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

In the Matter of:               )
) South Bay Replacement Project ) Docket No.
Application for Certification  ) 06-AFC-3

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FRIDAY, SEPTEMBER 15, 2006
2:20 p.m.

Reported by:
Peter Petty
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
COMMITTEE MEMBERS PRESENT
John L. Geesman, Presiding Member

HEARING OFFICER AND ADVISORS
Garret Shean, Hearing Officer

STAFF AND CONSULTANTS PRESENT
Eileen Allen
Alvin Greenberg
Aspen Environmental

PUBLIC ADVISER
Mike Monasmith

APPLICANT
Christopher Ellison, Attorney
Ellison, Schneider and Harris
Andrew Trump
Kevin Johnson
LS Power South Bay, LLC

ALSO PRESENT
Laura Hunter
Environmental Health Coalition
Barbara Breheny
Terry Thomas
Scott Alevy
San Diego Regional Chamber of Commerce
Jim Peugh
San Diego Audubon Society

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
ALSO PRESENT

Patti Krebs
Industrial/Environmental Association

Lupita Jimenez
The Green Party

Rochel Becker
Alliance for Nuclear Responsibility

Georgette Gomez
Environmental Health Coalition

Martin Breheny

Jan Cortez
American Lung Association, San Diego

Dan McAirnan
Environmental Health Coalition
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PRESIDING MEMBER GEESMAN: I want to thank you all for coming out this afternoon for the site visit and informational hearing on the South Bay Replacement AFC.

I'm John Geesman, a member of the State Energy Commission, and the member of the Commission that's been assigned the Presiding Member of this proceeding. Commissioner Art Rosenfeld is the Associate Member, but he's unable to join us today.

This is the first public event, at least the first public event that I have been involved with, of what will probably be a series going on for about a year. Our process is supposed to be completed within a year after an application is filed. We don't always make that, but we do always try. And it is my intent to try and achieve that if we can.

I'm not going to be at all of the public events. We have a number of staff workshops that will be held here on specific topic areas. Those are for informational purposes; they're also to attempt to reach closure between the various
parties on specific topic areas.

After today the times that you'll see me will be evidentiary hearings. And the purpose of those evidentiary hearings is in areas where there are disputes. Both -- I shouldn't say both -- all of the parties in the proceeding are offered the opportunity to put on evidence.

We compile a record, not just of the verbal testimony given, but of the written documents filed, as well. And ultimately those will all go into my determination, along with Commissioner Rosenfeld, of what the Commission's decision on this application should be.

I really want to emphasize in the evidentiary hearings what counts as evidence. I have a great capacity and enjoyment for entertainment and for argument, and I do respect opinions. And I want to talk about opinions a little bit later. But what really counts for the case is the development of evidence. So don't feel compelled to be particularly theatrical or dramatic; what I will focus upon is the factual evidence presented in the hearing, itself.

Each time we have an evidentiary hearing we will reserve as much time as we need for public
comment, because the expression of opinions, I think, is an important part of our process, as well.

Our typical practice is to ask that you fill out the blue cards that the Public Adviser distributes so that we can recognize your name appropriately in our record; and then listen to your opinion. Human tolerance being what it is, we ask that comments not be too repetitious of each other, but I understand in matters where feelings are pretty intense, that a lot of times those opinions will be a bit repetitious. And that will be fine within limits.

After we conclude the evidentiary phase of the case Mr. Shean will assist Commissioner Rosenfeld and me in preparing what's called a Presiding Member's Proposed Decision. That will be our recommendation to the full Energy Commission as to whether the application should be granted, or whether it should be denied. And if it is granted, what conditions should attach to the license.

We'll hold a public hearing on that proposed decision. And then the Commission, at a business meeting in Sacramento, will ultimately
take action on the recommendation.

When things work to perfection that process is completed within 12 months. And as I indicated, it's my intent to try and achieve our deadlines. Oftentimes what prevents that from happening is the unavailability of necessary technical information to complete our record. And most frequently that's air quality-related.

So, I make no promises that we will be done within a year, but I want everybody to understand it's my firm intent to try to achieve that.

With that I think I'm probably best off turning this over to the real professional in the room, Garret Shean, who is one of our most experienced hearing officers. He will conduct every evidentiary proceeding that we have in this matter. Garret.

HEARING OFFICER SHEAN: Thank you, Commissioner. There's only just a little bit to add to the Commissioner's comments.

The Energy Commission, as we are here today, really is a three-part agency. We have the Commissioner representing the decisionmakers; we have the Commission Staff; and we also have Mr.
Monasmith, who is in the Office of the Gubernatorially appointed Public Adviser.

He is the public outreach fellow. He is the guy, the go-to guy in terms of getting some assistance with regard to your participation here. So, the 800 number for the Public Adviser's Office, as well as the email address, if you intend to participate, is one of the things you should begin to know early.

The Commission Staff, which is also here, represents an independent element within the Energy Commission of technical experts on everything from air quality to zoning, A to Z throughout every substantive topic that's required to be examined under the California Environmental Quality Act, as well as other public health and public safety and engineering aspects of the project.

As they will describe a little bit later, they will produce two independent documents which will be used in the evidentiary hearings discussed by the Commissioner as the staff's independent view of what is in the public interest with respect to the review and possible certification of this project.
Also, as the Commissioner indicated, we are going to back out of this after this hearing, and the staff is going to begin a phase of discovery, which is asking more questions of the applicant; and its analysis, writing up its documents; and the public workshop phase of this proceeding.

I think it's fair to say, as I look at this, and your participation, what you initially want to do now is shift your focus to the staff and the nature of the information its gathering. And if you choose to become a party on a par with the applicant and the staff, you have discovery opportunities, yourself.

So, let me just discuss this aspect of our proceeding which is unique in not only the state bureaucracy, but also most local bureaucracies.

We have an opportunity for you to become what's known as an intervenor or a party, which gives you rights to ask information from the applicant, and occasionally the staff; and also at the subsequent evidentiary hearings put on evidence and cross-examine witnesses from other parties.
Now, that is the most rigorous of the means of participation in our proceedings. And to do that, you need to file a petition to intervene. And you can get the assistance from the Public Adviser's Office to do that.

At a lower level, if you will, is merely to monitor the case. And you could do that both actively and passively. If you want to, and you sign up, up here, and give us either your postal address or your email address, we will send you copies of essentially all the notices and the documentation produced by the staff or by the Committee. And that will give you an idea, at least from our side, what's the exchange of documents that's occurring in the case.

If you don't want to be receiving that all the time, either in your mailbox or in your email, what you can choose to do then is go to the Commission's website and you will find links that will take you to this Niland case (sic) and you can look up what is the latest event, either in terms of a hearing or workshop to be conducted --

PRESIDING MEMBER GEESSMAN: Garret, we're in Chula Vista, not Niland.

HEARING OFFICER SHEAN: I beg your
pardon.

(Laughter.)

HEARING OFFICER SHEAN: You can look up what is going on in the proceeding, either the last document that has been filed, or the next public hearing that's to be conducted in Chula Vista.

All right. I just had a hearing with them yesterday, so I guess I have not quite shifted out of that gear.

So, I think one other thing that's important to stress to your members of the public, so that you have some confidence that this process is run totally above-board. And that basically is, is that the Commissioners cannot make their decision based upon anything other than what is developed in a public record.

There is an ex parte rule at the Commission which essentially bars anybody from having private communications with the Commissioners or myself at anytime during the proceeding.

So every time there is a piece of factual information that comes to the Commissioner, it has to be in a public setting.
And that means you will get notice of it, and you can be there if you choose to be.

With that, what we intend to do with respect to the rest of this afternoon is to have a presentation by the applicant. That will be followed by a presentation by the Commission Staff. And we also have, from the public, a request from the Environmental Health Coalition to put on a presentation, that I believe is going to include a PowerPoint presentation.

At the conclusion of their presentation, we'll open the floor to anyone who wants to make additional comments. And we're here today for you, so please make sure that you have no hesitancy about coming up and telling us either your feelings about the project, whether they're positive or negative. And any questions that you may have, so that you can leave here today being as fully informed as we can help make you at this particular point in the proceeding.

So, with that, we're going to turn this over now to the applicant to introduce its people, and then put on its presentation.

MR. TRUMP: I'm going to try to move it a little bit out of the way here so some other
people can see.

Hi, Commissioner Geesman and Hearing Officer Shean, thanks for scheduling and moving us forward. And to folks in the public, thanks for having us here.

My name is Andrew Trump; I'm the person who's working with LS Power to coordinate the activities of the Energy Commission process.

Today Kevin Johnson, with LS Power, is here to answer questions that might be of him. We also have some of our consultants and our attorney, Chris Ellison, here, as well. So as questions come up there's some folks available; they're going to dig into the details, if that's appropriate.

Today we wanted to -- advance the slide. So we're just going to cover a couple topics very briefly today. I'm not going to read every slide. I think a lot of folks can figure out what's on the slides.

These are some context photos from the existing power plant. You know, it's been there for a long time; been there for over 40 years.

One way we like to think about, or I like to think about the energy challenges of the
region, and I certainly look at all the articles in the newspaper. And there's an awful lot of questions right now for California and for the region.

And, you know, one way I think that's helpful to think about what we're doing as part of the project here is, you know, we can think of the challenges, and we can think about a toolbox necessary to confront the challenges.

And you know, there's a lot of different tools in a toolbox. There's clearly a very very important role of conservation; there's activities in the area of demand response, which you may hear about from the utilities; clearly renewables and transmission upgrades; advanced metering initiative is going forward where we may get advanced meters that help us appreciate how we're using our energy every day.

And, you know, here, as part of our process, we're focused on a generation project. And generation, whether that be a project here or a peaker or other types of generation projects, are a really really big part of the toolbox and the tools that are needed.

And I personally don't believe that
we're going to get out of the challenges without really addressing systematically all the different tools that are part of this toolbox. And the generation project is an important part of that.

So, quickly, what is the South Bay project, just to go to the nuts and bolts of it, we're proposing a project that will replace the existing South Bay Power Plant. It will result in the demolition of the South Bay Power Plant.

We're proposing a plant that will be using natural gas; a very modern and efficient facility; very high level of emission controls. The total capacity is designed at 620 megawatts. And that compares to the existing plant which is a little bit over 700 megawatts. So, a little bit smaller.

Advanced emission controls; very high efficiency. I know that number doesn't mean a lot to the lay folks, but that's a very good number in terms of the overall plant efficiency of how much energy you get for every unit of energy into the plant.

I think as Joe mentioned on the plant tour, we're proposing no use of Bay water; it will be air cooled; very compact on about 13 acres.
That compares to about 115 acres total of the existing plant site, so much more compact.

And another important thing is reusing a site means that we can continue to utilize the gasline, the potable waterline, the sewage line, the transmission infrastructure. So there's opportunities to continue to use that infrastructure and not have to replicate or to create that in another location.

So, just a little bit of context.

Here's the existing power plant. We wish we could have taken you over to the marina to look at this. But I'm sure many of you have been there and seen this view, looking from the north to the south. And there is a photosimulation of the new power plant without some of the architectural treatment we've been discussing. But this gives you some kind of perspective on the before and the after around the existing and the old power plant.

So, what is the schedule for SBRP, that's South Bay Replacement Project; a bit of a tongue-ful of an acronym, but we think it captures what we're trying to do here because of the emphasis on replacement.

So, if we are capable of getting through
the Energy Commission process in a timely fashion, in that 12-month time period that Commissioner Geesman mentioned, we'll be in a position here to begin the construction around early 2008. And it's about a two-year construction period, which means that the new plant would be operational usually around, by the springtime frame of 2010. Usually try to insure construction's complete by then so you can meet the summer requirements.

And then we would immediately begin the demolition of the existing power plant. And that might take about two years. The structure might come down a lot faster than that, but in terms of all the demolition activities, maybe around two years after that.

So, I wanted to introduce LS Power, and for that I'm going to turn it over to Kevin for that.

MR. JOHNSON: Thank you, Andy, and thank everyone for coming, Commissioner Geesman, Officer Shean. My name's Kevin Johnson and I'm Vice President of LS Power, headquartered, or my office is in San Jose, California.

LS Power is a privately held firm that develops, owns and operates power assets. We have
about 8000 megawatts of generation nationwide. We currently lease, operate and maintain the South Bay Plant from the Port of San Diego. And we are the applicant in this proceeding.

Some of you may have seen this announcement on LS Power and Dynegy's behalf. Last night LS Power and Dynegy announced that they had reached an agreement to combine their assets. That would be our generation assets, Dynegy's generation assets in a new company. That new company will be named Dynegy.

Also we are going to create a joint venture development company that will be owned to look at greenfield repowering projects and repowering projects like South Bay. There's a lot of press on that. It's a new and late-breaking transaction. Wanted everyone to be aware that that was going on.

I think from the South Bay standpoint of this project, it's excellent news. A better credit rating; more stable platform; an entity that's involved in the development of projects that is sophisticated, national in scale, and national in scope. So, we're looking forward to our relationship with Dynegy.
MR. TRUMP: Excuse me. Just in case, just to orient some folks who might have not been on the site tour, and maybe for those who have been, here is an aerial of the existing power plant. And the red shows the outside boundary of the existing power plant property.

The red inside that is the SDG&E substation, about five acres or so. The blue -- this is like our second stop or third stop, it's hard to hold these things steady -- the blue outline is the 33-acre former LNG site. And that's where, of course, the new power plant is going to be located.

The yellow shows what we call the SDG&E transmission easement. That is a 300-foot corridor that's set aside permanently for SDG&E's transmission facilities. The brown on the western edge is the 100-foot buffer. The green is the area for the new substation. Let me point that out right there.

And then lastly, in the nice fuscia, I guess, is the 13 acres for the new power plant facility. So, transmission, substation, new power plant all on that 33-acre site.

So, what are some of the key project
benefits? Well, we think there are a number of
very important benefits. I'm just going to click
them all up there. We're going to eliminate the
use of Bay water. We think that's very important.
There'll be a decrease in potable water use of 40
percent.

There's all the benefits associated with
the demolition activities, by virtue of the fact
that you can demolish that plant, open up those
115 acres for alternative uses. We think that the
reusing of infrastructure is very important.

Because the plant is much more compact
in both its overall volume, as well as its
footprint, we think there'll be a significant
improvement in the visual landscape.

There's a lot of energy-related
benefits. Very efficient from an air emissions
perspective. Also I'm going to talk a little bit
about this in a second, by developing a local
power plant, what happens is the region reduces
its dependence on imported energy, which is less
efficient, if nothing more, because you have to
import it. And there's lots of losses as you
transmit that power over powerlines.

So, a lot of different benefits. And
also, of course, the economic benefits. We think it's more positive for the region to be putting that money into a local energy project than to spend that money and maybe develop a project in Arizona or Mexico.

So, I'd like to talk a little bit about that energy picture very briefly. And before giving you all the numbers let me just set this up a little bit. What we're going to do is we're going to show you the total energy demand for the region, for the County, for the San Diego region. And we're going to show that as it relates to 2009 through 2016. And this is information that the Energy Commission has developed and worked with SDG&E. You see it increases over time. This is what they call their one-in-five-year forecast.

Now what I'm going to show is all the resources, all the resources for energy that have been identified as part of the planning process. The first stack is all the nonrenewable energy, 9600 gigawatt hours of energy that has been identified out there, that they can point to a facility and say, I can contract with that facility and I can buy that power. That's 9600 megawatts of the problem, of the challenge.
And by the way, I picked 2012 simply as an illustration. I could have picked out another year, and it's fairly similar relationship.

The next bar it the contribution that I personally hope will be made by renewables. This bar of 4000 gigawatts hours assumes that the region is completely successful in meeting the 20 percent renewable requirement, okay.

So it says, look, let's make sure, let's win on that. Let's make sure we get the 20 percent renewables. I think the area is at around 5 or 6 percent today; I'm not sure of the exact figure.

So we still have a gap. So the difference between the top of the bar here and that line is still the energy gap that this region does not have an identified resource to fill. So the facility here at South Bay would make this contribution to this overall energy gap.

So there's a couple of points. One is the plant here isn't the magic bullet. It's not a solution somehow to all the energy problems. Secondly, it can make an important contribution. And thirdly, it has absolutely no relationship to crowding out the ability and the need to secure 20
percent of the energy through renewables.

You know, there's been a lot of questions which we respect. We're listening about the air quality situation, about how does this plant relate to air quality. So I'd like to talk a little bit about that briefly as well.

And the first slide I'm going to show you is going to talk about efficiency. It's going to talk about how many pounds of emissions will the -- does the old plant produce in comparison to the proposed new plant. Okay. So we're going to talk about things like pounds per unit of energy, okay.

And we're going to do that in two ways. We're going to look at that in terms of all the things that contribute to ozone; we call this precursors to ozone. And all the things that contribute to particulate; we call those precursors to particulate. In this case PM10.

So the first stack bar shows the existing or old plant and number of pounds per megawatt hour. And the new proposed power plant, roughly twice the level of improvement. Over half or under half the level of the existing facility.

And in a similar way, same kind of
relationship with all the precursors to PM10, not just PM10, but all the things that contribute to PM10, which we believe is most meaningful way, when you think about the real effect on air quality.

So, you may have also heard, well, that's good, that's a good thing, we're going to do something more efficient. But, you know, you may have also heard, but isn't the new power plant going to run a lot more and therefore will not air quality maybe take a second seat, or degrade or be a concern because of that.

And so we want to just talk a little bit, again, about the total emissions that would be permitted to come out of the new plant, okay. Now, to do that, again, I want to talk about ozone precursors and particulate precursors. But let me just talk about ozone precursors. And I'm going to show you the historical actual total emissions that have come out of the existing South Bay Power Plant, okay, on a tons-per-year basis.

So this starts at 1980 or so; I'm going to try to use my laser pointer over there without hitting Commissioner Geesman, and over to 2005. So this is the actual historical that's coming out
of South Bay Power Plant.

Now, why is it going down? It's going down for a couple reasons. The South Bay Power Plant hasn't been running as much. Last year it ran about 30, 35 percent of the time.

Secondly is there's no more fuel oil that's being used. That was phased out a couple years ago. But, as Joe mentioned on the plant tour, there's also been a big improvement in this timeframe because of the application of what's called SCR, the catalyst to control emissions, okay. So, from 1980 at 3000 tons a year down to this level here, a couple hundred tons a year in 2004, 2005.

So how does this relate to the new power plant? Well, we are proposing permit conditions baked into our proposal on our application that will insure that the new power plant, while twice as efficient, and while producing two or three times more emissions, will not exceed the actual historical emissions from South Bay.

Now, this isn't the permitted possible emissions from existing South Bay; this is the actual, okay. And it's not the actual in 1993 or 1998 or 2000, but it's the actual in 2004 and 2005
when it's down around 100 tons.

So, in summary, the new power plant will be prohibited from operating above the actual historical average of 2004, 2005 under any condition. While producing two to three times more energy and while being twice as efficient. And we think in total that's a very positive air quality story. And to be able to do that while insuring that there's absolutely no risk from a public health perspective.

In a similar way I have a very similar chart on the precursors to particulate. And a very similar way, we have the exact same prohibition that we will not exceed that green line there for particulate.

Just again, context photo of the existing power plant, and, of course, the simulation of the new power plant. I just wanted to touch upon some of the activities that we have been involved in the last couple years.

Just very briefly, you know, one of our -- we've really been at this for four or five years. And one challenge was to engineer everything on that site, as you saw. A lot of moving pieces, the substation, transmission lines
and that sort of thing.

We've worked on outreach activities,
both informally and formally. We have worked to
identify alternative sites. At one point we were
looking at 29 different sites.

There's been important activities at the
community advisory, community level, which we've
been part of that. You know, that's clearly a
very important initiative for the larger
community. We have participated in that.

There was a South Bay Power Plant
working group. Let me mention that because I
think to EHC's credit, and Laura Hunter's credit,
you know, that process fundamentally, you know, I
think we heard very clearly, look, there's no
project here moving forward unless there's
elimination of the Bay cooling. And so we heard
that very clearly.

And early on in 2003 Duke Energy at the
time made the commitment that were we to move
forward there will not be any use of Bay water.
And that was a very positive element. And there's
been some other activities, including the --
community sessions.

So we've been working, we'll continue to
work as far as this process. And we're in the
middle of it. This isn't somehow the end of the
process.

And very briefly, this is a map from the
website of the Port. Early concept. I'm not
representing this is the final concept. But I
just wanted to say one of our planning activities
has been let's make sure what we do is in concert
with, in lockstep with the Bayfront planning
process. And the plan does accommodate this gray
area, which is designated the energy utility zone.
And that's where we were today, out here on this
33-acre site. So just to kind of put that in
context. This has been a very very important part
of our planning process moving forward.

So, thank you. And also, just in terms
of our -- the person here in Chula Vista or South
Bay, who the public, you folks, can contact, in
addition to myself, is David Hicks, the Manager of
Public Affairs. And that's his contact
information.

Thank you.

HEARING OFFICER SHEAN: Thank you.

MS. ALLEN: Hello; I'm Eileen Allen.

Can you hear me?
Kara, would you be willing to advance the slides for me? Okay. Thank you.

I'm Eileen Allen; I'm the Energy Commission's Program Manager for energy facility siting and licensing. I'm here on behalf of the Commission's Project Manager for this project, Bill Pfanner, who couldn't be here today. In addition to me, afterwards, after my presentation and when we start question and answers, I'll be happy to introduce you to the other Energy Commission Staff members that are here with me. Some of them are technical experts and they can respond to specific questions in their areas.

The first part of my presentation addresses the process that Hearing Officer Shean referred to. The purpose of the Energy Commission's siting and licensing process is to insure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy for protection of public health and safety, for the promotion of the general welfare and for environmental quality protection. That's part of the Public Resources Code.

The Energy Commission's role is that it is the permitting authority for thermal power
plants with a capacity of 50 megawatts or greater.
And by thermal I mean power plants that involve
some kind of combustion or heat element. So the
Energy Commission is not dealing with
hydroelectric facilities, wind and other things
that don't involve a thermal component as far as
the licensing activity.

We also look at related facilities
associated with these power plant proposals, such
as electric transmission lines, water supply
pipelines, natural gas pipelines, waste disposal
facilities and access roads.

The Energy Commission is the lead state
agency for the California Environmental Quality
Act and the licensing process that we have
fulfills the mandates of the California
Environmental Quality Act to look at potentially
significant impacts and options for mitigating
them.

The Commission Staff's process involves
three steps: data adequacy, which is a process
that begins when the application is filed. And
that process is finished now. The Commission
deemed the project application for certification
data adequate on August 30th. So we are finished
with the data adequacy phase. And the staff found that as of August 30th, the application had the minimum amount of information that we needed in order to begin the next phase, part two, the discovery and analysis phase.

And that phase involves an initial first cut at issues identification. And the staff's first cut at issues identification is contained in the handout here called issues identification report. That report is available in both English and Spanish.

The issues identification phase is followed by staff from various technical areas coming up with a number of data requests and these are basically factual questions that the staff is presenting to the applicant. And the applicant is obligated to present us with factual responses. So we often hold data request and data response workshops. All these workshops are open to the public.

Realistically we get into a tremendous array of technical questions and answers in the data request workshops. Anybody can participate in those as they are able to. We are also available to hold less technical workshops that
discuss the process and issues and concerns that members of the public have. So we sometimes call those issues workshops; or if there's a need to talk about how the process is working, we can hold process workshops.

At the end of the discovery and analysis phase the staff issues something called the preliminary staff assessment. We always hold a workshop on the preliminary staff assessment which addresses about 22 technical areas.

That preliminary staff assessment workshop is usually held in the community, and I expect that we would hold at least one preliminary staff assessment workshop here in Chula Vista. That's an opportunity for public comments to be provided, both verbally at the workshop, and in writing; as well as the staff receiving comments from the array of public agencies that we work with.

So, following the preliminary staff assessment and gathering in the comments from various parties, we'll publish a final staff assessment. That will carry the staff's work forward to the evidentiary hearing phase. And the final staff assessment will constitute staff's...
testimony that will be presented at the evidentiary hearing.

And as Mr. Shean noted, the staff is an independent party. And the evidentiary hearings are an opportunity for other parties that are involved in the process, such as intervenors, to present their own testimony.

That's followed by the decision phase. Once the Committee has held evidentiary hearings, the Committee, composed of two Energy Commissioners, Commissioner Geesman and Commissioner Rosenfeld, and the Hearing Officer, produce the Presiding Member's Proposed Decision, or the PMPD.

That Presiding Member's Proposed Decision then goes before the full Commission for a decision. Given sufficient public interest there's usually a public workshop held by the Committee on the Presiding Member's Proposed Decision. So that's yet another public participation opportunity.

This graphic lays out the relationships of the various participants. The staff is noted here in the middle. As I discussed, the staff will presenting the staff assessment, which is
testimony; and then the applicant also provides testimony; local, state and federal agencies have an opportunity to provide input to the staff. Intervenors, also.

The Public Adviser is there for assisting members of the public in terms of how to participate in the process.

This graphic lays out kind of who does what in terms of all the participants able to provide testimony. I would encourage any members of the public that would like to provide testimony to consider filing with the Hearing Office a petition for intervenor status. It can be quite a bit of work, but you also have a significant role as far as being a recognized party in the process.

Getting to the staff's analysis of the application for certification, the staff's analysis addresses whether the proposed project complies with laws, ordinances, regulations and standards at the local, state and federal level.

We conduct engineering and environmental analyses, identifying issues for the 22 technical areas. Evaluate alternatives, which is part of what we're required to do under the California Environmental Quality Act. We identify mitigation
measures, and by mitigation I mean measures that
have the potential for eliminating or reducing
environmental impacts. And I'll talk more about
that in a minute.

We recommend conditions of
certification. And conditions of certification
are items that apply to the project construction
phase, or the project operation phase. For the
operation phase those conditions of certification
are enforced for the life of the project.

The analysis process is designed to
facilitate public and agency participation through
the public workshops and the opportunities for
comment. I noted the analytical products that the
staff will be producing, the preliminary and final
staff assessments. And then the staff makes
recommendations to the Committee in those
assessments.

The alternatives analysis is part of the
CEQA process. We examine alternatives that may
avoid or mitigate potentially significant adverse
impacts. We need to look at a reasonable range of
alternative sites, technologies and project size
options that are capable of meeting most of the
basic project objectives. We're also examining
the no-project alternative, which is required as a part of the California Environmental Quality Act or CEQA process.

As far as local, state and federal coordination, the Energy Commission Staff works closely with local, state and federal agencies. For example, at the local and regional level here we have worked with the Port of San Diego, the City of Chula Vista, the San Diego Air Pollution Control District and the San Diego Regional Water Quality Control Board.

At the state level we work with the California Air Resources Board, the Department of Toxic Substances Control and the Coastal Commission, among other agencies.

At the federal level we often work with the U.S. Environmental Protection Agency and the U.S. Fish and Wildlife Service.

At the state level we also work with the Department of Fish and Game. I noticed there was a Fish and Game Staff person here, so we look forward to working with you and hearing about any concerns you have.

What happens after the FSA is that the Committee issues the Presiding Member's Proposed
Decision. It contains findings relating to environmental impacts, public health and engineering, and the project's compliance with laws, ordinances, regulations and standards, or LORS.

It recommends conditions of certification; recommends whether or not to approve the project. So this is a pretty big event here when the proposed decision is released.

At that point the Presiding Member's Proposed Decision is moved forward to the full Commission. The five Commissioners make a decision to approve or deny the project. If it's approved, the Energy Commission monitors compliance with all conditions, as I noted, for the life of the project, including facility closure.

Just a bit more about the public process. We provide public notices of the workshops and hearings at least ten days in advance. We maintain mailing lists and those are both the regular post office mail, as Mr. Shean mentioned, and email list serves.

Documents on the project, such as the application for certification, are available for
public review at local libraries; also libraries
throughout the state that are listed; the Energy
Commission library in Sacramento; and the Energy
Commission's website. So that you can go to the
www link there and then go to siting cases, and
then there'll be a special link for the South Bay
project.

All of the material is also available in
the Energy Commission docket unit in Sacramento.
The docket unit is like the master record keeper
and filing point.

Ways you may participate are submit
written comments or statements to the Commission;
provide oral comments at public meetings. You
have the option of becoming a formal intervenor.
You can provide written comments on the
preliminary staff assessment or PSA, or the FSA,
the final staff assessment. You can provide
written comments on the proposed decision.

That's the conclusion of my presentation
on the process. The next part is a summary of our
issues identification report, which I mentioned is
our first cut at identifying the issues from the
staff perspective.

So the purpose of the report is to
inform participants of the potential issues as the
staff sees them now; and provide an early focus on
topics that we think are important.

The criteria for identifying issues is
significant impacts that may be difficult to
mitigate; a situation where we think there's a
potential for lack of compliance or conflict with
local, state or federal laws, ordinances,
regulations and standards. Or conflicts between
parties about appropriate findings or conditions
of certification for the Commission decision that
could delay the schedule on the process.

For this project we've identified issues
on a preliminary basis in three major areas, air
quality, land use and waste management.

As far as the air quality issues, we've
noted that the existing power plant will not be
shut down until after the proposed replacement
project begins running. The applicant plans to
obtain air quality offsets for the new plant as a
result of the old plant being shut down. And, if
you want to know more about what air quality
offsets are, we'd be happy to talk that over
during the question-and-answer session.

Both plants may be operating at the same
time for a brief period, and therefore there's the potential for unmitigated and possibly significant impacts from the new plant because of the startup and shutdown schedule. This issue was identified first by the San Diego Air Pollution Control District. And the staff agrees with that being a concern that needs to be addressed.

As far as land use, as Andy noted, the City of Chula Vista, the City of Chula Vista's Redevelopment Agency, the Port and Pacifica Companies are involved in the planning, development and approval of the Chula Vista Bay master plan; and the power plant is a piece of that plan. Until that master plan is implemented there's no local or state land use plan that controls and guides the planning and development of the state. So, our land use staff will be looking for some kind of schedule and closure point on the Chula Vista master plan in order for our staff to be able to complete its land use analysis.

Regarding waste management issues, the phase one report prepared for San Diego Gas and Electric, we believe addresses the existing facility sites identified issues related to soil
and groundwater contamination.

A work plan resulting from that phase one report was completed for San Diego Gas and Electric in 2005, which presents proposed soil and groundwater investigation and remediation or cleanup activities.

The staff is uncertain what, if any, additional investigation and remediation activities have actually been conducted since the workplan was prepared. And whether those activities are applicable to the replacement project site. So those are uncertainties that we'd like to see clarified and cleared up.

Moving to the staff's proposed schedule. I noted that the AFC was deemed data adequate at the end of August. We issued the staff issues identification report with a tentative schedule. This is noted as September 12th, but it was actually dated the 13th. So that's illustrative of how this schedule is basically a series of target dates. We set it up so we can adhere as much as possible to the 12-month schedule. But we have to have some flexibility. So, we try to make these dates as best we can.

We're here today at the informational
hearing and site visit. We hope to issue our first set of data requests around the end of the month, and then notice a public workshop regarding those data requests around October 19th.

We give the applicant a month to provide responses to the data requests. So roughly a month from September 29th the data responses would be due from the applicant. And that would be on October 31st.

Then we envision holding a data response workshop to discuss the applicant's responses around mid-November. Towards the end of the year we expect to have local, state and federal agency draft determinations such as the Air Pollution Control District's preliminary determination of compliance.

Following our receipt of those determinations from the various public agencies, we hope to file the preliminary staff assessment, which would be our preliminary overall look in the 22 technical areas, about February 12th. Then in late February we would hold workshops here in Chula Vista on that preliminary staff assessment. About the end of February the agencies would be due to file their final determinations.
We would then be looking for filing of final staff assessment around the end of March '07.

Now, these are idealized dates here.
But this is roughly how we see it going.
And then the majority of the staff's developmental work is finished at that point.
Then it would go into the phase leading to the hearings and the proposed decision.

So we envision that those would be on a to-be-arranged basis sometime after the end of March; a Committee prehearing conference; evidentiary hearings; and then the proposed decision phase.

So, meeting this schedule will depend on the applicant's timely response to our data requests; the timing of the Air District's filing of the preliminary and final determinations of compliance; determinations of other local, state and federal agencies; and then other factors that may come up that we aren't aware of at the time.

If you'd like to get in touch with members of the staff, here are the ways you can contact us. The project manager, Bill Pfanner, is available through this telephone number in Sacramento, or by email.
You can also read about the project on the webpage, as I noted earlier. Mr. Shean's telephone number and email is here. Finally, Margret Kim, the Public Adviser, is listed. And you can call a toll-free number to get in touch with her and her staff, such as Mr. Monasmith. Her email is here.

And then here are contact telephone numbers and emails for David Hicks of LSP and Andrew Trump, who spoke to you earlier. So that's how to get in touch with LS Power.

That concludes my presentation.

HEARING OFFICER SHEAN: Thank you. Let me just help the members of the public convert some bureaucratize into what happens in the real world and real life.

If you just want to monitor and follow what's going on to make sure that whatever your interest in this project is being addressed by the Commission Staff, my recommendation to you is that you look out about five to six months when that preliminary staff assessment is going to be issued and publicly released by the staff.

And then read the section that's important to you. And if, when you read that, you
think it does not do what you would like to see
done, you'd better attend one of the workshops
that the staff is going to have on its preliminary
staff assessment.

   This is sort of the squeaky wheel
approach to regulation at the Energy Commission.
Come talk to the staff; tell them what your
concern is, whether it's their factual
representation or analysis, or a condition that
they recommend in their preliminary staff
assessment. You will either get them to add
something or you won't.

   If by the time you see the final staff
assessment, your views are still not addressed to
your satisfaction, then you need to anticipate
becoming a party in the proceeding and making your
presentation on your view to the Committee at the
evidentiary hearing.

   Then we will take that into account. We
will analyze it. And based upon the weight of the
evidence, that is the best interpretation of all
the information that we have before us, the
Committee will make a decision. And that will be
in this proposed decision.

   You then have one more shot, assuming
you're not satisfied with the proposed decision,
at trying to convince the full five-member Energy
Commission that your view should prevail.

So that's the squeaky wheel approach to
this. Read the documentation initially from the
staff in the preliminary staff assessment; then
see whether or not your views and their views are
in accord in the final staff assessment. If not,
come to the Committee at the hearings; make your
pitch. If the proposed decision isn't to your
satisfaction then your final pitch will be to the
full Commission.

So that's how you translate all of that
into what you may or may not want to do.

With that, we are going to have a
presentation now by the Environmental Health
Coalition. Ms. Hunter.

MS. HUNTER: Yes, does everyone have one
of our meeting summaries that we prepared, that we
often do for meetings? Oh, great. Thanks. And
you can change it for me or -- okay. Or I can do
the clicker, okay.

Thank you. I want to thank the CEC
Staff very much for letting us do a presentation
today. We're passing out our meeting summary,
some information, things that we prepare in
advance of meetings like this.

Many of you in the audience are very
familiar with Environmental Health Coalition. But
just for Mr. Geesman and Mr. Shean, just a couple
slides by way of introduction.

Environmental Health Coalition is a 26-
year-old environmental justice organization.
We're based in San Diego/Tijuana region. We're
focused on environmental and human health. Our
Director was the former chair and member of the
CalEPA Environmental Justice Advisory Committee.
I sit as a member of the SANDAG energy working
group. We are a member of the Apollo Alliance,
and we were members of the CAC for the Chula Vista
Bayfront Development.

The way we see this decision is a little
bit different than the CEC sees this decision. We
see this about the context, where the project is
in the context of the region. When you look at
this graph the big red dots are the major toxic
air emitters that are located in the region. The
bit white little circle with the plus is where the
South Bay Power Plant currently is. And the green
dots are all hazardous materials storage and
emitters that are regulated by the County.

Underlying that are the map of cancer risks. We have a map like this for respiratory risks and for reproductive risks. But you can see where these kinds of emitters are concentrated; that's where people's risks are the highest. So that is the framework; that's the map against which we evaluate these kinds of decisions.

We think it's very important that you know who lives downwind. Downwind of the current power plant and the proposed one are 77 percent people of color. Thirty percent of the households closest to the site live below the federal poverty level. Depending on the area of impact you have between 60 schools and preschools. And neighborhoods are already impacted by several discrete sources, I-5, BF Goodrich. So there's a cumulative impact issue here.

We're going to talk a lot about air quality, because you know what, when does this community get clean air if we don't require new power plants and new operations to be cleaner than the existing ones. And I'm going to talk a little bit about the slides you saw out there, and how we see that differently.
This community really deserves a full
and fair vetting of all of the alternatives that
can improve the environmental quality of their
lives as part of this process.

You'll note, if you've read the AFC you
know that LS Power has objectives for the project.
Well, we have objectives, too. Ours are
community-health based objectives. We want to see
a strategy that replaces the power plant,
eliminate impacts to the Bay, eliminate or greatly
reduce current levels of air pollution; support a
clean, secure energy future; and involves the most
impacted public in the decision.

I want to stop here because I have to
say we are very disappointed in how this first
public meeting has been handled. Can everyone
please raise your hand if you are a resident of
Chula Vista?

Okay, thank you. How many live south of
L and west of Third? Okay. Three people are here
today who are actually the ones who will be
breathing pollution, that are most likely to be
breathing the pollution that comes out of this
power plant.

How many of you have a 9:00 to 5:00 job
that you have to normally work every day, who are here today? Okay. Lots of people are not here because we're in the middle of the day; we're not in the community that's impacted; and I don't know if you've been to a Chula Vista hearing, but this is not a good turnout for a Chula Vista meeting. Chula Vista's a very very active community. This is the wrong place; it's the wrong time of day. And I'm sad to say that we did have some residents, but they speak Spanish. We didn't know we were supposed to request the Spanish. We assumed that the Spanish translation would be offered.

So we would ask you, as a first request, to hold this hearing again in an hour when people can come here and in a location where they can come to.

We also request that the permit process follows the CalEPA EJ working groups. I know that CEC is not part of CalEPA, but you could use their excellent recommendations.

We want to give credit where credit is due. And there are aspects in the AFC in this proposal that we support. The dry cooling is very very significant. And we want to thank Duke and
LS Power, and we hope Dynergy, or Dynegy will honor that commitment. I don't know who it'll be tomorrow, but anyway today it's still there, we're happy about that. So we do appreciate that, and we fully support that aspect of it.

The removal of the current power plant is also very important. I was not aware they were going to have dualing power plants emitting pollution for some period of time, so I guess we'll have to continue to talk about that.

However, there are very significant problems with the current proposal on the table. No one is arguing, least of all, Environmental Health Coalition or our membership, that we don't need energy. We need energy. The question is where is it going to come from; where is it going to be located; who is it going to impact; who is it going to benefit. And what are the people who are going to have to live with the impacts going to have to say about it?

This does not, as proposed, reduce the overall air pollution. And I'm going to talk about that in a minute because we see it very differently than the slides that Andy showed.

Chula Vista already violates the PM
standards, so we have some work to do. And we're not just trying to keep the status quo. We actually have to get some improvement here.

Environmental Justice. There's going to be a big debate between do we look at this as a regionalized impact or a localized impact. Well, if you're the third grader sitting at Harborside School, we care about the localized impact. Not what the whole County, what's diluted by the whole County, but who are the people who are actually subject to that impact. So we look at it as localized.

And, frankly, Eileen's thing talked about proving the need. We're not sure that we need a large power plant in this location. That need has not been proved, and the case for it gets weaker and weaker every day.

And this also perpetuates our energy and economic insecurity based on limited volatile-ly priced natural gas resource. And, frankly, it does hamper our Bayfront development more than it should. And we're going to talk about that, too, if we have time.

This is the slide I want to spend a little bit of time with. I talked about there's a
localized way to look at this and a regionalized way to look at it. There's a per-hour per-megawatt-hour way, and that was what Andy showed you. Yeah, that's a measure of efficiency. We get that this plant is more efficient.

But this shows you the tons per year. The old plant is the yellow, and we get that that's a historical actual; the dark orange is the permitted maximums. And that is the tons per year, and you can see the overall mass loading, nothing to write home about.

And we're very concerned is that we cannot guarantee that there will be less pollution from this plant on a mass-loading or tons-per-year basis.

Remember that again the single source with a localized population for the people breathing the pollution it does not get diluted by the regional air basin, and they're subject to just about the same thing as they always have been.

We did find there is an error in the AFC about the stacks. If you look at the equipment list it does say it's a 145-foot stack. So, hopefully that can get changed.
And why we worry so much about particulate matter. Particulate matter is what buries itself deep in your lungs, your nasal passages, your nose hairs can't get rid of it. It affects your heart. It's something we're very concerned about.

What do we mean by particular matter? That sounds like a long technical word. The potential for particulate matter to induce health effects is really related to the size of it. If you look at a human hair, you look at a PM10, and you look at a PM2.5, you can see how very very small they are.

And here's what we know they cause. Increased asthma attacks; they aggravate bronchitis; slow lung growth in children; lower birth weight; and increased number of premature births; and contribute to premature death.

There are lots of studies that have reaffirmed this over and over. And studies, and they're listed there and we can submit those. I'm sure that the CEC has that.

And it's not like we live in a pristine environment where everything's just hunky-dory, and we can just trade out one source for another
source. This maps the childhood hospitalization
rates for asthma, which, in Chula Vista, are 20
percent higher than the County average right now.
So, again, we have a lot of work to do on that.

One of the things, and I know Eileen was
there, and several staff were there, but we were
pretty irate, maybe we bordered on theatrical, I
don't know, with some presentations that were made
by the Duke air consultant at the last public
workshop in May, saying that the analysis wasn't
done but we're pretty sure that everything was
fine and, you know, don't worry, you know,
everything's okay.

Well, one is it wasn't okay; and the Air
District filed a letter of many deficiencies that
were with the air modeling that they did. We
agree with all of those. The one thing that we
would ask the CEC, and I think I've called it the
wrong thing, I mean that to say data requests. We
would ask -- and the Air Board, there are going to
be new standards for particulate matter that come
out in the NAAQ, the National Ambient Air Quality
standards, blah-de-blah.

But the point, the take-home message is
that the feds are going to significantly lower the
NAAQ, which is an air quality standard. It's not a done-deal yet, so the Air District said we don't have regulatory authority yet. When we get that, but the scientific advisory board told EPA you got to lower the standard because the science is telling us it needs to be lower.

So we want you to make them bring back a project to you that would get us towards complying to the NAAQ. And, here's my bar chart. It's a little different, again, than LS Power's, that we have a problem. We're already in violation of the California ambient air quality standards. And we're going to continue to be in violation of the national air quality standards.

I want to also point out that these violations are occurring in that same period that Andy showed on his slide where you have the lowest emissions and it looked pretty good because the rest of it was so bad before. People have been living here since 1981, you know, and have been breathing that all that time.

But the take-home message is even with that last little bit where they said they're meeting that level of air pollution, we've been in violation. So we're going the wrong direction and
we would -- we think this is very significant.

So, we do oppose the size and the duct firing of this plant. I'm going to talk about that next. And unfortunately, there were two major assumptions, I think probably many more, that the proponents made. One was we're going to get out of the Bay. They did that. Thank you. We appreciate it.

The other one was that they made an assumption we're going to start with today's pollution and not do worse than today. That was the wrong assumption. We wished they would have said we're going to look at what the region needs, what strategically what kind of power is being emitted, and maybe if the current power plant is emitting X amount of power, we'll do a more efficient plant that would emit that same amount of power. That would greatly reduce the air emissions. But they didn't do that.

We don't want the status quo. We need it better than the status quo. And we have some ideas about how to do that. So, our data request on this, and we do disagree with the staff's idea of issues, full analysis of alternatives needs to be done. And it has not been done in the AFC.
So, we don't just like to complain, although we do that a lot sometimes, but we do like to propose solutions. So here are some of the alternatives that we would really like you to look into.

There are onsite and offsite solutions. And there are technology alternatives. And I'm going to go into those a little bit.

One of the things you have to really remember that a smaller plant has less of an area of air impact than a larger plant. We ran an analysis; it was on a power plant that was differently cooled. It had a cooling tower, so this is not relevant. The slide I'm going to show you next. And I know some people don't like when we show this slide, the but the only thing I want you to note here is the same technology plant, one 650 megawatts, one 65 megawatts, if the red area is the area of concern, you can see how much smaller it is.

We don't have a map like this, but for the new proposal, and this was not the same cooling system, but the point is that size is really going to matter a lot in the case when we're trying to look at community impacts.
Well, on that one -- can I go back --
well, never mind. But the schools and preschools
were also mapped on that map.

There are a number of onsite
alternatives. Removing the duct firing. You
know, you've heard that it's a 620 megawatt power
plant, but it's really 500 plus 120. A 500
megawatt baseload plant plus 120 megawatts with
duct firing.

Duct firing really needs to go, and
we're going to talk about that in a minute. You
can look at smaller plants, and you could look at
a scalable peaker for this site. We'd like to see
the health assessments on that.

Did I screw this up? And then there are
a number of offsite locations I'll talk about in a
minute. I'll try to hurry up, I'm sorry, I messed
it up. What did I do?

And, in fact, CEQA, which is you CEQA
equivalent requires you to do this, look at those;
it would avoid or substantially lessen the
impacts. And look at those that meet most of the
basic objectives. The AFC reject a lot of
technology alternatives because it didn't meet one
objective. No, no, it met most of them, and
that's really the standard here.

Duct firing, I want to talk about that because duct firing is the practice of getting -- basically getting more energy generation, but it also reduces the efficiency of a plant from what it would have been without the duct firing, and elevates the emissions and the risks.

A plant with duct firing is called a fired plant. That's what we're looking at right now, a 620 megawatt fired plant.

An unfired plant would be if they just took that capacity out and we'd still have a 500 megawatt baseload unfired plant. There are a lot of advantages for an unfired plant. Lower emissions during peak hours and overall. This is especially important because the duct firing basically turns the big power plant into a peaker; and they're going to use that additional energy when the air quality's already bad and the emissions are already highest, just like he said, in July, during the heat wave, everyone was running everything. The air quality was pretty bad around then.

Unfired plants are more efficient in their terms of natural gas. We cannot afford, at
this point, to be squandering natural gas at all. So we need the maximum efficiency that we can have there, and an unfired plant is more efficient. And the other benefit is that if you don't have duct firing, you have smaller dry cooling unit. So the footprint is smaller, and you can, you know, easily fit into that 13-acre site.

GE even says that as time goes on and the natural gas price world gets crazier, that a plant optimized for capacity, meaning the most efficient unfired plant, is going to be more economically advantaged. I know that's a lot of mumbo-jumbo, but that's basically what that means there.

Onsite alternatives, data requests that we would ask you to so, is full analysis for projects that are unfired at this location. A 500 or 350 and a 200; there's other sizes. We'd be happy to offer those, but I think you understand the point.

There are offsite locations that were either not even mentioned at all, or should be looked at. The NPAX (phonetic) location at Miramar; it's right next to the Sycamore
substation. We know it's a good place to put
energy because they're trying to put that stupid
Sunrise power link to bring that right into the
Sycamore substation.

(Laughter.)

MS. HUNTER: There's a lot of things
that that site has going for it. I hear rumors
they even have their air credits lined up. That
should have been evaluated. It wasn't even
mentioned in the AFC as far as we could see. And
it's a glaring deficiency.

The Otay Mesa site came up. I think
that needs some better discussion. The yellow is
for residential uses; the red are industrial.
Well, there's a downwind direction; 70,000 people
at least downwind of the current power plant
proposal. Zippity-do-dah, people located directly
downwind are lots of residential. We are fighting
very hard to keep that area industrial zoned.
Now, there is an effort to put residential there,
and I think there's potential conflicts in the
future, but right now it would be a better
location.

And i want to say, also, as we make
these plants independent of coastal location,
meaning we're not using ocean water anymore, we can put them where they're best located. Where do they strategically make the most sense. Where is the best from a human health perspective to locate them, and it's not directly upwind of tens of thousands of people.

So, one question is do we even need this project. We're all learning a lot. I mean many of us around the room have been started on the little energy learning curve together. We didn't know a lot about this and we're all learning.

When we started out we thought it was simple. RMR on South Bay, need to get rid of RMR to get rid of that god-awful thing. And we really want to get rid of it. So we have to build a plant to take the RMR. Well, what we've learned since then is RMR gets refigured every year; it goes up and down. And sure enough, you know, just last month they voted to terminate one of the RMR contracts.

Now, maybe we have this wrong, but we brought the motion and all of the stuff from the Cal-ISO, so does that mean all of a sudden 174 megawatts is removed. And then, hey, guess what, a 500 megawatt remaining plant. Well, that's the
size of an unfired plant exactly what they're proposing now. So we think this is -- what we've learned is that the energy web is -- you guys already know this, but we're learning this. It's like this ecological web that you pull on one part of it and something else happens over here. So there's still a lot of things that are up in the air.

This is my chart from the SDG&E application on Sunrise. And the number I really want you to look at is the 737 deficit megawatt that we don't get to until 2015. So, as I mentioned earlier, I'm on the energy working group and we had a hearing on this. And I said, gosh, so we don't really have a huge deficit, about a power plant-sized deficit, until we get to 2015. And this assumes no South Bay -- that South Bay retires and we don't build a new one at all. It assumes that Otay Mesa goes online. And it assumes no Sunrise power link. So, pretty good bunch of assumptions.

So I asked the ISO representative, I said, so if we really only need 700 megawatts by 2015, is there only one way we can do that. Should we just build a big power plant; maybe we
build it at the Sycamore station. Is that the best way to do it, or are there alternatives. Can we build like two or three strategically located smaller power plants around the county.

He said, there's a lot of ways you could do it, but I would advise you against filling that gap with one big power plant. He said, you'd be better off from a reliability perspective to break it into smaller pieces. So, again, we think that we have options for that. And that is an SDG&E chart.

Technology alternatives. We were asking you to really get serious about some meaningful analysis of renewable energy options that can be incorporated into this energy strategy. The other thing I note about the NPAX project is they're financing 5 megawatts of solar, too. This doesn't have any solar financed with it yet. I'm hoping we can come together on that.

These are just two projects. There was a big article in the paper today about an affordable housing complex that just was featured in the UT today. All of their carports are covered with solar panels.

With energy so import and so scarce to
the economic future of this region, and here
sunshine is so abundant we are really ill advised
to pursue any future project with the absence of
something that moves us down this road.

A last major issue I want to bring up is
will the public who are really going to feel the
impacts of this plant be involved. Those who live
with the results should be involved in the
decisionmaking. The meetings should be held when
working people can attend and where in locations
in the impacted area.

Is there anybody here with a child who
attends Harborside Elementary School? Okay. So
no parent is here whose child is right in harm's
way in terms of this power plant. I think that's
significant. And, Tanya, I hope you took note of
that before you leave. Okay. Anyway.

So, you know, why -- and we hope not to
be a squeaky wheel kind of organization to engage
in this process. I mean we want to be involved in
a way that's meaningful and can really get to a
meaningful change and a better project.

But we can't just trust the process,
because the process hasn't worked all that well
for us. One reason is we didn't get involved with
Palomar Energy Project, and we were told, oh, you're not going to have a plume. Well, this is what we have. Now this is not blow-off from that plant; this was because the cooling tower, whatever they did, it didn't work, something failed. And we had days and days of this. I live up there, and I'm kicking myself because now my town looks like Gary, Indiana on some days. So we can't trust that.

We were told, ah, you don't need renewables factored into the Palomar Energy Project because all those public goods charges you're paying, those are going into renewable energy for the region. Well, no, they're not. APEC (phonetic) reported September 7th that we're getting less than half -- half or less than half of our money into renewable energy projects.

They said, oh, it's going to have this amount of air pollution. Well, no, it's not. Now they're getting variance after variance after variance to release even more air pollution. They got six shorter variances; and then finally they, you know, were getting seven variances later. They're saying, well, hopefully we have our act together now. So we can't even rely on what got
They went to the Air Board and got a bunch of variances.

Land use is very very important. You know what they're proposing to build within 1000 feet of this power plant? Our hospital. Put the sickest people closest to a pollution source. How does that happen?

So, we want to be partners; we want to help create the right thing. But we're just not going to, you know, kick back and hope for the best.

Albert Einstein. We cannot solve a problem on the level that it was created. Who is really going to be served by another large duct-fired power plant upwind of thousands of people? Is this going to be a decision that's going to work? Who is this decision really going to work for? Just today, this morning, we learned that the plant got sold. They have their own goals of maximizing profits and that kind of stuff, but, you know, -- and we thank you very much for coming down and hearing from us, but in a year you will all be gone. And we will be left with the impact of this decision.

We hope you will take as seriously as we
do the kind of decision you make. Who is this
going to work for? Dynegy, LS Power, whoever the
next future owner is. Or is it going to work for
Emilio Luna, who can't be here today because he's
at school, and would like to be, age 5, five-year
resident, lives south of -- I mean he lives right
in the area of impact. And we want to know if
it's going to work for him. Oh, and by the way,
he attends Albert Einstein Academy. So, we hope -
- I know that that's probably not evidence, but
it's very very important to us and we hope that
you'll keep that in mind as you move down this
process.

    Thank you.

    (Applause.)

PRESIDING MEMBER GEESMAN: Thank you for
your presentation. When we do get to the
evidentiary hearings, we'll hold evening hearings
on air quality and other issues that are of
interest to the community.

    Why don't we go to the blue cards and
call on those who have indicated interest to
speak.

Laura Hunter.

HEARING OFFICER SHEAN: She just --
HEARING OFFICER SHEAN: Oh, --

(Laughter.)

PRESIDING MEMBER GEESMAN: -- would you like a second chance?

MS. HUNTER: Sure.

PRESIDING MEMBER GEESMAN: Barbara Breheny.

MS. BREHENY: Yes. I have three subject that I would like to address. First of all, the power plant now is on our very precious land, the Bayfront. And when it was put there, when we first came here, we started to live in Chula Vista in 1967, and the power plant was in construction at that time.

And they said it has to be there because it has water, and we have to use the water for the cooling. But now we're not using the water for the cooling, so why does the power plant have to be on our precious, precious Bayfront?

The second thing I'd like to say is the health of the citizens. I have taught in this area for many years and every year the lung problems, the asthmatic problems of my children increased.

And thirdly, today I was looking on the
computer and I have ascribed to the dictionary
word of the day. Today's word was riparian.
Those of you who happen to watch Saturday night on
KVVS will be aware of Hyacinth's, candle light
suppers. Her riparian candle light suppers on the
banks of the rivers.

It is a very very, according to the
dictionary word of the day, of which I have no
support that it's true, but they state that
riparian is a very very important ecological
system for the flora and fauna of our planet.
And California has lost more riparian land
than any other state in the lower 48.
So I would ask the power plant to please
give us back our riparian South Bay. Thank you.

PRESIDING MEMBER GEESMAN: Thank you.
(Appause.)
PRESIDING MEMBER GEESMAN: Terry Thomas.
MS. THOMAS: Thank you very much for
having this. May I suggest that you announce the
next two or three people so that they could line
up? It might expedite it. Thank you very much.
My name is Terry Thomas, and I am
actually representing myself today, as a resident
of 25 years in southwest Chula Vista, as well as a
homeowner. And a fellow neighbor of all of the
people that are throughout Chula Vista and our
region.

And what I would like to briefly address
is a couple of things that were not addressed by
Laura, because Laura's Environmental Health
Coalition did bring up some good points.

My main concern are the costs and the
process. I believe that the process is inclusive,
as far as the list of the agencies, institutions,
authorities are concerned, that you have in your
presentation. However, it does not have certain
notifications that would be stakeholders in our
neighborhood, and a good example of that would be
the nearby cities, and the Navy, and also the
educational institutions. And emergency
responsive agencies, both federal and local, such
as FEMA and the -- emergency responders.

I assume that you're going through the
natural resources agencies, but I believe that you
should make sure you get notification to Imperial
Beach, to Tijuana, and expand the notification and
input.

The second thing that I would like to
ask in response to this, unless a new one has been
added within the last six months, I am aware of
only two monitors for the Air Pollution Control
District in the City of Chula Vista. And one of
them is at East Lake High School. For your
information that's quite east in a relatively
newer area -- well, it used to be the newer area
of Chula Vista. And the second one is located in
the western area, but a little -- J Street,
hilltop. And there are none at the locations
where we tend to receive the most input of both
what we call volatile organic substances, as well
as the other progenitors of ozone, and the
particulate dust matter.

You referred to PM10, but I could tell
you, as a microbiologist and also as a person who
has been going on holidays and visiting the sewage
treatment plants, water plants and solid waste
disposal sites throughout the world -- this is
what I enjoy -- and also as a professor of
environmental biology, that you need to address
PM5, as well as some of the other items.

And the reason is partially because of
the evidence. We have evidence right now from
this city, which is you want data, right -- the
evidence of the gross increase in asthma,
allergies and respiratory conditions, but also
skin conditions have been showing up and
arthritis, et cetera, due to these emissions.

And we definitely need to realize that
that's a cost, economic cost and human cost and
social cost. And it needs to be addressed. As
far as the reduction of all of those substances.
And it is possible to do that. So, collaboration
is necessary for the purposes of the health costs,
obviously.

At the same time we are facing very
exciting things. I think I personally, and I know
many of the people are very much involved with the
exciting new possibilities for our region. The
Bayfront, as well as within the City, and the
surrounding areas, and the region.

So we're really in favor of that. But
we want to see it done right. And also, with a
socially responsible, environmentally just, and
fiscally responsible way. And so it very
important that the cumulative costs from day one
be a part of the picture when you are facing the
choices of options as to who is going to do the
project, and how it is going to be done, and who
pays for what. For this project, as well as for
the other projects along the Bayfront.

And for that reason those costs are
going to be paid by the current people, but also
by your grandchildren. And I would highly
recommend that the cost of the -- you're going to
find that the area does need to have remediation.
Moreso than the peripheral remediation.

And my recommendation is to put an air
pollution monitor there. There's none at the Main
Street or at some of the other, to test for the
emissions. That's an easy thing. But the thing
that you need is to do a more thorough analysis of
the Bay, itself. Not just the water, but the Bay,
itself, because of the disruptions, et cetera,
that will be created by the various projects, but
specifically this project.

And also of the LNG site that is a
possible site for the new plant. Because on the
peripheral level if you just are doing the top
soil, it's not going to be enough. I can
guarantee it. You need to go and find out, not
just from the responsible parties who deposited
things in the past, but also those that have
deposited a variety of chemicals in the -- without
people -- covertly.
And then one other thing. On the visitation that we had, and I thank you very much for providing that one-hour bus ride. But on that visitation it was mentioned by one of the parties that there will actually be water going into the Bay. It's not going to be a water-cooled plant, and we all understood that, but there will be water going into the Bay through the process that will -- or maybe through sewage lines, but it will be going -- there will be water emitted.

And I wasn't quite clear on that, and I would like a clarification. Is the water going to be into the Bay without treatment? Or is it going to go through pipes into a sewage line more directly? I think that needs to be clarified.

And I could tell you that one example of a case where in a startup, actually was before the startup, where there was much controversy for years. It's the Diablo Canyon nuclear power plant. If you remember that, if you're from the Santa Barbara area, of that area north. It was quite controversial. And their controversy was mainly revolving around the possibility of it, you know, being on a fault. But also of the temperature impact on the bioresources, the
plants, the animals in the habitats, et cetera.

And they, I remember this one instance where they were finally putting water through the pipes. And the next day the headlines read -- it wasn't really a headline, it was a little article, it said 200 abalones killed. And actually a time later they said it was 200,000 killed. And so then there were other impacts that were shown.

And the studies showed that it wasn't the temperature because there was no heating. But it was the leaching of chemicals that caused the killing. And so I think that even though they may think that the water will not have an impact, that type of thing will need to be addressed in the process. And it's much easier to clean those pipes at the production level rather than after the fact.

And finally, I beg you for your patience, but yesterday in my newspaper, The San Diego Union Tribune, I quickly went through it and there were ads. And I didn't have time to look at many ads, but out fell the flyer that was a notification for today's meeting.

It was a very well done flyer; I really liked it because it had Spanish on one side and
English on the other. It said who, when and where
and all that information you needed. But it was
24-hour notice. And if I had just thrown away my
ads, which I might have done under certain
circumstances, I would have missed it all
together. So that part of the process I'd note
that it's not always to do that, but we appreciate
if that would be, the notification would be
upgraded.

And I think that -- that's all I would
have to say. Thank you.

HEARING OFFICER SHEAN: Thank you.

PRESIDING MEMBER GEESMAN: Thank you
very much.

(Appause.)

PRESIDING MEMBER GEESMAN: Scott Alevy.

I think I pronounced that right. Maybe Scott
Alvey, San Diego Regional Chamber of Commerce.

MR. ALEVY: Thank you, I've been called
worse, so it's no problem.

PRESIDING MEMBER GEESMAN: Which is it?

MR. ALEVY: Alevy. That's okay.

PRESIDING MEMBER GEESMAN: I'm sorry.

MR. ALEVY: That's fine. And I'd like
to welcome Ms. Hunter to Chula Vista. I'm not
going to speak nearly as long. I think how long we speak is a correlation to how far we live from here. So, since you're up in -- oh, well, never mind.

I am here speaking as the Vice President for Public Policy and Communications of the San Diego Regional Chamber of Commerce. I'm also Past President of the South County Economic Development Council. And a former Councilman here in Chula Vista.

I'm intimately aware of the impact of this power plant, what it's done for this community in the past; what the plans are for the future. I know that Mike Meacham is here, and other people from the City; and I know they're very very interested witnesses to this. And if I know Michael, he would love to be able to say things about this, and probably knows more than anybody in this room. But he can't because his bosses won't let him. That's how it works sometimes, Michael.

This plant has powered the south County for decades. Any of us who have lived here for any amount of time have seen this power plant have benefitted -- I'm sorry, am I interrupting you...
guys? We've seen and witnessed this power plant. We've benefitted from it. It's powered this part of the County and much of this County for decades. But this County and this region have changed. There are tremendously increased needs. There's a very different agenda here. What we need as a business community, and that's what I'm representing, is a reliable source of energy. We need an efficient set of energy plants. And we need to eliminate environmental and visual blight. California's regulatory and legislative processes have made it much more expensive to do business. Not only in this region, but in all of California. No one item is the-sky-is-falling thing, as far as we're concerned at the Chamber. There's a lot of things that we read about, legislation that was finally passed in the past couple weeks, other regulatory things. As an individual item none of them was a sky-is-falling item. But for us, the cumulative effect of all of these things make it very expensive for businesses to do business here. Businesses are leaving, jobs are being lost. The cumulative impact is chasing all of that away.
The last thing a business needs is more expensive and less reliable sources of energy. Businesses need to manufacture goods; we need to move those goods; we need to keep the lights on in the retail establishments that sell those goods to the people.

Business deserves a state of the art facility. They deserve a facility that will continue providing those goods and services and jobs for the citizens of this region.

This new facility will be sort of like replacing your grandfather's old pickup truck. The truck gets you there; it just isn't right by today's standards. This plant will do things the right way, and it'll do it better.

And there has been an extensive public process. We've been aware of it from the beginning. We believe it's been part of the Bayfront master planning. We're comfortable with the fact that this process has been inclusive. It will dramatically reduce the air emissions per unit of electricity generated. It'll improve the regional air quality. And on behalf of the business community of this region of San Diego County, we urge you to move this project forward.
And I thank you.

PRESIDING MEMBER GEESMAN: Thank you.


MR. PEUGH: Hi, I'm Jim Peugh from the San Diego Audubon Society. I'm the Conservation Committee Chair.

I'd first like to say that I am disappointed to the fact that there's a daytime meeting and not an evening meeting for people who actually have to work. The other thing I'd like to say particularly is that the, you know, not using water cooling is an important thing to us, and we really appreciate that that's the, you know, that dry cooling is the way this plant is starting out.

I have some real concerns. On page 5 of your handout, you mentioned what you thought were major issue areas. And I notice that biological resources was not one of them. And that really concerns me. I think there are a lot of biological resource impact to this project.

One real simple one is the project is right next to a national wildlife refuge. There's going to be landscaping on the project. The landscaping that's there now with the current
project, has all sorts of invasive plants. There's a risk that they could escape into the
refuge area. So I hope that you'll elevate your concern for biological resources. Landscaping is
one. There are a lot of invasive species that we try to keep out of natural areas in our region.
That needs to be considered in your analysis and in the EIR.

You know, I appreciate the fact we're going to air cooling, but there are going to be horrendous fans and air movement. There's a risk that birds could get trapped in those. Some sort of a screen needs to be done that won't reduce the efficiency of the plant, but it will keep birds from being crushed. We don't want to trade killing fish for killing birds. That's not a good tradeoff from our point of view.

And the other issue is the biological impact of the effluent, the deposition of -- there's going to be nitrates and phosphates in what comes out of the stacks on these plants. That will affect the way the native plants work on the hillsides, you know, downwind from it. You know, those change the soil type; that changes the kind of vegetation that grows best. So it can
actually change habitat types. So we think that
you really need to analyze biological resources as
a major issue.

The next one is I didn't see any heading
for water quality. There was water resources,
which I assume is water quantity from the way I
read EIRs normally. And there's no water quality
section. This -- pardon me?

UNIDENTIFIED SPEAKER: (inaudible).

MR. PEUGH: Is it? Okay, well, I want
to make sure that you don't consider that to be a
minor area. Under water quality, you know, this
is a 13-acre site that's now dirt. You know,
water that falls on it gets absorbed into it.
It'll be a hard surface in the future, so all that
water will run off into the Bay. There will be
all sorts of deposition, you know, from cars
parking on it.

So there's a direct run-off impact. I
hope that you'll look particularly to having a
containment structure around the entire facility.
Because when the facility is working well maybe
there won't be a lot of stuff in that parking lot.
When something breaks, there will be a lot of
stuff in that parking lot. And you really need to
have some sort of a containment structure around it with an automatic gate, so that when somebody pushes a panic button, or when some failure sensor goes off, no more water will go into the Bay until somebody figures out what went wrong and resolves the problem. So I think that water quality should be important.

Another reason water quality is important is that the hundreds of tons of effluent or stuff that comes out of those stacks is going to fall on the watershed. And all of that will come right back into the Bay. And that's a water quality impact.

As far as air quality, again that's an air quality/water quality slant thing. And I'm kind of disappointed. You pointed out that this plant won't pollute any more. When I was young I bought cars that had no provision for air quality and I drove them. And that was fine, and the atmosphere was being ruined by it. And I didn't know the difference.

Twenty years ago I bought a small sedan, you know. It had electronic fuel injection; had little computers in it; all sorts of things. And it was infinitely cleaner than the car that I'd
bought 20 years before that.

Two years ago I bought a car that probably has -- probably discharges, you know, one-thousandth or one-ten-thousandths of what my 1986 car did. I am shocked that in a period of 50 years we're going to come up with a plant that is just marginally more efficient as far as air quality. I can't understand why this plant isn't three orders of magnitude better than -- or the new plant won't be three orders of magnitude better than the one that's there. Rather than 5 or 10 percent better.

I am concerned about this thing about simultaneous operation. I hope that you really make sure that the simultaneous operation is only during a transition period. And that, you know, I know what local politicians are like, Chula Vista being an exception, of course. These things, we might end up with ten years of a transition period. I hope that doesn't happen.

And I'm really disappointed when you talk about subject areas, the major issues, global warming is not one of them. I mean you showed graphs up there that show a continuous increase of power use in our region. Our Governor and our
Legislature just said that we're going to -- that line that you show going up is going to go down to the 1990 point very near in the future. Do we really need this power plant, or could you do a better job with putting 13 acres of photovoltaic cells. And might that be just fine for the future?

So, just to summarize. So do we really need a bigger plant. And Laura talking about the duct firing, to me that's insane. To put something in a plant to make it less efficient. You know, again I'd like to see orders of magnitude improvement; not slight degradations.

So, my main issue I like to think about are elevating your consideration for biological resources and for water quality and for, you know, there's cumulative impact part of environmental documents. I hope that cumulative impact will address global warming.

I mean we all complaint that we're addicted to fossil fuels. What you're doing is just sort of increasing the intravenous feeding of fossil fuels to us. And we really don't need that. We need to be looking for something else. So I hope that under cumulative impacts you'll
address global warming very seriously.

Thank you very much.

PRESIDING MEMBER GEESMAN: Thank you.

(Appause.)

PRESIDING MEMBER GEESMAN: I should say there that these individual siting cases never exist in isolation from the state's energy policies. And state law requires that the Energy Commission, every two years, develop an Integrated Energy Policy Report which addresses the Commission's priorities for energy efficiency and renewable sources of energy, the replacement of existing power plants like the South Bay project. And where conventional plants, like the replacement project proposed here, fit in that mix.

And I would invite all of you to visit our website to download the 2005 Integrated Energy Policy Report. It was adopted by the Commission in November of 2005. We'll adopt another one in November or December of 2007.

But as an indicator of the Commission's energy policy philosophy, I'd encourage you to read that document.

Patti Krebs, Industrial/Environmental
Association.

MS. KREBS: Good afternoon; I'm Patti Krebs with the Industrial/Environmental Association. We're an organization of many diverse types of industries, from manufacturing to high tech companies to biotech companies.

And if you ask them, even though they're very different types of companies, if you ask them what their major operational concern is, they will tell you that it's having a reliable and uninterruptible supply of electricity. They're very dependent on that because if their operations, their processes, their experiments go down for even a minute sometimes years of work, months of work can be ruined. And the startup is very difficult and expensive.

After the last energy crisis we did internally form an energy committee; they have been very involved in looking at necessary resources. They participate in the regional energy working group. All of their companies have goals set for renewables.

And we have also looked at this plant and they feel that it is necessary. It will be -- it won't be a plant that's replacement in kind.
You're going to get a better plant. It's going to be a smaller plant. I think the company does need to be commended for going to dry cooling. That is a very major step. And I also think they need to be commended for keeping their air emission limitations at that existing level.

Now there certainly are air quality issues to be addressed with regard to PM, but much of that also has to do with the diesel and mobile sources.

So we would like to urge that the planning process for this plant be moved forward. It's going to be a highly efficient plant with a lower impact. And we think that it is very needed for the region. Thank you.

PRESIDING MEMBER GEESMAN: Thank you.

Lupita Jimenez, the Green Party.

MS. JIMENEZ: Commissioner Geesman and audience, thank you for bringing this hearing down to Chula Vista.

I have preliminary concerns, one of them having to do with the time of this particular meeting and hearing, which makes it impossible for many people to attend.

And the second one is also that
translation services were not provided for those
who may need it. Those are my preliminary
concerns.

And now for the real ones. First of
all, I would like to ask for improved and healthy
air quality for South Bay residents after this
plant is built. And I haven't heard of improved
quality yet.

My second concern has to do with
renewable energy, and I'm urging you to exceed the
state requirements, and to help make Chula Vista
the city on the cutting edge of leading the State
of California into energy independence. Remember
natural gas is not all that great. There are many
safety and health concerns centered around natural
gas use.

The South Bay has been bearing the
burden of dirty air for many years. I use the
term environmental justice and urge you to keep
this in mind as you go forward with this project.
We ask that in your decisionmaking you use air
dispersement studies which are relevant and local.

Talking about air studies, we have in
front of us the example of 9/11 and what's
happened to the responders who went into that
inferno of pollution and who now are having very
serious lung damage and lung disease, which our
Administration has really not even thought about.

Lastly, in looking into the future when
demolition takes place I urge you to follow
environmentally friendly disposal procedures, and
to keep in mind recyclable opportunities. Keeping
in mind always the sustainability of the project,
of the work. Perhaps the word sustainability
turns you off, let's call it the greenness of the
work.

I emphasize Chief Seattle's words of
long ago, we do not inherit the earth from our
forefathers, rather we borrow it from our
children.

Thank you.

PRESIDING MEMBER GEESEMAN: Thank you.

(Applause.)

PRESIDING MEMBER GEESEMAN: Rochel
Becker, Alliance for Nuclear Responsibility.

MS. BECKER: Good afternoon. I'm here
today mostly to talk about process. I spend a lot
of time at Public Utilities Commission hearings
and what we term dog-and-pony shows when they come
to our local community. And I am very
appreciative of both the Commissioner and the
assigned Hearing Officer coming to Chula Vista for
this hearing. We rarely get that at the Public
Utilities Commission. So, it is very very nice to
have the people that are making decisions actually
come to the community.

(Applause.)

MS. BECKER: I also appreciate the
thoroughness of your explanation before this
meeting began. That's another thing that does not
happen at the Public Utilities Commission. We
jump right into hearings and we are usually
limited to three minutes of speaking. So I really
do appreciate the Energy Commission's
responsiveness in this.

In the spirit of improving the process,
the Public Utilities Commission does bring a
translator, even when one is not necessary. We
recently had a public meeting in San Luis Obispo
and we don't have anybody who ever comes to our
hearings that speaks any other language but
English. And I felt kind of sorry for the
translator; I felt like I should be speaking in
Spanish so he could translate something. But
anyway, a translator in this community is
certainly very important.

But one other possible plus for the
Public Utilities Commission which I don't think is
available at the Energy Commission is intervenor
funding. We did talk about people being
intervenors in this case. And while the utilities
have a great deal of money, usually it's our money
that they have a great deal of, the intervenors
rarely have any money to participate.

And even at the Public Utilities
Commission you usually have to find an attorney
that will work for free for several years in hopes
that they will be paid some day. So I would just
always put that forward at the Energy Commission,
that I think intervenor funding is very vital to
public participation.

PRESIDING MEMBER GEESMAN: For the last
25 years the Legislature has seen fit to make it
available in Public Utilities Commission
proceedings, and not to make it available at the
Energy Commission.

MS. BECKER: I'll work on that bill next
year.

(Laughter.)

MS. BECKER: Also, I did go to your
website to try to find out a little more
information about this meeting because I just
found out that it was here, yesterday. I live in
San Diego part time. I don't live in Chula Vista,
but I take a walk every morning. And when I look
down the hill out at San Diego County I see a
layer of brown south of my home in Pacific Beach.

So, it is very important that you do
consider what these people are living with in
terms of air quality.

You did talk about doing everything in
public, and I wanted to know if the Commissioners
and the Hearing Officers have ex parte meetings
with utilities?

PRESIDING MEMBER GEESMAN: No.

MS. BECKER: The PUC does, and it's a
very bad process. So I'm glad to hear that you
don't do it. Thank you.

Also, I did hear also that LS Energy or
Dynegy, whoever is going to be here today, also I
saw in their -- that's why I put my glasses on, is
I saw that there is a Morro Bay plant that was
also owned. And I was wondering if the 1000
megawatts that aren't operating in Morro Bay were
included in that 4400 megawatts that they own.
Because Morro Bay has not been operating for quite some time.

Eileen talked about monitoring throughout the operation of a power plant, once it's permitted. At Diablo Canyon the thermal permit has been out of compliance for over ten years, so I'm hoping you do a better job than the Regional Water Quality Board does.

And one of the main reasons I'm here is that I have for the last year and a half have started attending energy working group meetings in San Diego because I'm very concerned about energy; and hopefully some day phasing out a nuclear power plant that's upwind of here. And stopping the radioactive waste which you can't see here or taste, but will kill you anyway.

And I have been extremely impressed with Mike Meacham. And I hope that you work very closely, your staff and everyone else, because I am very impressed with the planning in Chula Vista.

I don't know what people usually take when they take planning, when they go to college, but they don't take planning; they take reacting. And it's very important to plan in advance if this
world is to become a better place for our children
and grandchildren.

And also the last comment was that your
2005 report, which, as a person who is opposed to
nuclear power, absolutely loves, I was wondering
if the Governor has approved your report yet,
Commissioner Geesman?

PRESIDING MEMBER GEESMAN: I don't
believe he has responded to it yet.

MS. BECKER: Thank you for your time.

PRESIDING MEMBER GEESMAN: Thank you.

(Appause.)

PRESIDING MEMBER GEESMAN: I have a
stack of cards from individuals who identified
themselves as being with the Environmental Health
Coalition. And most of them wrote under remarks,
yield time to EHC.

I want to go through those names, and if
any of you would care to address us, you're more
than welcome to do so. But I'm interpreting
what's on these cards as an interest not in
addressing us, but just making certain that Linda
had sufficient time to make her remarks.

First one is Michel Vasquez.

UNIDENTIFIED SPEAKER: That's okay.

UNIDENTIFIED SPEAKER: He's gone.

PRESIDING MEMBER GEESMAN: Georgette Gomez.

MS. GOMEZ: I'm here and I (inaudible).

Good evening. My name is Georgette Gomez and I'm with Environmental Health Coalition. I'm a community organizer.

And I actually just wanted to re-emphasize what has been said in terms of providing translation. We did have some residents that leave near the power plant, and they left because they didn't -- weren't able to stay so that --

PRESIDING MEMBER GEESMAN: I can make certain that that happens when we have the evidentiary hearings. I don't know if the staff makes a practice of that in workshops or not.

MS. ALLEN: As needed, we can provide translation services at our public workshops. We also do -- well, I should say I've learned there's a difference between translation, which I think applies to written material; and then interpretation, which is verbal.

So, we can provide interpretation at
public workshops, as needed; and we can also
provide translation.

As far as translation, my material has
been translated, and it's available here. So, the
answer is yes, depending on the needs of the
community.

MS. GOMEZ: Could I just ask another
question in terms of that? What exactly does
that, as needed? Do we have to inform you guys if
there's a hearing that we're going to bring people
-- it kind of makes it hard to organize for
something when I don't know if the people that I
bring are going to be able to understand.

MS. ALLEN: Well, yes. It would be
helpful if we had some advance notice. If you
were aware a week in advance, for example, that
would help. Or if you had an indication, once we
had let you know the date of the public workshop,
that would help a lot.

I'm not complaining, but it is something
we're dealing with now that there are a tremendous
number of power plant applications that we're
processing.

PRESIDING MEMBER GEESMAN: Let me jump
in there, and I'm going to guess that the
Environmental Health Coalition will be an intervenor in the proceeding. And you might simply notify Eileen each time a workshop is scheduled that you feel an interpreter would be helpful.

MS. HUNTER: We think they'll be needed for all of them, so (inaudible).

PRESIDING MEMBER GEESMAN: You expect to be involved in each of the workshops?

MS. HUNTER: I don't know the --

PRESIDING MEMBER GEESMAN: Yeah, for --

MS. HUNTER: But the public may want to; I don't think it's just about us. The residents may want to --

MS. ALLEN: Okay, we'll plan to have interpretation available at each public event. Respectfully, please let Bill Pfanner, the Project Manager, know.

MS. GOMEZ: Thank you. And also just note of the time, I think that's important, as well. So that's all I had to say. Thank you.

PRESIDING MEMBER GEESMAN: And the last blue card I have is Martin Breheny.

MR. BREHENY: Good afternoon, everybody.

Can you hear this? Okay.
I just want to reiterate something that, or a few of the things that have come before you today. And I think the most glaring thing that impressed me was the fact that when that -- the explanation of the particulate matter was put forward and the impression I got that there's absolutely no effort going to be made to improve that. That it's not going to get any worse than a 50-year-old plant is producing now. How is that possible? You know, how can you even contemplate going along with something like that?

And it just impressed me as being on the side of the ridiculous. Surely after 50 years of improvement, hopefully, that wouldn't happen. You know, we'd have particulate matter under control. But apparently they don't even contemplate anything like that happening.

You know, I feel very forcibly that this is absolutely wrong. And for a large organization to contemplate doing the same thing that's apparently not even with the existing regulations, you know. That, to me, is a pretty sad thing.

The other part which I agree with absolutely is the visual situation with this plant now. It's just probably the ugliest piece of

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architecture anywhere on the west coast, probably anywhere in California.

And I hope that that representation that was presented will really reflect what the presentation was. A plant that's going to be lower; the emission height that's going to be lower; the general architecture is going to be closer to the ground. And that'll improve my opinion of that end of it, anyway.

But thank you very much for letting me speak. And I hope you take some of this criticism in the way it was intended. Thank you.

PRESIDING MEMBER GEESMAN: Thank you, sir. That exhausts --

(Applause.)

PRESIDING MEMBER GEESMAN: That exhausts my supply of blue cards. Is there anyone else in the audience that cares to address us? Yes, in the back? Come on up.

MS. CORTEZ: Thank you. My name is Jan Cortez and I'm from the American Lung Association of California, San Diego Office.

And I just wanted to echo the comments about improved air quality. I think that a lot more can be done to improve the air quality from
this plant. Any of the measures, whether it's unit per hour of emissions, or total tons, should be a lot more health protective than what's being proposed.

The cleanest possible plant should be built. Renewables should be used. And it should not be located near sensitive populations. No duct firing is a good option.

And also the localized impact of the air quality should be considered. Thank you very much.

PRESIDING MEMBER GEESMAN: Thank you.

(Applause.)

PRESIDING MEMBER GEESMAN: Yes, sir, in the back?

MR. McAIRNAN: I wasn't on a card. I'm Dan McAirnan with the Environmental Health Coalition. And I noticed in terms of some of the things Jim Peugh brought up about major issues and how the staff defined those, air quality is defined as a major issue.

So then I'm puzzled why public health is not also listed as such. So, can you answer that? I mean what is air quality if it isn't a public health issue?
MS. ALLEN: I'll address that briefly, and then turn that over to Dr. Alvin Greenberg.

Thank you for pointing this out. The staff addresses air quality extensively. And in that process we look at the criteria pollutants and deal with health-based standards. So public health is an intrinsic part of our air quality analysis, particularly related to the criteria pollutants.

The separate public health analysis looks at the noncriteria pollutants like air toxics, dealing with risk for cancer, and then noncancer effects.

So, here's a public health expert.

DR. GREENBERG: I'm Alvin Greenberg; I'm a toxicologist. I'll be writing the staff assessment on such things as hazardous materials and public health.

I couldn't have said it better myself than what Ms. Allen has said. It's not that public health won't be addressed, per se, it's just that we have this bifurcation of addressing public health issues due to criteria pollutants, and that's in the air quality section. And then due to noncriteria pollutants, those are the toxic...
air contaminants. And that will be in my section. So public health will be addressed in the air quality section. And there are concerns that -- the concerns by staff have raised that issue to an issue of major importance. While in the public health section in dealing with the noncriteria, in other words the toxic air contaminants, which are emitted in very small amounts from a natural gas fired power plant, the concern has not been raised to the level of major.

So, I know that sounds really weird that public health is separated into two different categories, one of which is called public health, and the other is called air quality. But that's due to statutory and regulations, really, that separate the two out.

PRESIDING MEMBER GEESMAN: And the discussion of particulates would come under the air quality section.

DR. GREENBERG: That is correct. So it --

PRESIDING MEMBER GEESMAN: Thank you.

MR. McAIRNAN: -- clearly --

DR. GREENBERG: Clearly. And besides particulates, the air quality section will also
address oxides of nitrogen and sulfur, and then
there's also carbon monoxide.

PRESIDING MEMBER GEESMAN: Anyone else
care to address us? Anything more from the
applicant or from the staff?

MS. ALLEN: The staff is here available
to answer questions informally. I can answer
questions till about 5:15 to 5:30, as desired.
I'm not sure when the other staff are dealing with
airplane flights, but for the rest of the staff
that are here they can join me, as you like.

PRESIDING MEMBER GEESMAN: Mr. Shean, is
there anything else we need to deal with?

I want to thank all of you for coming.
You'll see a lot more of us over the course of the
next seven or eight months. You'll probably see
me next late spring, most likely at an evening
hearing --

(Appause.)

PRESIDING MEMBER GEESMAN: --
accompanied with translators.

Thank you, again; we'll be adjourned.

(Whereupon, at 4:31 p.m., the
informational hearing 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 Informational Hearing; that it was thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of September, 2006.

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