to the
changes in the water stipulation, stipulating out
certain issues that were raised in the FSA. You
know, the dry cooling, PV option, et cetera.
What's staff's position?

MR. BABULA: Well, first, I do like to
acknowledge the effort the applicant has made in
reviewing the FSA and the information that we put
forth. Staff put a lot of work into developing
alternatives, much more than normal because we felt that there was information there and that we were going to go get it. Especially the Rosamond option.

And so I think that the applicant has done a good job to look at the information and meet with the different water folks and come up with now their new proposal. So I think that's good. And that was the way we laid it out in the FSA, is we felt that there were these other options, the Rosamond, Cal City, dry cooling, PV. They've now selected one and so they're going to look within that range of using a different water source.

HEARING OFFICER CELLI: And may I ask, who's the water specialist for staff on this one.

MR. BABULA: Well, we had a team.

HEARING OFFICER CELLI: Okay, so --

MR. BABULA: We had Casey and Vince Geronimo and John Fio, there was a number of different water folks. And then Paul Marshall.

HEARING OFFICER CELLI: And they've had a chance to take a look at all of the applicant's proposed changes right now.

MR. BABULA: Well, no, they haven't, on
the stipulation yet. That just came in. So
obviously we're not -- today isn't the day to say,
okay, I'll sign off on the stipulation. We need
to look at it.

In principle, I think most of what
they're saying looks good. There may need to be
some tweaks. We have some questions. I'd like to
hear a little bit more about, for example, from
Cal City on the timing, the phasing. Five years,
one year, two years, three years, maybe there's
something that could happen a little quicker.
That's one area.

I'd also like to hear a little bit more
about the impoundment, and exactly how big it
needs to be. I'm not clear on size for storage.
So things like that.

But the general concepts in the
stipulation I think we can work with. I didn't
see anything that was like a big red flag.

And the schedule looks fine, too. I
think moving it to March, the evidentiary hearing,
should be enough time to get everything worked
out.

And one of the questions, one of the
issues we want to look at is the FSA, what needs
to be done with the FSA.

I believe that the most developed option in the FSA was Rosamond. I think it had the most information. We had looked at the proposed pipeline that staff looked at, the route. We carefully planned it so that it was the most effective route. And it's the shortest distance; it minimizes biological impacts because it uses roadways and shoulders of existing roads.

We did a biological survey. There may need to be a little bit more work, but I think everything could be -- if they were to go with that option, the FSA included enough information that a package of mitigation could be proposed. And if any other detail needed to come in, it could be done post-certification in compliance, because it would just be fine-tuning what is already existing mitigation program.

So I believe with that the FSA wouldn't need a whole lot of changes, or supplemental amendment, things like that.

HEARING OFFICER CELLI: Would not need?

MR. BABULA: Wouldn't need it, no. Cal City not as developed, but I still think a lot of the information was there. That would need a
little bit more info. But --

MR. BUSA: If I could just make one comment on that, Jared. There's a large duplicative piece that's common to Rosamond and California City for the pipeline option. So really only the --

MR. BABULA: That's true, 17 mile --

(Parties speaking simultaneously.)

MR. BUSA: -- two or three mile --

MR. BABULA: Yeah, 17 miles --

MR. BUSA: -- that actually goes into the City of California City may be the only thing.

MR. BABULA: Right.

MR. BUSA: And I don't even think that was reviewed in the FSA, so --

MR. BABULA: Yeah.

MR. BUSA: -- the big piece of it is overlapping --

MR. BABULA: Right, that's true. In both cases there was initially the project was going to have a 17-mile gasoline. So that gasoline had already been part of the AFC.

Then we just used that same line when they went to propane, we used the same line for what would be a Rosamond waterline or Cal City.
So that part was already analyzed.

The Koehn Lake one, we did do work. We did have some out there. But it was -- that area needed, we concluded in the FSA, needed more information. To pin down two issues with the Koehn Lake would be are you able to get access to wells with the appropriate TDS. And would there be enough water. And then would the TDS maintain at that higher level, or would it start to improve.

There is some information that depending on where your well field is, the TDS are actually getting better, lower, and the water be a better quality as you went out. So we don't want to end up in year eight of the project and suddenly it's pumping TDS water at 550 or 580, something like that.

But in principle, this is definitely a stipulation we could work with. And going forward at the evidentiary hearing, I understand their position. They don't agree with our conclusions regarding dry cooling and PV.

And then the question is do we need to litigate that in the sense that they did select a choice that staff agreed with, which was using an
alternative water source. And I feel that
information's out there in the FSA for the public,
but moving forward there's no need to suddenly
say, well, no, now you picked the wrong thing, but
we think this other option's even better. When
the impacts, as they pointed out, the groundwater
impacts, there weren't really any significant
impacts.

It's a little unclear, so we have soil
condition-1, which would be a conservative
approach to insure that if there was some impact
to the wells, if they were using all the
groundwater, soil and 1 would mitigate the
impacts. And then the Tamarisk removal would
provide additional benefit.

Now that they're pulling back and using
a lot less groundwater, what the exact number
would kind of -- is still up in the air a little
bit. That the mitigation program that was
presented, soil and water-1, and what modification
they're going to propose should be applicable (sic)
and applicable and it'll work.

And going to recycled water option is
one of the options that we, in the FSA, said was a
superior option. And they went with it.
So I think we can move forward now and then focus on getting that program, getting sort of what are they going to pick. Get the details and go from there.

HEARING OFFICER CELLI: Thank you. You know what I'd like to do is just let's address what they're talking about in terms of the substance. And then we'll talk schedule next, because I just want to hear from the parties about how you feel about what's being proposed. So, anything further on that from staff?

MR. BABULA: Nothing further right now, no.

HEARING OFFICER CELLI: Let's hear now from CURE, please.

MS. GULESSERIAN: Good morning. I'm going to start out with a little bit of optimism. I was hoping that we were going to come today and hear a proposal to not use groundwater for this power plant, with a proposal for finishing the environmental analysis of whatever alternative was going to be selected at the level of detail that would be required before the Commission has hearings on the project.

Instead -- I don't know if that was
optimistic. Instead we received the stipulation yesterday afternoon. It's ridiculous and a bit insulting. It's a proposal to use groundwater for the power plant with an empty promise to use some recycled water if it becomes available.

But there aren't any agencies that would be signatories to the stipulation. There's no commitment to enter into a contract for a particular price, a feasible price. And there's no consequences for the agencies not building the project, or for a breach of the stipulation.

It just appeared when I review it that it was a sham, and an effort to not file rebuttal testimony on what everybody has been working on, which is the testimony that was filed on the FSA, which involved dry cooling as a real and feasible alternative that would reduce the environmental impacts of this project more than any other alternative, and more than the project, itself.

Rebuttal testimony has not been filed by Beacon on that issue. Nor was the feasibility issue addressed in any other form.

So, for example, the stipulation says throughout, and we've heard today, we're going to agree to disagree on the dry cooling assumptions.
Well, we have never heard about how they disagree with the assumptions.

The assumptions that were used for the analysis are Beacon's own assumptions. And we submitted testimony on that analysis, based on their assumptions. So we have not yet heard how Beacon disagrees with the analysis. And we couldn't agree to disagree until we hear what the explanation is.

HEARING OFFICER CELLI: Just so we're all clear, --

MS. GULESSERIAN: Yes.

HEARING OFFICER CELLI: -- where we are in the process is we've received testimony from the applicant, we've received staff's FSA, we've received CURE's testimony, we have not received any rebuttal testimony from anybody. And we haven't received, obviously, prehearing conference statements.

So, at this point we haven't heard from the parties. We don't really have a sense of exactly what we're going to have to drill down into.

But, that's, right now, the frieze that we're in, in terms of the process is somewhere
between the last of people's direct testimony and rebuttal testimony. So, that's where we stand.

MS. GULESSERIAN: Yes. Another point I wanted to bring up is, I think I mentioned this beginning, is that we disagree with the premise of the discussion, that the FSA adequately analyzes an alternative at the impact level that's necessary for us to have hearings on the project.

There is not analysis of the California City alternative, and there's some analysis of the Rosamond alternative, although the biological impact analysis appears preliminary, at best.

And so when an alternative, you know, is chosen that's what we're expecting to have an alternative chosen and some more analysis of what the impacts would be. So we can really drill down what we're faced with as far as weighing the impacts of the water, the alternatives, the biological resource impacts for the different alternatives for this project. And that hasn't, in our opinion, been done yet.

I just want to make a couple of -- if I can, I have Dave Marcus here to help me -- a couple of immediate thoughts on what we've heard this morning.
One of them is that the proposals to use groundwater still for the project, from what we've pulled out it appears that there is still 21 percent of the project's water use is going to be used, for construction is going to be used by groundwater -- or groundwater is going to provide 21 percent of the water use.

Then there's 16 percent of groundwater being used for process, which I don't know how that's defined. And for washing.

Then we saw in the slide show a peak water use. They're proposing to leave peak water use out of it, which is another 179 acrefeet per year.

You know, adding those up -- I mean I have at least 37 percent of the project's water use is still going to be coming from groundwater for the project.

HEARING OFFICER CELLI: Okay. Just to be clear, you said 21 percent was groundwater with construction, 20 percent for washing and process water.

MR. MARCUS: Those are the percentage compared to what they're proposing to use for cooling water. The construction water consumption
would be equal to 21 percent of the cooling water consumption. The process water consumption will be equal to 16 percent of the cooling water consumption if cooling water is the number of 1282 acrefeet per year that they gave in the handout today.

HEARING OFFICER CELLI: Okay, thank you.

MR. BUSA: Can I just make a comment, too, so that everyone's clear. Even if we were to dry cool all the numbers that you just heard would still be necessary and would come from a groundwater source theoretically.

So, the --

HEaring OFFICER CELLI: And we're talking about if you were to go with dry cooling you'd still have to wash the mirrors, you'd still have to have potable water --

MR. BUSA: Construct the project, do potable water, have process water, all of those things. So, --

HEARING OFFICER CELLI: But as to those sources of water there's no change. We're still proposing all of that is going to be groundwater, correct?

MR. BUSA: That's correct, there's no
change to that.

HEARING OFFICER CELLI: So, in that regard, CURE is accurate?

MR. BUSA: I'm not sure about the percentages, but --

HEARING OFFICER CELLI: Okay. Thank you. I'm sorry, go ahead, please.

MS. GULESSE RI AN: Okay, my next comment was that -- excuse me -- on the slides we have -- our comment would be that we need to -- that staff would need to look at the worst case impacts on the groundwater basin.

And the maps that have been shown show that there is going to be a five-foot gain in project pumping influence at the end of 30 years. But we heard that the rate of recovery for the groundwater basin is five feet per year. So over 25 years that would be 125 feet. If it's five feet per year, as the rate of recovery, there'd be 125 feet increase in the basin. But this figure is only showing a five-foot gain in the groundwater basin. So it appears that there is a 120-foot drop still in the groundwater basin due to the Beacon project.

HEARING OFFICER CELLI: Ms. Gulessarian,
do you mind if -- I see that applicant wants to address that.

MS. GULESSERIAN: Sure, sure. Any clarification.

MR. FLACK: No, that's not correct. The groundwater basin is recovering, the groundwater levels are increasing over time. And that's due to the fact that the recharge of the groundwater basin is a lot more than the discharge from the groundwater basin.

The project is proposing to take out, as it stands right now it's proposed to take out less water than it was previously. So water levels are going to continue to increase over time, based on the historic recharge to this groundwater basin.

What's going to happen is the project is going to pull water from that recharge and it's going to be less of a recovery than it would otherwise, without the project.

MR. MARCUS: So, for clarification then, are you saying that compared to --

HEARING OFFICER CELLI: Excuse me, we'll need you to just identify yourself for the record so the court reporter knows who's speaking.

MR. MARCUS: I'm sorry. I'm David
Marcus; I'm the consultant to -- or one of the consultants to CURE.

So maybe I wasn't reading this correctly. What you're saying -- what you said in words earlier was that the basin, absent this project, is recharging at about a level that's causing groundwater levels to rise about five feet per year.

MR. FLACK: What I said is parts of the basin are recovering about five feet per year. Other parts of the basin are less than that. As you go away from the project area to the east and to the north it's less than that. It's two feet, three feet, one foot. If you go to the northeast side of the Koehn Lake area, groundwater levels are actually in decline. So on the north side, east side of Koehn Lake they're actually going down a little bit.

So there's variable recovery rates in the groundwater basin.

MR. MARCUS: But near the project it's around five feet per year.

MR. FLACK: Near the project, for the last years it's been five feet or so per year.

MR. MARCUS: So, what this is saying
here is that over 30 years, absent the project, at
current rates, ground level would rise about --
groundwater level would rise about 150 feet, minus
five feet due to the project. So it would end up
rising 145 feet instead of 150?

MR. FLACK: That's correct, that's the
difference.

HEARING OFFICER CELLI: Very clear,
thank you for clarifying that.

MR. BABULA: One other thing I'd like to
note -- this is Jared Babula -- staff did analyze
the worst case scenario, because staff looked at
the original applicant's project, which was all
groundwater. So, in a sense that has been done in
the FSA.

HEARING OFFICER CELLI: Thank you. Now,
CURE still has the floor, so -- CURE's comments on
the proposal.

MS. GULESSERIAN: Okay, just a few other
comments. Just minor technical point, as we're
trying to crunch these numbers here.

The 200, there'd be 200 gallons for
every Tamarisk tree that is removed. That would
require removal of 1000 trees to save one acrefoot
per year. That is a lot of trees.
And we do -- I just want to clarify that CURE does want to count how many trees are removed, how many gallons are being saved. That level of accuracy is what we have been commenting on and looking for in the FSA. So we disagree with the approach of generalizing potential impacts.

And then I think in clarifying what alternative is going to be proposed by Beacon, there's a discussion about the emergency supply and not having an impoundment, but it's our understanding that the FSA looked at a tank for emergency supply. And so the project wouldn't need to use groundwater if it's going to be using recycled water, to bring that water into the tank. And then continue to use recycled water for the emergency supply.

Do you have any more technical comments?

No. Right. We're seeing that there are two weeks to make technical comments on whatever ultimate proposal there is. I don't know if this is it. But that seems like enough time to make --

HEARING OFFICER CELLI: Two weeks does seem like enough time to you?

MS. GULESSERIAN: Well, I mean if this
is what we have today, we can make these comments.
If there's going to be more of a proposal, we have
to see what the actual proposal is.

HEARING OFFICER CELLI: Okay, but I
think it's safe to say that as it stands right
now, CURE wouldn't be a willing signatory to the
stipulation?

MS. GULESSERIAN: We are willing to
participate in the process as long as there's no
requirement that sign an ultimate stipulation.
There are a lot of terms that we do not agree with
in the current stipulation.

And one of them is certainly that we do
not agree to take dry cooling off the table, when
that is the easiest and most feasible alternative
for this project.

HEARING OFFICER CELLI: Um-hum. So, are
you optimistic that perhaps after two weeks the
parties can get together and actually come up with
something that would be acceptable?

MS. GULESSERIAN: I don't think the
schedule extends for two weeks. I think there was
some initial comments, in a few weeks. It looks
like there's a schedule for some back-and-forth
through the end of January.
HEARING OFFICER CELLI: Yes.

MS. GULESSERIAN: Which we would be willing to participate in those discussions.

HEARING OFFICER CELLI: Okay, well, --

MS. GULESSERIAN: Thank you.

HEARING OFFICER CELLI: Thank you.

Before we talk about the scheduling of this, I think we should hear from Rosamond and California City and Lahontan on their views of what Beacon is proposing, and how that will affect groundwater.

So, with that, let's first hear from Lahontan, if we could, Mr. Curtis.

MR. CURTIS: Thank you, Chuck Curtis with the Lahontan Regional Water Board.

In general the Water Board is very supportive of using recycled water from whatever source for uses such as power plant cooling. We support recycled water use.

Currently California City uses recycled water for golf course irrigation. The Water Board is definitely supportive of sewer ing the entire community there. It's only partially sewer ed. We're very supportive of sewer ing that entire community because we believe that the septic systems do pose a threat to water quality from
their discharge of nutrients, in particular, to
groundwater.

So we are in favor of sewering that community, and using that water for other beneficial uses through reclamation.

Currently the City of Rosamond's facility does not have recycled water capabilities currently. But that certainly can be built and permitted.

For either of these options there's permitting from the Water Board that, I believe, would be required unless the use was only for this power plant cooling use. And I'll let the lawyers figure that out, but it may be that the Energy Commission could permit that recycled water use specifically for the cooling plant.

But if there are more than one use, then permitting of that would go through the Water Board. And that 's a normal process. We'll be permitting another facility next week for recycled water use.

Regarding Koehn Lake water use, again it sounds like there's a lot of information that we don't really know on what potential impacts the use of that water might have. There just isn't, I
think, enough information to know.

Mr. Celli asked a question about reliability of the source of this water. And wastewater treatment plants, they have to run all the time because the sewage keeps coming down the pipe. So they're a very reliable source of reclaimed water. At least that's my feeling.

Any other specific questions?

HEARING OFFICER CELLI: Yes,

Commissioner.

ASSOCIATE MEMBER BYRON: Mr. Curtis,

thank you for being here. Do you support the assumptions that the applicants used in their analysis? For instance, the ones that come to mind, if I have the numbers correct here, the 300 acrefeet per year buildup that they've assumed in the --

MR. CURTIS: Since I've just learned about that today I really don't have a technical response to that. I know that it is going to take some time to, for example, sewer the complete California City community. And there may be some benefits in phasing that in, as opposed to trying to do that project all at once.

But as far as the capacity that that
will bring, I don't know. I just don't have the numbers available to know that, by sewering the entire community. I assume that they have done that analysis, that it will provide enough water to meet the project's needs, in addition to the current uses that California City is using for that recycled water.

ASSOCIATE MEMBER BYRON: Not being a water expert, you've taught me a new word today. I didn't know sewering was a verb. So sewering, has your Board adopted a plan to do that for the city?

MR. CURTIS: No. Currently the Water Board has a permit for California City for the current sewered area, you know, for their wastewater treatment plant, and the discharge of that treated effluent.

The community that is currently on septics, it was allowed to build without a sewer system because the density of the houses is small. They're spread out.

And so that's why -- the entire community is not sewered because much of the community has a low density of population of houses.
So the cost to sewer that is high, relative to each specific household. And the impacts from the septic are more diffuse because there's less density.

But we are concerned about groundwater impacts from septage (sic) and we are very encouraged that California City might work towards sewering the entire community, perhaps, you know, as a result of this project.

ASSOCIATE MEMBER BYRON: Thank you.

HEARING OFFICER CELLI: I have a question, something that applicant mentioned was that Lahontan had a problem with the use of recycled water for cleaning the mirrors.

And my recollection, and I remember this from another case where tertiary treated water, I believe you can dump 50,000 gallons into, you know, public waterways without even having to report it. And that it can be used for growing crops.

MR. CURTIS: So if that’s the case, I wonder why recycled water couldn't be used for cleaning the mirrors.

MR. CURTIS: It certainly could be, as well as for construction dust control and other
uses. We permit other recycled water producers to allow uses such as construction dust control and similar compaction and that sort of thing.

There would be an ongoing discharge, you know, with this nutrient-laden water. Because although it is treated such that it is disinfected, it still contains a lot of nutrients. And the continued discharge of this through mirror washing, you know, would have an input ultimately, you know, of those nutrients to groundwater.

So, although that's something that, you know, we haven't analyzed in depth, if they have another source, that's fine. But I can tell you that it could be, the Water Board, I believe, -- you know, I don't speak for the Water Board, I'm a staffer, just like your staff. But I believe that our Water Board, if we had an application, a permit application, that we likely would permit such a use.

HEARING OFFICER CELLI: Thank you.

MR. FLACK: May I clarify that point on water use or recycled water use? Originally what it was, was in our report of waste discharge application we had proposed to use the evaporation pond water. It's not the tertiary treated water,
but the evaporation pond water, for dust control. And that wasn't allowed.

So, we took that out of our revised report of waste discharge. And that we wouldn't use the evaporation pond. This would be the water that would come out of the cooling tower blowdown to the evaporation pond. So we were thinking we could use that for dust control, and that was not allowed.

MR. CURTIS: Well, the concern is, from the evaporation water, is very high concentrations of salts. You know, you're concentrating those salts and then applying them to the ground surface. And what's the fate of those salts, and you know, their impact, not only on groundwater, but surface water runoff. What's the fate of that and its potential impact on wildlife, as well as groundwater and surface water.

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

California City, I guess we should hear from next.

(Pause.)

HEARING OFFICER CELLI: While we're waiting, Mr. Babula, is Mr. Solorio going to be
coming back? Because I would like him to be here when we talk about scheduling.

MR. BABULA: Well, the note I got is, "I feel ill. If I don't come back, bring my books."

So that might be a no.

(Laughter.)

HEARING OFFICER CELLI: I hope I wasn't a part of that.

MR. BABULA: Hopefully he won't read the record.

MR. BEVINS: My name is Mike Bevins; I'm the Public Works Director for the City of California City. What's being passed out to you now is a map of California City.

I'd like to take just a minute to kind of introduce our city, because our city is exceptionally different than any other city in California.

We are the third largest geographic city in California. We're 203.4 square miles. Only San Diego and Los Angeles are bigger than we are. And the reason that's important is that we are a subdivided city created in the '60s and '70s. Almost all of California subdivision law is an effort to prevent another California City.
And so a lot of things you see on this map, and some of the things that you'll see in this project, directly relate to the structure of our city.

Currently California City has 23,000 unbuilt lots that are residentially zoned that are one acre or less. The majority of those lots are 6000 square feet.

So when Lahontan says that we have a little problem, we actually have a large problem in California City with septic tanks. Our city was allowed to be built on septic tanks, and you will find no other city, to my knowledge, in the world, that has the kind of density of septic tanks that California City has.

If you look at the map that's been given to you, the grey areas are actual homes. They are currently connected -- the vast majority of them are currently connected to septic tanks.

If you notice the places where you see the little green lines and the red lines and the purple lines, and there's not a lot of them, that is our current sewer system. And the reason -- you'll see that they're mostly in the north of the big blue line, where it says California City
Boulevard.

Our system, currently, basically is north of California City Boulevard. And it impacts only 1400 homes. Currently I have 2754 nonsewer-connected homes that are on septic tanks right now.

So our contamination to the aquifer is significant. It's not a little arrangement. Most times you see septic tanks you have -- when he said we're not very dense, we have a density limit. And the majority of what's called first community, which you are seeing here, this is about 15 percent of my total city square mileage, but it encompasses about 95 percent of the population of my city. Okay.

In first community we are at a situation where we are approaching a moratorium level based on groundwater saturation from the use of too many septic tanks per acre, per zone.

I have approximately 50-some-odd zones insite first community, which were contractually set up with Lahontan under agreement in 1988, which was modified in 2007, to correspond to subdivision tracts inside my city. So, for us, it's a significant problem.
We've been working since 2007 in an effort to create independent sewer districts inside this zone to be able to piece together a transition from septic tanks over. That is a very expensive process to do. And it's not one -- Kern County, as a whole, is not a city with a large median income. And it's a very difficult -- and due to proposition 218 it's a very stressful, I guess is the word I want to use, process involved because people have to accept that kind of expense.

This project for our city is tremendously beneficial. What we've asked our engineers to do in response to this project is prepare the map that you have in front of you. And essentially it's a dot-to-dot connection. We had all the dots, which was all the existing houses.

All we had to do was draw in the lines in the shortest possible path to be able to connect the dots together and bring these people from septic tank away from groundwater contamination into a community sewer system.

You'll look at it and the map shows you different zone areas. When Mr. Busa mentioned the
fact that phasing this project in over a period of
time would be a benefit to the community, I think
if you look at the map you get a sense for just
how many streets are going to be impacted in our
primary residential community.

This is not a minor impact for our city.

It's a major transition for us. And the
opportunity to take an environmentally negative
situation and turn it into a very environmentally
positive situation.

The phasing in for us is -- one of the
original requirements was bringing this in in a
very short period of time. And we looked at how
short a period of time this could be. The shorter
the period of time the more painful this is, just
to the citizens of the community.

If you'll just look at any of those
phases. For example, phase one where you see
basically no large transmission lines but you see
only small neighborhood lines. And if you could
imagine the difficulty of those people in getting
in and out of their homes.

If we can do it in a way that takes out
one block or two blocks at a time, we wind up with
a much smoother process.
However, our council is committed to this process. While it will be inconvenient for our citizens, our citizens would also like to participate in this process because we don't want to be in the situation of having our community closed to future growth and development.

With 23,000 unbuilt lots, obviously there's a lot of room to grow. We have 15,000 -- 14,000 people, excuse me, in the City of California City. And with 23,000 unbuilt lots we have a lot of room to grow. And, in fact, we were one of California's fastest growing cities in the last boom, the last high boom period, because we're one of the few places where you can actually afford to buy a lot and build a house.

Houses for sale at the peak of the boom were selling for $160,000. I don't know that you could find one in Sacramento or in the surrounding area, much less in L.A. or Los Angeles County that's going to go for that kind of price. So the proposal here is for us, on an environmental level, very very important.

We also have, and it does not show on our map, a 2500-bed private prison in California City. We are the only private prison in
California. There are 2250, I believe it is, federal prisoners currently housed in that facility. And they provide wonderful amounts of sewer discharge into our system.

HEARING OFFICER CELLI: They're on a sewer system?

MR. BEVINS: They are on the sewer system, yes. Yes. That's one of the reasons that we have such a large flow rate, and one of the reasons that we're able to handle, relative to other areas, we're able to handle the peak issues. Is because we have this inherent base.

There's a couple of other issues that were brought up. When our city was first developed the original developers really wanted to convince people that the desert was a very green and growy place. And so they planted trees that would just grow really wonderful in the desert. The Tamarisk tree was their tree of choice.

(Laughter.)

MR. BEVINS: So when he says that we're supportive of removing Tamarisk trees, that's a complete understatement. Just inside my part of the Fremont Basin we can pull out a significant number of Tamarisk trees and be quite happy with
that project.

It, for us, represents an environmental nightmare. It's very difficult for us to be able to just walk in and yank out a tree, because people say, oh, you're killing a tree. But if you actually come to the desert, take a look at what they are, they're an overgrown bush. And they're a water hog.

There are other trees that draw less water. The Tamarisk just loves the desert. It seems to be able to suck water from wherever it winds up seeding.

One of the other questions that came up, and this generally is the functioning of emergency water. Can we go back to any one of the last pictures of the area?

(Pause.)

MR. BEVINS: Anyone that shows -- well, I just need to see some of the faults in the area.

MR. SPEAKER: That's right there. It's hard to see because --

MR. BEVINS: They're on there? Okay.

If you look at the faults in the area, our area is an earthquake nightmare. Our wastewater treatment plant would produce water consistently as Mr.
Curtis from Lahontan has pointed out.

But when you're talking about our main pipeline from our wastewater treatment plant follows this path along Mendiburu Road, along the north side, you can see where that -- there's a red line that runs across kind of three-quarters of the way up on the map.

Our wastewater treatment plant is over there where it says S-19 over on the right-hand side. And coming out of that plant is a main sewer line that runs along Mendiburu Road over to Neuralia, which is about a third of the way over on the left.

Neuralia is the path road for the recycled waterline up to the Beacon project, either for us or for Rosamond. That path is an already-existing road. The pipeline would be built on the shoulder.

Mendiburu is where we put our current sewer line. And so the environmental impact is simply to lay this line within the zone already defined within the Mendiburu sewer line environmental arrangement.

All the rest of the environmental issues through our city are simply impacting already-
existing roadlines. And our environmental people have told us that the process will be very very nonpainful because we're staying in existing roadways as we expand out and cut in. So that on a whole this project, for us, is exceptionally environmentally positive.

Lahontan -- not Lahontan, but the Water Quality Control Board, has recently required that every water basin inside the state identify salt and -- produce a salt and nitrate plan. And in many basins that's not a problem because salts and nitrates, which go hand-in-hand with recycled water, the more you recycle it the more you add to that salt and nitrate issue from human use of the water.

In most basins those constituents, I guess is the proper word -- we don't want to call them contaminants, do we? I think constituents is the right word -- flow out of the basin.

In the case of the Fremont Basin there is no natural salt exit. For us, recycled water and continued use of recycled, pump it out and recycle it again, will continue to add to the salt concentration of our basin.

So while we've been doing recycled water
since 1994, we've realized under this new plan
that we need to find a salt exit for our basin.
The Beacon project provides a first class salt
exit for our basin.

We don't have a natural one. This is an
artificial one, which basically we could never
afford to put in if we continued and expanded our
recycled water.

So, -- make sure I've touched all the
questions that you've had. The plan we've put
together and have submitted to Beacon is a very
straightforward plan.

The main pipelines, just to review with
you, are going to stay in already-existing
roadways or in places where we already have, the
environmental work is already done.

The construction connection time is
endorsed by our city. And something that our
citizens are very much looking forward to. Now,
when we actually get to individual citizens'
streets I can guarantee you they will have cause
to rethink their particular decision for a short
period of time, but we do have the capacity to do
it.

And our plan functions very nicely with
a five-year phase in. It actually is -- the only
word I can think of is a real godsend to our
community, which faces some very very unaffordable
and very painful options should this not happen.

Lastly, I would also like to make one
other comment. Our plan does not require
purchasing of groundwater from Beacon. But I will
also tell you that our basin has a capacity of --
I don't remember what your number is, but our
estimate is of about 16,000 acrefeet of annual
recharge.

If our city continues to grow, and it
will -- we are the only incorporated city in the
basin -- if our city continues to grow, we will,
at some point, be needing additional water beyond
that which our current wellfields produce. We
will be looking to purchase water from wherever we
can. And we would hope that you would not
restrict our ability in the future to deal with
water purchases from whatever source are
available.

That's something that will happen
regardless of whether or not this plant is built
in whatever format it happens. We will be seeking
water from a broad variety of sources.
Do you have any questions?  Is there anything that I've left untouched?

ASSOCIATE MEMBER BYRON:  I found that to be very helpful.  I thank you very much for coming today.

HEARING OFFICER CELLI: Thank you very much, Mr. Bevins.

MR. BABULA:  I just have one quick question.

HEARING OFFICER CELLI:  Staff.

MR. BABULA:  On the phase in, then, I notice on this map so your plan would be then to just go with phase one -- the timing --

MR. BEVINS:  Yeah, that's kind of the rotation we were looking at.

MR. BABULA:  What would be -- if you went with the phase three first, because that seems to be a larger quantity of water available, it seems to be a bigger -- would there be an advantage to try to --

MR. BEVINS: What we were looking at doing with this, the biggest --

MR. BABULA:  Try to get more water upfront --

MR. BEVINS: -- the biggest challenge in
this particular project is going to be aligning up
the design with the construction. So we're
planning this project to be a design/build
concept.

In the first year we also were going to
be increasing our wastewater treatment plant
capacity. We're upgrading it. And so in the
first year while we're going through the
application process of upgrading the plant and
changing the point of diversion for our
wastewater, and including in, basically dealing
with our Lahontan issues.

That first one would require the least
amount of engineering in the first year. And then
the other -- what has to happen is all that, the
design/build concept you'd -- yeah, you'd wind up
designing all the main trunklines through. And we
kind of just extended it out.

Now, what undoubtedly would happen is
that in the first phase the main trunklines would
be designed. So exactly how that would be phased
in, that would certainly be open to negotiation.
I mean that's one where we could figure out what
would work the best.

And those lines, by the way, aren't rock
solid. They were actually created awhile back, and I took a pencil and kind of went down and said this is where we think it will go. And we did not actually count out the homes to make sure we have the 300 acrefeet per year.

MR. BABULA: Okay.

MR. BUSA: But, Mike, you currently today have 300 acrefoot available, so --

MR. BEVINS: Oh, yeah, yeah. We could do 300 acrefeet, yeah. Yes. We can do that right now.

HEARING OFFICER CELLI: Three hundred acrefeet is available right now.

MR. BEVINS: Yes, it is.

HEARING OFFICER CELLI: So, the phasing doesn't -- right now at least 300 acrefeet is already going into your --

MR. BEVINS: Yes. Into our lake.

HEARING OFFICER CELLI: Okay. So this phasing has nothing to do with Beacon's phasing?

MR. BEVINS: Right.

HEARING OFFICER CELLI: Okay.

MR. BEVINS: Well, I won't say it doesn't have anything to do. We tried to break it up engineering-wise to see how we could, with the
contractor in mind, how we could easiest to bring something online. But, no, we do have the capacity right now to bring that on.

HEARING OFFICER CELLI: Very clear. Any questions from CURE?

MS. GULESSERIAN: Yes, I have a clarification or question. When is your year one? Is it, you know, next year, or is it three years from now? When does the five year begin?

MR. BEVINS: That kind of depends on the applicant, I think. For us, we don't have a fixed year one. What we are going to start doing, and what we have planned to do is start moving forward with our application process to Lahontan immediately. And so we would be starting year one for us immediately.

Once we get to the point where you've all decided that we're worth the time and energy to, you know, more forward with this option. So we can start year one whenever is appropriate. By the process.

In other words, if you delay --

MS. GULESSERIAN: And so how --

MR. BEVINS: -- it for two years, that's not a problem.
MS. GULESSERIAN: -- and when do you anticipate? I mean, if you submitted your application to Lahontan, when would you anticipate getting a permit so that we can --

MR. BEVINS: Lahontan right now, in speaking with our office of Lahontan -- Lahontan, I don't know if you're aware, is quite a large district. And the Victorville Office has asked us to hold off our application process until May, simply because of the state funding budget issues that the office has. They're as hard hit financially as every other governmental entity in the state, and they've asked us to hold off.

The expectation for us is we would have the permitting completed by November of '10. However, as soon as the request was made to begin, at any point we could actually start because we do have current treatment plant capacity.

And the process for operating without our current capacity, as long as we say inside the current capacity which phase one would allow us to do, we could begin construction of that within 90 days, as far as beginning goes.

There's two parts to the process. One is expanding plant capacity; the other part is
change in point of use or, you know, the change in
use. We can add the change in use before we
actually do the change in use. They will allow us
to do that, which was not only surprising to me,
but very pleasantly surprising to me.

So we can begin that process quite
quickly, and actually use it under our current
capacity. So we could be ready to deliver water
actually as early as November -- excuse me,
September of '10.

So the timeclock could start quite soon,
or it can be delayed. It doesn't have to be. I
mean it's -- we have some flexibility in this,
which is quite, for us, positive.

MS. GULESSERIAN: So, do --

HEARING OFFICER CELLI: So -- I'm sorry,
go ahead.

MS. GULESSERIAN: Just to clarify then.

So for phase one of this plan you could begin
construction and have 300 acrefeet of water to
deliver to the Beacon Project by September 2010?

MR. BUSA: -- pipeline to --

MS. LUCKHARDT: Yeah, we need to have a
pipeline --

MR. BEVINS: The pipeline is going to be
the problem because --

(Parties speaking simultaneously.)

MS. LUCKHARDT: -- to the project which
we can't build --

MR. BEVINS: -- yeah, because you're
talking -- I'm looking back at our engineer to
remember if that's it.

MS. LUCKHARDT: Yeah.

MR. BEVINS: There's a parallel
construction project that happens from the
pipeline from the wastewater treatment plant of
Neuralia, and then up Neuralia nine miles, is it,
Scott?

MR. BUSA: Yeah, nine or ten.

MR. BEVINS: Yeah, nine or ten miles up.

That project would have to be running
simultaneously. And that one could take a little
longer, a little less longer, but the bottomline
is that they basically run about the same time.

MS. GULESSERIAN: Do you know whether
you would be building that pipeline, or whether
Beacon would be building the pipeline to the
Beacon site?

MR. BEVINS: We haven't discussed that
one yet. It could be either way. We don't have
any particular problem with being the contractor
on the -- the lead on that at all. That would be
a positive for us.

MS. GULESSERIAN: Okay. Yeah, so we're
just trying to see if we can get some facts while
you're here.

MR. BEVINS: That's not a problem.

MS. GULESSERIAN: And then I guess the
question was when would the next phases occur. It
sounds like you would submit your application
concurrently with -- you could be --

MR. BEVINS: That's right.

MS. GULESSERIAN: -- constructing phase
one --

MR. BEVINS: That's correct.

MS. GULESSERIAN: -- and then by maybe
permitting completed by November 2010. So when
would construction of -- would construction of
phase two then begin --

MR. BEVINS: As soon as the final
permitting has happened for --

MS. GULESSERIAN: Um-hum.

MR. BEVINS: -- the upgrade of the
capacity of the treatment plant. Currently the
treatment plant's at 1.8 mgd. And we would be
looking to bring the plant to approximately 3.0
mgd.

Now, for us that sounds like a big deal. But a lot of the pieces of the plant -- our plant was built to be expanded. And so we would be -- as soon as we had the permitting in place, we would begin the actual work on the plant.

We can begin the design on the plant much before that. But it's -- because we have to have that plant design in place before we apply for the application. So once we have that in place, we'll go.

We have actually a proposed schedule. It's a little misleading from one regard. Because what it is, it's a absolute minimum, if-you-put-a-gun-to-my-head schedule. Okay?

Which isn't at all what the applicant's proposing. They're looking at a very reasonable schedule, which is what the map represents. But I do have a crushed-it-down, sun-and-the-moon-and-the-stars-aligned- together and everything-work-perfectly schedule if you'd like to see that. Which gives you some of the how we could overlap certain things.

I don't know if the Commission would
like to see that schedule.

   MS. GULESSERIAN: I would like to see it. I mean, I want to know what is feasible --

   MR. BEVINS: What is possible.

   MS. GULESSERIAN: -- what is possible.

And you know, it speaks to whether water could be available for construction of the project. Or whether we need to, you know, talk about really relying on groundwater during project construction.

   I mean that's a large portion of the groundwater that's being proposed to be used. And if it is feasible to get water to the project site sooner, then that feasibility would be something that would be helpful to know.

   MR. BEVINS: Actually, that wouldn't happen.

   HEARING OFFICER CELLI: You know, actually -- and that might be a good discussion in a workshop, I think. I don't know that a status conference is the best place to accomplish that.

   I would say though, that as far as your client is concerned, it sounds like there's a lot of work for pipefitters.

   MR. BEVINS: Well, there's -- yeah. And
one of the things that you have to bear in mind is, is that water would only be available onsite for site construction once the line was completed. And we expect that line is not going to be a done-next-week project. Even if you look at this list you'll see it has its own time schedule just for the line.

So it wouldn't even be possible for them to use it for, I wouldn't think for most of the construction period, if not all the construction period.

I don't know what their construction period is, I don't know what their timeframe is, but no, I wouldn't think it would be used for construction water.

HEARING OFFICER CELLI: Thank you. Anything further from any of the parties? Thank you, Mr. Bevins.

MR. BEVINS: Thank you.

HEARING OFFICER CELLI: It was very very helpful to hear from you.

Lastly we have the City of Rosamond who's present. Let's hear from the City of Rosamond about this. And then we'll talk about the project.
schedule. And then we will have public comment.

MR. LaMOREAUX: Thank you. I'm Dennis LaMoreaux, the Assistant General Manager and District Engineer for Rosamond Community Services District. It's not an incorporated area at this point.

I have distributed kind of a one-page summary of the highlights of our proposal to provide water.

MR. BABULA: Do you have that one, Ken?

That's what you sent me back --

HEARING OFFICER CELLI: No. Oh, I see.

Okay. Please go ahead.

MR. LaMOREAUX: Early on, after your staff approached us, we looked at several different alignments. And then with some input from California City, we did pick an alignment that went through California City versus one that might have been about five miles shorter, paralleling a state road or railroad because of potential benefits to both agencies.

And just going down through some of these, it's pretty straightforward as has been summarized before. Rosamond has the flow available but not the treatment facilities at this
point in time. And then we would have to move it approximately the 40-mile pipeline to the site.

What we have done is by the end of this month we'll have completed mgd activated sludge tertiary treatment plant. We have a proposal in hand for a design/build contract for a 2 mgd plant expansion, which we would be ready to go with if we were to have an agreement with Beacon to provide the rest of the tertiary treatment that we would need.

The good thing about that proposal is it's what's called a deep lagoon treatment system. Very little mechanics, energy usage; very reliable.

And as far as another point that's been brought up, a long pipeline with earthquake faults. That can be planned for. In a prior life I was a general manager of a water district in Palmdale on both sides of the San Andreas Fault. And if you look at that water district today you'll see that there's a huge inventory of pipe there based on analysis of potential breaks due to faults. That's the kind of thing that you can plan for and deal with in a pretty straightforward way.
HEARING OFFICER CELLI: And that went to the question of the interruptibility of the service that we'd asked earlier. So, there are ways, there's work-arounds for that, you're saying?

MR. LaMOREAUX: Yeah, you can prepare yourself to some extent for that. At least to have the materials available that you think you might need. You know, there's still going to be down times, but you can minimize the down times.

One piece of news I heard just today is the peak storage that the applicant has anticipated. In our analysis we thought it would be up to three times as much storage would be needed onsite for the peak flow.

With what they've said today, it would cut in a third what we thought the cost would be for that onsite impoundment. And the size of that would be roughly 600 by 600 feet on the bottom, two-to-one slopes, 25 foot deep. Lined and covered with plastic, or some sort of plastic commercially available.

I've kind of wound it around here, but I'd be happy to answer any questions you have about our proposal.
HEARING OFFICER CELLI: Thank you.
Chairman Douglas? Commissioner Byron?

ASSOCIATE MEMBER BYRON: Again, thank you for being here. It's very helpful to have
this information.

HEARING OFFICER CELLI: And you said that this month you are finishing your tertiary
treatment plant?

MR. LaMOREAUX: Yeah, as Mr. Bevins stated, we've also had the same request from
Lahontan about permitting. So we're not going to actually start that plant up until probably
sometime next summer, because of the delay in being able to get the permits for it. But it's
ready to be started.

HEARING OFFICER CELLI: Thank you.
Parties, any questions? Seeing none, --

MR. BUSA: Actually just a quick one.

HEARING OFFICER CELLI: Oh, --

MR. BUSA: You mentioned capacity of 2 million gallons per day. Do you actually
anticipate a through-put of that?

MR. LaMOREAUX: No. That would -- half of that would go towards meeting the Beacon needs;
and the other half would be funded by Rosamond for
future growth in the community.

MR. BUSA: So the availability to Beacon would be 1 million gallons per day?

MR. LaMOREAUX: Of the new expansion, plus the half-million-gallon tertiary plant that's just completed.

MR. BUSA: For 1.5 million.

MR. LaMOREAUX: The 1.5. And we would have the option of running those in different combinations which would further increase reliability.

HEARING OFFICER CELLI: Thank you, Mr. LaMoreaux.

MR. BABULA: I have a quick question. What was the original size of the impoundment then that you had in mind?

MR. LaMOREAUX: We were looking at three ponds of the size I just mentioned. Each of them would have a rough surface area of about 12 acres.

MR. BABULA: Okay. So it might be actually smaller basin?

MR. LaMOREAUX: It would be, yeah, a third smaller -- or two-thirds smaller based on the numbers I've heard today.

MR. BUSA: Yeah, I guess we need to get
together because we're kind of going circular
here. We're going circular, making a circular
argument. Because we actually used their numbers
to calculate the pond size, so we kind of need to
talk about that. I don't know if we agree with
that or not.

MR. BABULA: Right. I mean that would
be something to look at. The staff's just kind of
interested in getting this out. Things like this
are good so that we can figure out where there
might be some questions still that we could do
further --

MR. LaMOREAUX: Certainly.

MR. BABULA: -- research.

HEARING OFFICER CELLI: Well, thank you
very much for being here, Mr. LaMoreaux. We
appreciate it.

MS. GULESSERIAN: May I ask one quick
question.

HEARING OFFICER CELLI: Oh, I'm sorry,
go ahead.

MS. GULESSERIAN: I'm sorry. Once you
have a -- if you have a signed agreement how long
would construction of the expansion take?

MR. LaMOREAUX: Based on the
design/build proposal it's a two-year project.

MS. GULESSERIAN: Thank you.

HEARING OFFICER CELLI: Thank you, sir.

Thank you for coming.

At this time it sounds like the parties have a lot of work to do in terms of getting accurate numbers and doing appropriate analysis of these changes.

So, turning to the schedule. And I'm sorry that Mr. Solorio couldn't make it because this is --

ASSOCIATE MEMBER BYRON: I'm sure Mr. Babula can speak for him.

HEARING OFFICER CELLI: This is the important part for us. These dates are proposed by the applicant. So I assume that there's, even after this discussion, Ms. Luckhardt, there's no changes that you foresee in these dates or changes. You're suggesting this timeline is okay, as is?

MS. LUCKHARDT: This is our proposal. We're definitely willing to hear, you know, comments and thoughts from the other parties. But we thought we should at least put something out that we thought was reasonable.
HEARING OFFICER CELLI: Thank you.

Staff, you know, we have the FSA already. So at this point this is really -- we're just down to whatever analysis is going to be required for these changes, I imagine.

MR. BABULA: Right. I mean overall the two issues we were most concerned about, I mean obviously trying to get them off groundwater for cooling, so moving in the right direction there.

The other thing is -- I know there's concern like oh, it's a stipulation, but it'll end up being a condition of certification. I mean it's not going to be, oh, here's a stip and they'll go do it. I mean we will get those things in conditions of certification to comport with what information, what --if there's mitigation, all that stuff. So we're going to do our regular analysis. So things will end up there.

The main thing was is we want real water use and not a project where it's very open-ended. The phasing in, like the five-year phase-in maybe three years can work, maybe five years. As long as it's solid; there's numbers, there's stuff we can put in there, the real metrics, the real verifications.
And as long as we get enough information where we feel comfortable that that can be done.
And that it's not one of those things where, hey, by year 30 we're on 100 percent recycled water, and then we're going to shut down.
So, that's what we're going to look for.
And I don't know if Paul Marshall -- I think he's here. Do you want to have any comment because this is water?
MR. MARSHALL: Yeah, thanks for --
MR. BABULA: Just like to have him comment since this --
MR. MARSHALL: -- curious about how the schedule was going to affect us --
MR. BABULA: Right, --
HEARING OFFICER CELLI: Please come to the podium and state your name, please.
MR. MARSHALL: Paul Marshall with the California Energy Commission Staff working on the water resource issues with Casey Weaver, who's also here in support of our -- yeah, and we actually haven't had time to digest the schedule. So I just wanted to see, you know, where you were going with it and what the expectation might be.
And without having time to digest it,
come in somewhat hedged in terms of the time we
would like to have to review their proposal.

I think we're, you know, we're obviously
-- we're in agreement with Jared that, you know,
these alternatives that they're looking at and the
way they're stipulating to them are really
encouraging for staff in the water resources unit.

We worked hard to get them to move in
this direction and so this is really positive
movement for us.

HEARING OFFICER CELLI: The question --
MR. MARSHALL: We are going to have a --
HEARING OFFICER CELLI: Go ahead.

MR. MARSHALL: We're really concerned
about having enough time to adequately evaluate
the technical merits of these proposals, and
making sure that we agree with their numbers.

For example, when we look at the
modeling that you looked at and the
characterization of the potential impacts, we've
had a lot of back-and-forth with the applicant
about the adequacy of their modeling.

And so we want to make sure that we
agree with the way they characterize the site, and
that these numbers are consistent with what we
believe are appropriate. So, you know, we need a little bit of time to digest that.

And then, you know, getting into the alternatives and thinking about what's possible. And, you know, whether or not the recycled water use volumes they're talking about are reasonable, or something we can get online faster or differently so that we minimize impacts. That's something we'd like to think about, as well.

HEARING OFFICER CELLI: There's a workshop on the week of January 4th proposed. I mean, who knows whether you'd be able to pull that together, but let's just assume that's where those discussions would take place. Is that reasonable under your work pressures?

MR. MARSHALL: We're talking about five weeks from now?

HEARING OFFICER CELLI: Yeah. And also, I'm reading that, you know, everything is couched in terms of the stipulation in this schedule. Really I imagine it's just stipulated changes to the FSA, stipulated conditions, et cetera.

MR. BABULA: Right, I mean --
MS. LUCKHARDT: Yeah, --
MR. BABULA: -- the closer it is to the
FSAs, obviously they say, well, we're going to go through Rosamond, but we're going to do this line and it's going to wrap around the Air Force Base, that could change things.

If they stick to the FSA, then we did look at a lot of that and so it would be, it kind of slides a bit. The closer it is to the information we have put forth in the FSA the better.

HEARING OFFICER CELLI: Yeah, we are limited. We're just limited really to this question of the changes proposed by the applicant at this time. And what they're asking is that you come in with your changes by the week of January 25th signed, sealed and delivered. Do I have that correct? That's the right date for that?

MS. LUCKHARDT: Well, yeah, that's what we had proposed. And a lot of that depends, frankly, on our ability to reach some resolution, at least with staff, on how we're going to deal with the dry cooling options. Because that is a huge -- that's a big piece of work if we're going to go forward and litigate that.

So, I think, as we're looking at the schedule, one of our assumptions is that that's
one issue that we don't have to deal with.

HEARING OFFICER CELLI: Um-hum. But that doesn't really affect staff's workload.

MS. LUCKHARDT: Well, staff --

HEARING OFFICER CELLI: In other words, staff put forward an alternative. That's a done thing. There's no more additional work on that.

MS. LUCKHARDT: Well, excepting that the response to that will be substantial. If we need to litigate that issue, it will be a substantial response on Beacon's side.

HEARING OFFICER CELLI: Okay. All right. Understood.

MR. MARSHALL: Well, given that, is there an opportunity for us to have internal discussion and talk about where staff's position is on that issue? And come up with a plan of action?

HEARING OFFICER CELLI: That's what your workshop would be, you know. You'll talk about those things in your workshop. Staff Counsel will hunker down with the client and make whatever --

MR. BABULA: Well, I think you're talking about the details of the water plan. And you were talking about dry cooling --
HEARING OFFICER CELLI: Well, I'm also talking about your --

MR. MARSHALL: The alternative for dry cooling --

MR. BABULA: Yeah, --

MR. MARSHALL: -- and whether or not --

HEARING OFFICER CELLI: -- your position; what's staff's position going to be on with regard to these alternatives.

MR. BABULA: Well, we've -- they've selected the waterline. And so what I would like to do is focus on just -- I mean ideally it would be nice if they could tell us which of the waterlines so we could focus it in.

But right now we're left in this in-between, which is fine. We want to give them flexibility to utilize and come up with the best program. And we've got -- from what we said in the FSA they know what we've looked at and what we're interested in.

So, within the recycle water options we can move forward and not address the stipulation as indicated. We've already put forth our evidence on dry cooling. But now they've made a selection, so let's focus the evidentiary hearing
on looking at whether it's Rosamond or Cal City; and developing the details of their water use plan.

I don't know if that's the answer.

MR. BUSA: Just to be clear, we're proposing going with multiple options throughout the --

MR. BABULA: Right.

MR. BUSA: -- proceedings and getting allowed to do any one of those. So, I mean there are reasons that, for example, on the Rosamond proposal there's a possibility that part of this pipeline would be built to Edwards Air Force Base. And sort of depending on how that played out, that might make Rosamond a better option than California City.

There's multiple reasons why we'd like to keep both options open at this point in time, including --

HEARING OFFICER CELLI: What I'm trying to do here in terms of the scheduling is that we, at least with regard to Beacon, we've been in this hurry-up-and-wait scenario where we came in and we held a gun to Eric Knight's head and said, give us a date. He gave us a date. Everybody came
Now we're here again. And I just -- you don't have to hear about the kind of pressures that the Energy Commission is under right now. We're backlogged, and we need to be realistic about what's achievable with the schedule.

And so if we're going to put out a scheduling order that says January 25, 2010, everybody's back ready to go, we have essentially the equivalent of an FSA or a final, let's say, supplemental FSA, because of all the stipulations.

MR. BUSA: And again, if there needs to be a little more time put into the schedule I think we would support that. Again, we're looking to have a decision in hand and still qualify for ARRA funding. So we have a little bit of flexibility there.

So if this is too tight I would say we're willing to go a little longer.

HEARING OFFICER CELLI: I appreciate that. That's why I'm looking to staff to kind of set that up for us, and tell us, is this reasonable.

MR. BABULA: I mean I could propose just allowing us to -- I'd kind of like to talk to Eric
since he's the master of the schedule in his mind.

We could kind of say basically this looks pretty
good. And let us talk to Eric and staff, water
staff. And then we'll just say yes, that'll work,
or come up with a proposal by a couple days. Is
that sounds --

HEARING OFFICER CELLI: What I'd like to
see is a stipulated schedule with all of the
parties. If you submit to the Committee, via the
Hearing Adviser, a stipulated, a signed
stipulation by the parties by -- which really
covers the entire schedule, then we can -- would
go with that. Is that acceptable to all the
parties?

MR. BABULA: That'll work.

HEARING OFFICER CELLI: Ms. Gulesserian?

MS. GULESSERIAN: Sure, we can work on
that.

HEARING OFFICER CELLI: Okay.

MS. LUCKHARDT: Provided we can all
agree.

(Laughter.)

HEARING OFFICER CELLI: Well, you're
going to have to. I think that if the parties
would work together it might speed things up a
bit. And so we're hopeful that your workshops will be productive.

With that, is there anything else on scheduling? Because we're really submitting it to the parties to come up with the scheduling for us. And hopefully, today is Tuesday, can we get one by Friday, a stipulated schedule?

MR. BABULA: By Friday, yeah, that's -- we can do that.

MS. LUCKHARDT: Yeah, we just need to hear back. We've put something forward, so we need to hear back.

HEARING OFFICER CELLI: Let's make it Monday, since Friday is a furlough Friday. So we'll make it a week from today, Monday. That would be what, the 8th? 7th? Whatever.

MS. LUCKHARDT: Yeah, I mean that works for us.

MR. BABULA: Yeah.

MS. LUCKHARDT: We have something on the table that people can react to, so --

HEARING OFFICER CELLI: With that, then if there's nothing further from the parties, what I'd like to do is open it up to public comment. Anything from the applicant?
MS. LUCKHARDT: You know, at some point, the only thing that I hesitate on is I think at some point we may want an order from the Committee on dry cooling. As to whether that gets carried forward or not.

And I understand that the other parties are just reacting to this at this time. But I would anticipate that we will be asking for some sort of hearing order from the Committee on that so we can get some direction.

HEARING OFFICER CELLI: Okay. At this time we haven't taken in an iota of evidence and --

MS. LUCKHARDT: That's correct. But it is a -- we believe that it's a question of law that can be decided without a large amount of fact or testimony from the parties.

You know, obviously the other parties may think otherwise, but it makes a huge difference on the amount of preparation that's done for hearings.

And so I'm just -- I'm telling you that we will probably be asking for that.

HEARING OFFICER CELLI: Okay. We appreciate the heads-up on that. The Committee
will respond to whatever motions are brought.

MS. LUCKHARDT: Yeah.

HEARING OFFICER CELLI: We're here to help.

MS. LUCKHARDT: And we appreciate that.

HEARING OFFICER CELLI: Thank you.

Anything further from staff?

MR. BABULA: I understand where they're coming from on that, and we'll just -- if they file the order then we'll respond when we get it and go from there.

I think moving forward, though, I'm in agreement that we put out -- again, we put out alternatives and they selected one. And now we're going to focus on -- the evidentiary hearing should focus on not only cleaning up some of the -- I mean most of the suggestions that they've sent to us, like changes to our conditions of certification staff's reviewing.

A number of them we've accepted. Some of them are just like clerical or mistakes or something, or changes in language that we agreed with. So a lot of that will be cleared up. And then we can just focus on the water.

Now, I don't know how you address if a
person from the public comes up and starts to
comment on dry cooling. How that would -- but as
for litigating our view on dry cooling versus
theirs, I don't see a need for that. That could
be a time-consuming exercise.

HEARING OFFICER CELLI: You know,
Rosemary, if you wouldn't mind, I need a little
help up here. Actually, okay, I've figured it
out. No, I didn't figure it out. Come -- we're
working with this WebEx and I need to get back on
the desktop, if I can.

(Pause.)

HEARING OFFICER CELLI: Here we go; I'm
good now, thank you.

So, staff, the fact that you mentioned
the interlineation, perhaps red type on an FSA, so
we can actually see the changes, would be most
helpful.

MR. BABULA: Right. Actually I was
preparing that in the prehearing conference
statement. I was -- because I noticed your
question 8 would be any changes to COCs. So what
I was doing was collecting those changes in red.
And then I had a declaration by the appropriate
staff person, if they weren't going to be
appearing, to say yes, I agree with these changes.
So I was in the process of doing that when this happened. So that's kind of what I planned to do.

HEARING OFFICER CELLI: Thank you.
That's hugely helpful --
MR. BABULA: Right.
HEARING OFFICER CELLI: -- to us, and so we appreciate that.

And then, CURE, anything further?
MS. GULESSERIAN: Well, I just feel the need to comment that at this point we believe that the dry cooling issue will need to be litigated. And we've submitted testimony on that issue and still believe that it's a feasible alternative that reduces the environmental impacts of the project, and more than the other alternatives. Just for clarification.

HEARING OFFICER CELLI: Thank you for that.

MS. GULESSERIAN: Thank you.

HEARING OFFICER CELLI: With that, I'm about -- before we go to public comment, the Committee had a few questions. Really, this is directed to staff based upon -- they're really
comments on the FSA.

And if you wouldn't mind just taking a
minute, taking a note that under the biology
section, page 4.2-2 there is a statement that says
that the rerouted wash has not been finalized, and
several significant issues remain unresolved.

When we read something like that in the
testimony, and flipping through the FSA for where
is the resolution for this sort of thing. So I
wanted to bring that to your attention so that if
there's a resolution it can be put into the FSA.

Also, 4.2-73 talks about the --
management monitoring plan, but says that we'll be
able to produce final plan prior to the
publication of the FSA. This is the FSA, so I
just wanted to bring that to your attention that
in the FSA it says when we produce the FSA we'll
have this. So, that is at 4.2-73.

MR. BABULA: Okay. What was that first
page?

HEARING OFFICER CELLI: The first one
was 4.2-2. The second is at 4.2-73.

The hazardous materials, 4.4-18, and
this is an important point, more than I actually
thought. Talks about the project owner -- this is
a condition -- shall place an adequate number of isolation valves on the heat transfer fluid pipe loops so as to be able to isolate a solar panel loop in the event of a leak.

I read in CURE's testimony that at SEGS there was a 30,000 gallon leak in 2008. What we wanted to know, and you don't have to answer now, but what we're interested in is some specificity as to what's an adequate number of isolation valves to prevent that kind of a leak. That was at 4.4-18.

4.9-64 there was some mention of unresolved water issues having to do with the rights, the groundwater rights.

At visual -- we're concerned about the visual 4.12-33, visual-6 requires paying for landscaping at Kern County Parks. And I'm not sure that mitigates visual impacts, because I don't know that there's any nexus pursuant to Nolan and Dolan.

And so I just am raising that. It's a comment. Do what you want with that. Visual 4.12-33, yeah, clearly there's no mitigation for the hiking trails. This was visual.

Table 2 in facility design at page 5.1-
8. There's a table 2 that lists all of the constituent parts of the facility design. I believe that'll have to be changed to reflect any -- the Rosamond option or the California --

MR. BABULA: That's actually -- there was a couple of changes that the applicant suggested on that already that's being changed on table 2.

HEARING OFFICER CELLI: Okay. And at 5.1-19, there's a list in facility design of county codes that will be relied on. And one of them says San Luis Obispo County. But this occurs in Kern County. I don't know if that was a typo or if that's supposed to be that way.

MR. BABULA: Probably a typo.

HEARING OFFICER CELLI: Then waste 4.13-5, there was a reference to natural gas rather than propane. My understanding is there was a switch over to propane.

MR. BABULA: That probably be corrected.

HEARING OFFICER CELLI: Reliability 5.4-4, there was reference to an unreliable water source will need to be revised. Well, I guess that'll be cleared up.

And then I take it there was a motion
that was granted by CURE for access to confidential documents. We understand that CURE received those documents.

We're hoping that the change in the water would probably negate the need for us to have in camera hearings. We really don't need to deal with that now, but I'm just really thinking out loud with that.

And finally we're at the point where we need to take public comment. And I think what we should do, first of all, is there anyone -- a member of the public who is present here in the room today who would like to address the Committee?

Seeing none, the record should reflect that there's about maybe 15, 20 people here who all seem to be affiliated with one party or another.

We will go then to the telephones, and let me look at the WebEx list. We have -- do we know who call-in-user 3 is? Okay. It's hard to say who -- let me call the people whose identifications we have. And then we'll call the other call-in-people.

So, Cathy Campbell is no longer on the
line. Is everybody un-muted?

Duane McCloud. Duane McCloud, are you
on the line?

MR. McCLOUD: Yes, I'm on the line.

HEARING OFFICER CELLI: Okay. Did you
wish to make a comment?

MR. McCLOUD: No, I'm actually a Nextera
employee.

HEARING OFFICER CELLI: Thank you.

Matt Garlinghouse.

MR. GARLINGHOUSE: Yes, I'm here.

HEARING OFFICER CELLI: Would you care
to make a comment, sir?

MR. GARLINGHOUSE: No, thank you.

HEARING OFFICER CELLI: Thank you. Paul
Whitworth is no longer on the line. We have Sara
Head. Sara Head, are you on the line?

MS. LUCKHARDT: She's with AECOM. She's
a consultant to Nextera.

HEARING OFFICER CELLI: Okay. And then
lastly we have Colin User-3. I'm sorry, someone
has called in only and is not using the WebEx on
the computer. Did you wish to make a comment?

Is there anyone else on the line whose
name we did not call that would like to make a
comment?

Hearing none, then I would hand it back
to Chairman Douglas to adjourn.

PRESIDING MEMBER DOUGLAS: I'd like to
thank all of the parties and everybody who
participated in today's status conference. I
found this to be very helpful. I believe
Commissioner Byron did, as well.

And so we appreciate your work in
getting us to this point. And we look forward to
the next steps in this case.

And with that, we're adjourned. Thank
you.

HEARING OFFICER CELLI: Thank you.

(Whereupon, at 12:31 p.m., the
conference was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Status Conference; 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 6th day of December, 2009.

PETER PETTY
AAERT CER**D-493

CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

December 6, 2009

Margo D. Hewitt,
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