

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 97-AFC-2
)	
Application for Certification)	
for the Sutter Power)	
Plant Project)	
_____)	

INFORMATIONAL HEARING
NEPA SCOPING MEETING

Veterans Memorial Community Building
1425 Circle Drive
Yuba City, CA 95993

Tuesday, March 3, 1998
10:00 a.m. to 12:15 p.m.

Reported and Transcribed by: Wendy J. Dippold

Capitol Electronic Reporting
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A P P E A R A N C E S

Panel Members Present:

ROBERTA MENDONCA, Public Adviser
CYNTHIA PRAUL, Commissioner Adviser
WILLIAM KEESE, Chairman
GARY FAY, Hearing Officer
MICHAL MOORE, Presiding Commissioner
SHAWN PITTARD, Commissioner Adviser

Staff Present:

PAUL RICHINS, Jr., Siting Project Manager
MARC PRYOR, Assistant Project Manager
DICK RATLIFF, Senior Staff Counsel

Others Participants:

LOREEN MCMAHON, Western's Project Manager
GEORGE CARPENTER, Associate Planner
Planning Commission, Sutter County Community Services Dept.
THOMAS LAST, Associate Planner
Planning Commission, Sutter County Community Services Dept.
DICK AKIN, Supervisor
Sutter County Board of Supervisors

On Behalf of the Applicant:

CHRISTOPHER T. ELLISON, Attorney at Law
Ellison & Schneider
CHARLENE WARDLOW, Environmental Manager
Calpine

A P P E A R A N C E S (Continued)

On Behalf of the Applicant (Continued):

CAROLYN A. BAKER, Attorney at Law
Edson & Modisette

CURT HILDEBRAND, Project Director
Calpine

On Behalf of the Intervenor:

LIZANNE REYNOLDS, Attorney at Law
California Unions for Reliable Energy
Adams Broadwell & Joseph

Public Speakers:

JIM KITCHEN, President
Yuba-Sutter Chamber of Commerce

DAVID SHIRAH, Vice President of Economic Development
Yuba-Sutter Chamber of Commerce

CHARLES WAGNER, Field Representative
Northern California Millwrights Local 102

WILLIAM P. LEWIS, Utilities Director
City of Yuba City

MIKE SHANNON, Local Grower
Pierce Road

ARNOLD WHITE, Landowner

ANDREW JANSEN, Landowner

PAUL RUSSELL, Representative
Sutter Extension Water District

BRAD FOSTER, Landowner

JIM OLSEN, Concerned Citizen

DONALDSON, Landowner

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1 PROCEEDINGS

2 TUESDAY, MARCH 3, 1998 YUBA CITY, CA 10:00 A.M.

3 HEARING OFFICER FAY: We would like to ask people
4 to take their seats. We'll be starting in a few minutes.

5 PRESIDING COMMISSIONER MOORE: Good morning. My
6 name is Michal Moore. I am a Commissioner with the
7 California Energy Commission and I am joined at the table
8 here today by my colleague, Commissioner Bill Keese, two over
9 from me, and my adviser, Shawn Pittard, he is on my left.
10 Chairman Keese, Adviser Cynthia Praul who is on his right,
11 our Hearing Officer Gary Fay immediately to my right, and our
12 Public Adviser Roberta Mendonca who is on the far end of the
13 table. We're here to open the hearing and the process for
14 the Sutter Power Plant Project, docket number -- I'll put
15 this in for the record -- 97-AFC-2.

16 And I just want to make a couple of opening
17 remarks. You'll hear more from both of the committee members
18 I suppose as this process goes on. Perhaps more than you
19 would like to. I should tell you that we're here on
20 assignment from our own Commission and I'll be serving as the
21 Presiding Member and Commissioner Keese will be serving as
22 the second member on this committee. We're advised in all of
23 this by our own staff and a tremendous amount of talented
24 legal expertise that will be brought to bear within the
25 process itself. And I should say that this is our first

1 public event. This kicks off the process which has a year's
2 time limit on it. And it should be in response to a hearing
3 notice which was sent out which we hope engenders a lively
4 and well attended public process.

5 I'm going to, in just a second, turn this over to
6 Gary Fay who is going to introduce some of the other players
7 in this process. But I want to tell you that we are
8 committed to an open and accessible process for all of the
9 public given the rules that we operate under, and Gary will
10 explain some of those as we go on. And we hope to have a
11 very informed decision and one which benefits as well as
12 involves the community at large here very directly in the
13 process.

14 Chairman Keese, do you have any remarks that you
15 would like to make in opening?

16 CHAIRMAN KEESE: No. I think you should be aware
17 that with restructuring, we're starting to see power projects
18 proposed. This is the second one.

19 The Commission started a hearing process down in
20 Southern California for the first one that was proposed a
21 month ago. With restructuring comes -- of the electrical
22 system, comes restructuring of the processes by which we
23 operate. So as we go through this particular project, I
24 think one of the things we will be looking at is attempting
25 to make sure that after a ten year hiatus of looking at major

1 power projects, that we wind up with a process that will
2 serve us for the next number of years. So I look forward to
3 this, participating actively in this process. Thank you.

4 PRESIDING COMMISSIONER MOORE: Thank you.

5 Mr. Fay.

6 HEARING OFFICER FAY: Thank you, Commissioner
7 Moore. I'd like to just initially take introductions from
8 the various parties and would like to start with the
9 applicant. Mr. Ellison, do you want to introduce your
10 people.

11 ATTORNEY ELLISON: My name is Chris Ellison. I'm
12 the attorney for Calpine representing them in this licensing
13 process.

14 PRESIDING COMMISSIONER MOORE: Chris, you know, I
15 don't know if your microphone is on.

16 ATTORNEY ELLISON: Is that better?

17 PRESIDING COMMISSIONER MOORE: Yes.

18 ATTORNEY ELLISON: My name is Chris Ellison. I'm
19 the attorney representing Calpine who is the proponent of
20 this project in this licensing process. And with that, let
21 me turn it over to Curt Hildebrand who is the project manager
22 for Calpine.

23 MR. HILDEBRAND: Thank you, Chris.

24 I'd like to take a couple of moments and introduce
25 the project team members that we've assembled. First, to my

1 right is Charlene Wardlow. She's our manager of
2 Environmental Affairs. I guess I should begin with myself;
3 my name is Curt Hildebrand, Project Director. And I see a
4 lot of familiar faces out there.

5 Again, Charlene Wardlow is our manager of
6 Environmental Affairs. She's been instrumental in assembling
7 the permit documentation to date. Chris Ellison, again, is
8 our counsel. He's with Ellison & Schneider. To his right is
9 Carolyn Baker. She is our legal consultant with Edson &
10 Modisette. Behind them, Mike Horn is our plant manager for
11 Greenleaf 1 and 2. Next to Mike is Dave Perkins who is our
12 land manager. And in the back is Joe Eronin, our vice
13 president of Government and Environmental Affairs.

14 We also have Katherine Potter in the audience.
15 She's our manager of Public Relations out of our San Jose
16 office.

17 MS. POTTER: It doesn't make much of a difference
18 my standing up.

19 MR. HILDEBRAND: And behind Katherine is Bonnie
20 Hayes, our Community Affairs representative that many of you
21 have probably met over the past year. Have I forgot anybody?

22 PRESIDING COMMISSIONER MOORE: Good. Thank you,
23 Mr. Richins.

24 MR. RICHINS: Yes, good morning.

25 PRESIDING COMMISSIONER MOORE: I don't think your

1 microphone is on either.

2 MR. RICHINS: Good morning, Commissioners, and the
3 public. I appreciate this opportunity to address the
4 committee and the public. Today we have on my left is Dick
5 Ratliff, legal counsel to staff on the Sutter Power Project.
6 Also at the front table here with me is both county
7 representatives and federal representatives. To Dick
8 Ratliff's left is Tom Last with the Planning Commission here
9 at Yuba County as well as George Carpenter with Yuba County
10 -- I mean, Sutter, excuse me, Sutter County.

11 Next to George Carpenter is Loreen McMahon from
12 Western Area Power Administration. And to her left is Marc
13 Pryor, who is assisting me as a project manager on this case.

14 Also in the audience from Western Area Power
15 Administration is Morteza Sabet. He's here and available for
16 any questions if it comes up later on in the meeting today.
17 And also Roger Johnson and Bob Thurkleson, Deputy Director.

18 PRESIDING COMMISSIONER MOORE: Mr. Richins, do you
19 want to make it clear the reason that we have the Western
20 Area Power Administration representatives here.

21 MR. RICHINS: Yes, and I'll cover that in my
22 presentation. But initially, the Western interest in this
23 project is that the Sutter Power Project will be
24 interconnected with the Western transmission system about
25 four, four and a half miles away. In such, they have acted

1 or they are acting as NEPA lead for this project. So they
2 are the federal agency that's the lead agency in the review
3 of the Sutter Power Project.

4 PRESIDING COMMISSIONER MOORE: Thank you. And you
5 know, I was a little remiss when I made my opening remarks
6 and let me just add to them to tell you that there will be a
7 site visit. I know that the project proponents have made
8 buses available for folks to go out and look at the project
9 site immediately following this hearing. Depending on how
10 long we take, we may take a lunch break before we go on the
11 site tour. We'll make that call as time goes on.

12 The second point that I would like to make is that
13 the continuity of the hearings is important. You will see at
14 least one Commissioner here at every hearing. In terms of
15 continuity, I intend to make all of them. The Chairman has
16 got a lot of other responsibilities and he or I may have to
17 depart at some point in the future proceedings. In the case
18 that we do, the hearing will be run by Gary Fay who is our
19 Hearing Officer, and he'll be standing in as a surrogate for
20 us. But you can expect one Commissioner to be at every
21 public hearing at least as we go through this.

22 We would like to proceed in a fairly orderly manner
23 and get the facts out in front of you. We intend to have
24 Roberta Mendonca, our public adviser, explain the methods and
25 the secret behind the blue cards. You'll find out that if

1 you don't fill the blue cards out absolutely correctly,
2 they're rejected. Roberta shreds them in front of you. It's
3 a humiliating experience and she tries to make sure that
4 everyone is rigid about their response to it. She's going to
5 tell you how to participate in the process and it's to help
6 you and help us make sure that we cross every T and dot every
7 I in this process.

8 Our staff will proceed next and tell you their
9 overview and an overview of the Commission's process and how
10 they're independent from us up here, how we maintain that
11 fire wall between us to make sure that the decisions are
12 clean and not in any way tainted by an interaction. After
13 that, we expect the Western Area Power Association
14 representatives to give us a presentation.

15 We'll follow that with a presentation from the
16 applicant about the project and their plans for developing
17 the project site as well as the transmission facilities and
18 the pipeline routes. At the end of all of these
19 presentations, we will entertain comments from the public.
20 And again, we urge you to fill out the cards so we at least
21 know who to call on.

22 I know there are at least a couple of public
23 officials who are here. I know their time schedules are
24 tight, so I will attempt to accommodate them as early as I
25 can in the process. Just let me know that you're here. And

1 finally, we will turn to a discussion about the scheduling
2 that we're going to go through, the time-line that we expect
3 to meet given the tasks that are before us, and when we plan
4 to issue our report at the end of that.

5 So, with that, let me turn to Roberta who can
6 describe the process for you.

7 HEARING OFFICER FAY: If I may --

8 PRESIDING COMMISSIONER MOORE: Sure.

9 HEARING OFFICER FAY: -- just interject something
10 first. Excuse me. I would just like to mention for the
11 record that notice of this hearing was published to all
12 persons that had indicated an interest in it as well as a
13 direct mail notice sent to all landowners along the natural
14 gas pipeline route and the electrical transmission line route
15 that is proposed. The notice went out January 30th and the
16 notice of this hearing was published twice in the local
17 newspapers to be sure that we got the word out to everybody.

18 PRESIDING COMMISSIONER MOORE: Thank you.

19 Roberta.

20 PUBLIC ADVISER MENDONCA: Good morning and it is a
21 pleasure to welcome you here. Clearly the effective decision
22 by the Commission is based upon public participation. In the
23 absence of public participation, the decision is made without
24 any understanding of the actual impacts that it's going to
25 have on real people who really live in the community.

1 Therefore, the Public Adviser's role and the reason that I'm
2 here is to facilitate in whatever way I can, assisting you in
3 making your particular points, your particular perspectives
4 become aware on the record and a part of what is considered
5 at the time the Commission ultimately makes its decision.

6 So, there's lots of ways to participate and one way
7 is just to show up. Clearly some of you probably came this
8 morning because you read the notice that Gary mentioned in
9 the newspaper. And for those of you that signed in, there is
10 an opportunity to indicate on the sign-in sheet that you
11 would like to be receiving notices of any future workshops or
12 hearings.

13 So, if you only came today because you read about
14 it in the newspaper, be sure to sign in on the attendance
15 sheet and indicate that you would like to actually receive a
16 mailed notice of any future activities on this issue.

17 You can be also an informal participant and you can
18 attend the hearings and you can come forward during the time
19 of public comment and state your views. And this is a very
20 important, as I said, part of the process of reaching an
21 ultimate decision. But when the Commission is ready to make
22 its final decision, they have to have the type of testimony
23 that becomes a part of an evidentiary hearing. And in order
24 to have your comments be considered at that level, you need
25 to do what is called an intervening process. You need to

1 become an intervenor and become as a party.

2 And all of this might be a little bit confusing,
3 but there is a document that is very helpful. It's called
4 *Participating in the Siting Process, Practice and Procedure*
5 *Guide*. And the Public Adviser will make this available. It
6 is on our internet. I have revised it. That draft is --
7 That revision is in draft form so I'm not distributing it
8 today. And it will give you the kinds of tips that you need
9 to become an intervenor if that's the level of participation
10 you decide, as you go through this process, that you want to
11 be.

12 And let me just commend you all for coming. I said
13 public participation is really important. It's important
14 early on because before decisions are made, early in the
15 process is when it's really easy to change the direction that
16 we're going in. So, not only will your issues get more
17 consideration, but there is more flexibility. We haven't
18 really started reaching a final conclusion. So I appreciate
19 and welcome your early on participation.

20 Should you need to reach me, I have an 800 number.
21 It's 800-822-6228. And I'm also on the internet at
22 PAO@Energy.State.Ca.US. And I'll leave some of my cards on
23 the table and I hope to be with you on the site tour this
24 afternoon. My crown came off and I'm not very comfortable.
25 And as soon as I can find out when I can get into my dentist,

1 I may be leaving. But I will leave cards and I look forward
2 to hearing from you. Thank you very much.

3 PRESIDING COMMISSIONER MOORE: Thank you, Roberta.

4 Just to emphasize the use of the website, we're
5 trying to move into the electronic ages as rapidly as we can.
6 And to the extent that we can, all the information about the
7 committee proceedings will be available, albeit with some lag
8 time, on the web page. So I encourage you to go up and
9 peruse that. It has a fascinating amount of detail about
10 what we do in any case and I think you'll be pleased to see
11 what is up there. In the end, the Presiding Member's report,
12 or at least a summary of it, will be included on the web page
13 following the conclusions of these hearings.

14 Mr. Richins.

15 MR. RICHINS: Good morning and welcome to the
16 information hearing. My name is Paul Richins. I'm project
17 manager with the California Energy Commission. I wanted to
18 quickly go over the Energy Commission's process and to show
19 and indicate where you the public and where also state, local
20 and federal agencies can assist us and participate in our
21 process.

22 I also want to encourage at the back table, there's
23 a number of handouts. There's handouts of these slides as
24 well as the issues report that staff prepared about a month
25 ago. Those are on the table. There is also other handouts

1 that Calpine has and other handouts that Western Area Power
2 Administration has. They are there for your taking.

3 The first two slides in the handout, they will not
4 show up. We will not put up on the overhead, but those are a
5 list of contacts, both at the Energy Commission, at Sutter
6 County, Calpine and Western Area Power Administration. So
7 there's phone numbers there and also the web page of the
8 Energy Commission.

9 To describe our Energy Commission process and
10 provide an overview, the Energy Commission in the 1970s was
11 granted authority to review and to license all power plants
12 that were 50 megawatts and larger and that were thermal power
13 plants. In addition, that authority extended to all related
14 facilities such as natural gas lines and transmission lines.
15 Any facility or project that was related to the power plant
16 would be reviewed in our review process.

17 The authority that we were granted is very similar
18 to that of a lead agency under the California Environmental
19 Quality Act and our process has been deemed equivalent to the
20 CEQA process that you may be familiar under the Environmental
21 Impact Report requirements. In our process, we want to make
22 sure in that we facilitate the coordination with all local,
23 state and federal agencies as well as to involve to the
24 greatest extent the public and the concerns of the public.

25 Our review process is time certain. It's a 12

1 month process and that's in the Statute. There's several
2 elements of the process that are shown there on the slide.
3 The first part of it is an optional item and that's pre-
4 filing. In this case with the Calpine and the Sutter Power
5 Project, we had five workshops where we discussed many items
6 on data adequacy. We reviewed draft chapters of the AFC,
7 made comments, and also began to identify in a very
8 preliminary sense some of the issues related to the case.
9 And that in this case, that can be a very short period of
10 time or that can be a long period of time; it's up to the
11 applicant on how involved they want to be in pre-filing.

12 On December 15th, Calpine filed the AFC. That's
13 the application for certification with the Energy Commission.
14 And we began our data adequacy review. We have 45 days in
15 which to complete that and that was completed on January 21st
16 when the Energy Commission deemed that the application that
17 we received from Calpine had all the information and was
18 adequate from a standpoint of our regulations.

19 As you can see in bold, the discovery phase, that's
20 the phase that we're in now and that would include such items
21 as data requests on particular issues and topics. The staff
22 has provided and requested some additional information from
23 Calpine in the form of data requests and those data requests
24 are due tomorrow I believe.

25 We also will hold workshops. Also part of that

1 discovery process is an informational hearing that we're
2 holding today as well as a site visit, and then also the
3 scoping of the issues which will also be part of our
4 presentation today.

5 Then we move into the analysis phase where we will
6 be preparing a PSA. That's a Preliminary Staff Assessment
7 and a Final Staff Assessment. Both of these documents will
8 be workshops, meaning there will be drafts available to the
9 public. We will hold a workshop on the items and the public
10 will have an opportunity to provide comment and input on our
11 analysis and to point out any deficiencies or shortcomings
12 that we may have in the document.

13 And then finally evidentiary hearings that are
14 conducted by the Commissioners and the committee, and then a
15 decision, a draft decision, and then a final decision by the
16 full five member Energy Commission.

17 If the project has been approved, then that's
18 followed up by compliance and compliance monitoring to make
19 sure that all requirements are -- all conditions for
20 certification are followed during construction and operation
21 of the power plant.

22 As it's been indicated already, our process is
23 open. All meetings that we have are noticed and we're
24 required to provide a ten to fourteen day notice to all those
25 that have indicated an interest in receiving notices on the

1 project. We also maintain a number of mailing lists. And if
2 you're interested in receiving notices and are not receiving
3 the notices, the sign-in sheet in the back would be your
4 vehicle for getting on our mailing list by just checking the
5 box on receiving notices.

6 Also, to give you some more information about the
7 actual filing of Calpine, the application for certification
8 has been provided and is on file at the library, the main
9 library here in Yuba City. It's also available at the Energy
10 Commission library. There's also, as has been previously
11 mentioned, quite a bit of information on the Energy
12 Commission's website which includes notices, staff reports,
13 anything along that line. So there's a wealth of information
14 that has been filed electronically there on the website.
15 Also, all materials in the case is docketed and is there in
16 the docket unit there in Sacramento.

17 Just to give you a little bit of an idea of the
18 different parties and the relationships of those parties in
19 this case. Commissioner Moore talked about the fire wall
20 between the Commission and the committee and the rest of the
21 parties. And Marc just put a line across there and that's
22 basically the fire wall that he was speaking of.

23 We have a rule that's call the ex-parte rule, and
24 that is that all contacts with the decision makers by those
25 below the line that want to influence the decision making

1 process need to be made in public, whether it's via writing
2 and that is placed in the docket for all parties to see, or
3 whether it's a workshop that's publicly noticed, or a hearing
4 that's publicly noticed. So this requires -- or this
5 mandates or insures that a decision that is made is made
6 considering all items and all considerations and they're not
7 unduly lobbied from one point of view or another. And so
8 this applies equally to staff as well as Calpine, as well as
9 to the public or any other state, local or federal agency.

10 To give you a little bit better understanding on
11 the role of the Energy Commission as it relates to other
12 local and state and federal agencies, in this particular
13 project, we, the Energy Commission, are acting as the lead
14 agency for the California Environmental Quality Act.

15 In addition to that, Western, because of their
16 interest in the transmission line and the fact that this
17 project will be interconnected with their transmission
18 system, Western is acting as the lead agency for the federal
19 government. And so we have a process that we're developing a
20 joint product. The decision -- the staff document and
21 analysis will be used both for federal review and for state
22 review. This way, we'll be able to minimize any overlap or
23 duplication of effort and be able to streamline the process.

24 In addition to that, Sutter County has a role,
25 major role in this in that they will have to be taking a look

1 at the general plan and making a general plan amendment and
2 do a rezone for the property out there. They also will be
3 relying on the Energy Commission and Western's documents to
4 document the decisions that they will have to be making down
5 the road as it relates to land use and the general plan
6 amendment.

7 Just to reiterate what I said earlier, we will be
8 reviewing -- in this particular case, we'll be reviewing the
9 power plant and you'll be hearing about that shortly from
10 Calpine. It's a 500 megawatt power plant. We will be
11 reviewing that particular facility as well as the
12 transmission line that will go from the plant to Western's
13 transmission line as well as the natural gas line that will
14 interconnect and tie with PG&E's natural gas pipeline.

15 We will focus on several issues; public health and
16 safety, environmental consequences of the project, and also
17 the engineering aspects of the project. So those are the
18 three primary areas that we will be looking at.

19 Our analysis will take a look at all the LORS.
20 That's compliance with laws, ordinance, regulations and
21 standards. We have to be certain that there's no violation
22 of any of these either state, local or federal LORS. Also,
23 we'll be taking a look at environmental consequences and be
24 conducting environmental assessment, which will include
25 environmental consequences proposing any mitigation measures,

1 recommending to the Commission any conditions for
2 certification. And also we will be doing some evaluation of
3 alternatives and those alternatives are a result of some
4 potential environmental impacts.

5 And as I've said that has been said before, we want
6 to encourage public participation as well as participation by
7 local, state and federal agencies. So one of our roles in
8 this process is to make sure that everybody's concerns are
9 dealt with in an open and forthright manner.

10 Part of our role, too, is to also make sure that
11 all the federal, state and local permits and issues are dealt
12 with during our siting process and during that 12 month
13 review process.

14 And that summarizes our presentation on the
15 process. As I indicated earlier, there is also some slides
16 that have the names, names and phone numbers and E-mail
17 addresses for people to contact that you can pick up in the
18 handout.

19 At this time, I'll turn it over to Loreen McMahon
20 to talk about the Western role and NEPA requirements.

21 MS. MCMAHON: Good morning. On behalf of Western,
22 I would also like to welcome you here this morning. The
23 first thing I would like to do is tell you about Western. We
24 have a map up there that kind of shows it some. Western is a
25 power marketing administration within the US Department of

1 Energy. It was created in 1977 under the Department of
2 Energy Organization Act to market and transmit electric power
3 throughout the 15 western states that are shown there.

4 In the Sierra Nevada customer service region in
5 blue is one of the four regional offices and is responsible
6 for these functions within the central and northern
7 California and parts of Nevada. In carrying on our mission
8 to market and deliver reliable cost based hydroelectric power
9 and related services, we strive to implement national energy
10 policy by maintaining a reliable transmission system while
11 protecting the environment and encouraging conservation and
12 the use of renewable resources.

13 Since Western provides a viable integration
14 alternative for the Sutter Power Plant Project with Western's
15 Keswick-Elverta and Olinda-Elverta, 230-kV transmission
16 lines. Western will need to determine the feasibility and
17 impacts associated with Calpine's proposal and its
18 interconnection to Western's system.

19 Western has several environmental regulations that
20 will guide us in this analysis including the National
21 Environmental Policy Act of 1969, the Council on
22 Environmental Qualities Regulations for implementing NEPA,
23 and the Department of Energy's NEPA guidelines. As you can
24 see from the quote above, this quote is from the Council on
25 Environmental Qualities regulations. The NEPA process is

1 primarily a procedural tool and is intended to provide the
2 federal decision makers with information on the proposed
3 agency's action as well as the alternatives to the proposed
4 action.

5 The environmental analysis will examine the
6 environmental impacts of the project including any
7 unavoidable adverse impacts, cumulative impacts, direct and
8 indirect impacts and alternatives to the proposed project.
9 The subsequent document will be a joint environmental impact
10 statement with the Energy Commission's final staff
11 assessment.

12 A final EIS will be prepared jointly with the
13 Energy Commission's proposed decision. And subsequently,
14 Western will publish a public record of its decision
15 addressing how the findings of the EIS were incorporated into
16 Western's decision making process. And this record will be
17 published in the *Federal Register* and marks the end of our
18 NEPA process.

19 Another part of the NEPA process for us focuses on
20 public participation. The public involvement process
21 provides a means of identifying the concerns and needs and
22 the values of the interested parties. And it's a very
23 important part of the process for Western and Western openly
24 encourages all interested parties to participate. There will
25 be ample opportunities for this participation and all

1 comments received will be considered.

2 The NEPA public process is formally initiated with
3 scoping. This meeting here today is a scoping meeting for
4 our process. The public input obtained from this process
5 will help develop the scope of the proposed project. The
6 federal scoping period for this joint project began with the
7 publication of a notice of intent to prepare an environmental
8 impact statement otherwise known as an EIS, which was
9 published in the *Federal Register* on February 13th, 1998.
10 The review period will close on May 5th, 1998.

11 The draft EIS, as the next formal step, will be
12 prepared after scoping and will address the environmental
13 impacts of the project and will include a public meeting and
14 a formal review period.

15 Lastly, the final EIS will incorporate responses to
16 the comments on the draft EIS and provide another period for
17 public input. In addition to these formal comment
18 opportunities, you may contact Western informally anytime
19 throughout this joint process.

20 Western and the Energy Commission have developed a
21 joint project schedule to facilitate and coordinate our two
22 processes. Paul is going to go over the details of this
23 joint schedule later; however, the major milestones for the
24 NEPA process are listed up there. It's scoping, the draft
25 EIS, and these are -- these last three dates are what we

1 anticipate the dates to be. We can't quite foresee exactly
2 at this point in time. The final EIS and the record of
3 decision, which could be December or January for us.

4 All of us at Western believe in the benefits of the
5 NEPA public involvement and request all interested parties to
6 participate. And to reiterate what Paul said, there are
7 handouts at the registration table. The ones that I have out
8 there go into more detail in the NEPA process, how to be
9 involved in our scoping process, and identify the various
10 contacts with both our agencies for this project and how to
11 reach them. Thank you.

12 PRESIDING COMMISSIONER MOORE: Thank you very much.

13 Now we would like to hear from the applicant.

14 MR. HILDEBRAND: Good morning. On behalf of
15 Calpine, I would also like to welcome everybody here today
16 and thank them for their interest in this exciting project.
17 Calpine is indeed very excited about the opportunities that
18 deregulation provides and we would like to describe some of
19 the benefits and impacts of this project to the local
20 community, too.

21 This is the outline. We would like to cover these
22 topics in our presentation. We've introduced our team
23 members earlier, but I would like to point out, we feel we
24 have assembled one of the finest project development teams in
25 the industry and we -- our hope and intent is to have most of

1 the folks in the audience today convinced of that by the end
2 of the process.

3 I'd like to also provide a company profile to let
4 you know what Calpine does and our future intentions, also
5 discuss our existing local operations. We've been an active
6 community member for about three years now in Sutter County.
7 Move into a discussion of deregulation and the opportunities
8 that it does afford both customers and developers. And we'll
9 conclude, I'll turn it over to Charlene Wardlow to summarize
10 our Sutter Power Plant development.

11 Calpine is an independent power company. We are
12 fully vertically integrated. We have in-house capabilities
13 that basically carry projects from cradle to grave. We
14 develop, own and operate power plants. We also market the
15 power from those facilities. A lot of folks in our industry
16 might just handle certain aspects, but again, we do get our
17 arms around all aspects of the business. So we believe we
18 can add value through maintaining control of the overall
19 development and operation processes.

20 We've concentrated our operations in two
21 environmentally responsible fuel areas; gas-fired
22 cogeneration and geothermal developments. As I mentioned, we
23 currently own and operate two power plants in Sutter County.
24 We'll talk about those a little bit more in a moment. We're
25 headquartered in San Jose and we're a public company on the

1 New York Stock Exchange.

2 A brief description of our asset portfolio, you can
3 see we're focused on the United States marketplace. We have
4 three main target areas of interest for future development
5 and acquisitions. California, being our headquarters, has
6 really been the main focus of operations over the past five
7 years. We've also been expanding into the Texas marketplace
8 and the northeast as well.

9 We have roughly 1700 megawatts currently in
10 operation. To give you an idea, that's a capacity for
11 roughly 1.7 million households. We have about three-fourths
12 of our generation in gas-fired plants and one-fourth in
13 geothermal including projects, pending acquisitions,
14 construction and development projects such as Sutter. We
15 expect to more than double that capacity over the next three
16 years.

17 A quick overview of our existing operations, this
18 facility, Greenleaf 1, is located out off South Township
19 Road. We'll be visiting, many of us will be visiting that
20 facility later today. It's the intended site of the Sutter
21 Power Plant. It's a 49 and a half megawatt natural gas-fired
22 cogeneration facility. It burns only natural gas. No
23 agricultural or other fuel sources. It began operation nine
24 years ago. It sells 100 percent of its output to Pacific Gas
25 & Electric under a 30 year power purchase agreement. And it

1 also utilizes exhaust heat from the process to dry
2 agricultural by-products such as wood chips and prune pits.

3 Greenleaf 2 is a facility right here in Yuba City,
4 located off Walton behind Sunsweet. It's a very similar
5 facility to Greenleaf 1. It began operation about nine
6 months after Greenleaf 1 and also sells electricity to PG&E
7 and sells steam to Sunsweet Growers.

8 One thing I wanted to mention in connection with
9 our operations: We've had two very important issues to
10 Calpine historically have been safety and availability. To
11 touch on availability first, we've long maintained a strategy
12 to keep our plants in a very high level of availability by
13 maintaining them very strictly and also having a high level
14 of redundancy.

15 To give you an idea, we have a -- Calpine operates
16 12 plants. We have an average plant availability which is a
17 measure of how many hours in a year the plant is available to
18 operate divided by the total number of hours in a year. Our
19 average availability for our facilities is 97 percent. The
20 industry average is less than 89 percent. So again, it's
21 something that Calpine takes great pride in.

22 Also, in terms of safety, Greenleaf 1 and Greenleaf
23 2 have been operated for a combined 18 years in the
24 community. We've had a total of two lost-time accidents at
25 those facilities over that 18 years. A very low rate indeed,

1 neither of which were serious.

2 Our reportable accident rating for our operations
3 as a whole, and this is the measure that is an industry
4 standard, is some 40 percent better than the industry average
5 for a Calpine operated plant. So again, both the
6 availability and safety of these plants are of sincere
7 importance to Calpine.

8 To touch very briefly on Calpine Gas Company, we do
9 own and operate a natural gas production company in the
10 region, has a couple dozen producing wells currently and
11 roughly 80 miles of gas pipeline that's producing gas to
12 Greenleaf 1 and Greenleaf 2. We'll discuss the new pipeline
13 for Sutter in a moment.

14 As I mentioned, we've been a community participant
15 and member for approaching three years now. We have -- Mike
16 has 24 regular full-time employees on his staff in the
17 county. We've paid property taxes in excess of 1.4 million
18 dollars to Sutter County in 1997, and also an annual payroll
19 in excess of a million dollars for 1997. We would also
20 expect these numbers to increase significantly with the
21 addition of the new Sutter plant.

22 The Legislation that really makes the Sutter Power
23 Plant and merchant power plants in general possible is the
24 deregulation of the electric utility that has recently been
25 implemented in Sacramento. The Legislators have long noticed

1 that Calpine -- I'm sorry, California pays some of the
2 highest electricity rates in the country and decided to take
3 action to reduce those through deregulation. And Calpine is
4 really excited by this opportunity.

5 We now have access to customers and transmission
6 that we've never had before and we really see an opportunity
7 to build new, state-of-the-art, efficient, clean power plants
8 to better serve the industry. Almost half of the current
9 generation base in the United States is over 25 years old.
10 And we've seen great advances in technology over that period
11 of time. And Sutter will be a demonstration of that new
12 technology. You can see the industry, the power industry as
13 a huge market, indeed, the third largest in the United
14 States. And, once again, Calpine is very excited to be a
15 participant and a leader in the new developments.

16 With that, I would like to turn it over to Charlene
17 Wardlow to describe our Sutter development in a little more
18 detail.

19 MS. WARDLOW: Good morning, Commissioner Moore and
20 Chairman Keese. You will finally get to hear about the
21 reason that we're all here today, the Sutter Power Plant.
22 And I'm glad we had a beautiful sunny day to cooperate with
23 the site visit. I hope you all will be able to join us on
24 that.

25 The Sutter Power Plant is proposed to be a merchant

1 power plant. What does that mean? That means that this
2 project will not have a long term contract with an investor
3 owned utility like SMUD or PG&E, which has been the
4 historical perspective in the State of California.

5 It will be a combined-cycle natural gas. It will
6 not be a cogeneration facility like the existing Greenleaf 1
7 and Greenleaf 2. Combined-cycle natural gas means that there
8 will be two gas turbines. The excess heat will go into a
9 large boiler system where steam is made, where then it goes
10 to a steam turbine and we generate even more electricity. So
11 we basically have three turbines generating the same amount
12 of electricity. It is the most efficient technology known of
13 today to burn natural gas.

14 As Curt mentioned, this technology is about 40
15 percent more fuel efficient than existing fossil fuel fire
16 plants in the State of California. So that means that it
17 uses about 40 percent less gas than existing projects in the
18 state, and that's our competitive advantage.

19 State-of-the-art emission control equipment; the
20 project generates about 10 percent, or is proposed to
21 generate about 10 percent the emissions of even Greenleaf 1,
22 which is only ten years older. So that just gives you a
23 perspective of how far the emission control equipment has
24 come in just the last ten years. And given the Energy
25 Commission process, we're hoping to start construction after

1 licensing and be on line hopefully at the turn of the
2 century.

3 What is a Sutter Power Plant bringing to, not only
4 the Sacramento Valley area, but Sutter County? First of all,
5 a reliable power source. Most of the electricity that is
6 coming into this county now comes from hydro-sources outside
7 of the area. There is no local generation in this area. And
8 what the power plant will also do then is it will stabilize
9 the transmission grid in the area. And I think all of you
10 probably know what water hammer is in your water pipes. That
11 is what this power plant is going to do is take away the
12 water hammer in the transmission lines.

13 This project will be privately financed. Instead
14 of a risk to the ratepayers as you and I have taken with the
15 IOU, the investor-owned utilities in the state, Calpine will
16 finance this project and it will be a risk to the company and
17 not to you, the ratepayer. And again, it is going to be the
18 most efficient and environmentally friendly gas plant built
19 in California today.

20 What are the local benefits to the county? This
21 type of construction project will employ about 250 workers
22 during the height of construction. Construction is estimated
23 to take 22 to 24 months. And then once the plant is running,
24 we'll employ about 20 full-time positions. Mike has a great
25 program for bringing in untrained people and bring them up

1 through the ranks of the system. These are good paying jobs.
2 They are not minimum wage jobs. And Mike will be able to
3 integrate local residents into our power plant system.

4 And again as Curt mentioned, property tax revenue
5 and local purchases, this is approximately a 250 million
6 dollar project. The last time I looked at my property tax
7 bill, if you can figure one percent of that, that's a pretty
8 hefty revenue amount to the county.

9 Well, why did Calpine pick this site? First of
10 all, we have a 77 acre parcel out where the Greenleaf 1
11 project is located. But then, it was also located close to
12 gas and power transmission. The Western Area Power
13 transmission lines, if you go out by the Sutter bypass,
14 you'll see two big transmission systems. One of those
15 belongs to Pacific Gas & Electric. It's their 500 kilovolt
16 line bringing hydro down from the Pacific northwest. The
17 other line is Western's 230 kilovolt system. They both run
18 just adjacent to the bypass out there. And so Western was
19 interested in working with us to bring -- tie-in the Sutter
20 into their system.

21 PG&E brings down gas from Canada. They have two
22 major transmission systems along the I-5 corridor and were
23 planning to inter-tie into their system and bring Canadian
24 gas into the power plant.

25 This is a rendering of the facility. And Carolyn,

1 I'm going to have you help since I can't walk over there with
2 the microphone. This is a view if you were looking from the
3 northeast corner of the project, kind of the corner of Best
4 and South Township Road for those of you that are familiar
5 with the area, looking to the southwest. The Greenleaf 1
6 facility is sitting in the front and uses about 12 acres, and
7 the power plant part is in front and the dryer is in the
8 back. And then the new Sutter project will be located to the
9 west on about an additional 12 acres.

10 Since we don't have the drying facility, the drying
11 facility takes up a large part of the Greenleaf 1 facility.
12 And Sutter, not being a cogeneration -- we're only generating
13 electricity -- also only takes 12 acres. The surrounding 53
14 acres will just remain dormant. As you can see by this
15 rendering, the Sutter bypass is about two miles west of us.
16 And we're pretty much surrounded by rice fields from this
17 perspective.

18 This is a plan view, again, looking from up above,
19 looking down on the project. Again, the corner of Best Road
20 and South Township, the Greenleaf 1 parcel, and then the
21 layout of the two gas turbines, the steam turbine, the
22 cooling tower, control room, and then the switch yard where
23 the transmission lines will go off the project on the south
24 side of the project.

25 What I would like to review just a little bit now

1 are some of the environmental concerns or issues that we've
2 had to review for the project just to give you a kind of an
3 overview of the project. The first one is land use, I've
4 already mentioned, it's a 77 acre parcel. The parcel is
5 currently zoned Ag. The existing Greenleaf 1 facility meets
6 the county's agricultural definition because we do dry
7 agriculture products. The new industrial facility will
8 require a rezone to industrial. We have submitted the
9 application with the county to rezone the property and for
10 the general plan amendment and have been working with them
11 very closely on that process.

12 Once the project is built, we plan to surround the
13 project with native trees to visually screen the power plant.
14 Well water is of course -- a big power plant requires water.
15 We are currently planning to develop two to three wells on
16 the site. Our annual consumption requirements for the power
17 plant are 4900 acre feet. And we're currently developing
18 those wells.

19 The waste water from this project, which is
20 primarily from the cooling process, will be discharged to the
21 local ditch system like Greenleaf 1 is. The ditch system
22 ends up at pump station number two at the Sutter bypass
23 located at the end of Obanyon Road and will then ultimately
24 go on to Sutter bypass. We are working with the Central
25 Valley region of the Water Quality Control Board who will

1 issue what's called an MPDES permit that will regulate the
2 discharge and the requirements of the discharge.

3 Well, air quality: We live in California and air
4 quality is a big issue in California; I don't care where you
5 live. And this power plant will obviously have to meet --
6 it's called lowest achievable emission rates for the
7 equipment. And I mentioned how clean this project is to
8 existing facilities in the State of California.

9 We're proposing nitrogen oxides emission rate of
10 3.5 parts per million. In terms of -- We will also have to
11 have emission reduction credits for the project. And what
12 that means is we're working with the Feather River Air
13 Quality Management District to buy credits to fully mitigate
14 everything that we're planning to emit. The fact that we're
15 using low sulphur natural gas also is the best controlled
16 technology for sulphur emissions. And also what's called
17 PM10, it's particulate matter that's less than ten microns.

18 Well, biological resources: The Sutter National
19 Wildlife Refuge is two miles from the project. I know the
20 birds in the spring have just been spectacular. The egrets
21 and blue herons, it's wonderful to go out there so we
22 obviously have a lot of biological resources out here. We
23 are in the Pacific flyway.

24 The project site actually has man-made wetlands.
25 We are working with the corp of engineers on mitigating our

1 wetlands. Some of the wildlife species we have that are
2 threatened or endangered include Swainson's hawk and Giant
3 Garter snake.

4 Well, transportation: Everyone, you know, we drive
5 down the roads. How are we going to get our equipment and
6 employees to the site? We've worked with the county over
7 what proposed route they would have for delivery. That is
8 Oswald Road to South Township.

9 During construction -- this is just a short-term
10 impact -- construction deliveries will be during the day.
11 And then once we're in operation, you basically have 20
12 employees come out to the site, but they are not all out at
13 the site at any one time. You have rotating operators so
14 it's not like you're going to have a lot of traffic showing
15 up on South Township Road all at the same time.

16 Well, noise: It's actually interesting. We had to
17 do a noise survey last spring at some of our local home
18 neighbors. And the county actually has a very stringent
19 noise ordinance; 45 dba at night. And I have to tell you,
20 last summer when we did our noise survey, the frogs were not
21 in compliance with the noise ordinance.

22 This power plant, we actually had to make some
23 changes in the equipment layout to meet the county's noise
24 ordinance. The existing Greenleaf 1 project does not
25 currently meet the county's noise ordinance. It was not in

1 effect at the time.

2 One of the things we learned when we started
3 talking to our neighbors last year is that the Greenleaf 1
4 sometimes has steam releases just like a pressure cooker, and
5 we didn't realize that this was a concern to some of our
6 neighbors. And Mike Horn has worked -- We actually have put
7 mufflers on the Greenleaf 1 plant as a result of learning
8 about our neighbors' concerns and hopefully you won't be
9 getting blasted out of your bed in the middle of the night as
10 a result of these muffler systems. The major construction
11 activities will be a daytime operation only also.

12 I apologize for this map, but it shows the gas and
13 transmission line routes. And Carolyn, I'm going to get you
14 to help me here, too. The gas line is going to follow the
15 existing pipeline right-of-way for the Greenleaf 1 project,
16 which currently has an eight inch pipeline. We're going to
17 build a new pipeline from the east side of the Sacramento
18 River, which will tie in with PG&E's system there. It will
19 go east on Gurdner and then down, catch up with Oswald -- can
20 you find where I am? Go completely to the left side of the
21 map. I'll take you in backwards here. Right there. Yeah.

22 Okay. Gurdner, okay, east, and then down Oswald
23 Road to the Sutter bypass, across Hughes Road through the
24 bypass, back to Oswald, and then down South Township Road to
25 the project site. The transmission line route basically goes

1 south on South Township to Obanyon and then west on Obanyon
2 out to the east levee of the Sutter bypass. And we'll be out
3 there looking at those today.

4 Because the Sutter bypass is flooded right now, we
5 won't be going all the way over to the other side of the
6 bypass, but we'll be able to go out and see the route at
7 least on this side of the bypass.

8 With the electric transmission line, the route I
9 just showed you is about four and a half miles long. And
10 it's proposed to be a single pole construction, which is the
11 least intrusive type of electric transmission pole you can
12 build and it's not going to be like the big lattice towers
13 that you see out there now. It's 230 kilovolts. And the
14 route that we selected, we actually looked at probably, I
15 don't know, at least five or six different routes. Everyone
16 has a lot of different issues about a transmission line.

17 Visual; we talked to our neighbors about their
18 farming operations. We found out about how important duck
19 clubs are to our neighbors. And so, based on all our
20 meetings that we had with landowners and our neighbors over
21 about almost the last year, we have selected a route that we
22 felt minimized the impacts to everyone. And also, it
23 minimizes the impact to the Pacific flyway.

24 The gas transmission line, as I mentioned, is 12
25 miles. It's going to be a new 16 inch line. We'll tie into

1 PG&E's system. One thing I would like to emphasize is that,
2 in order to protect fisheries, not only in the irrigation
3 channels but also in the two channels that normally run down
4 the Sutter bypass, is we will be boring underneath the levees
5 and the irrigation channels so that we will not have to stop
6 off water and prevent salmon migration or anything, anything
7 going on with all the fishies. So we are working on that.

8 What I'd like to summarize, the Sutter Power Plant
9 is going to bring a reliable, low-cost power source to Sutter
10 County and the Sacramento Valley area. It will be privately
11 funded. It will not be a risk to ratepayers. We'll use the
12 most environmentally advanced technology for emission
13 controls and generation of electricity. It will be a new
14 source of taxes for the county, employment opportunities, and
15 Calpine brings to this project an experienced power company
16 with a proven track record of safe, reliable operations, both
17 locally and nationally.

18 Well, Curt and I will be available to talk to you
19 after the meeting. A lot of you we have met with before and
20 we're glad to see a lot of our neighbors here today. We're
21 glad you're participating in this process with us. Please
22 feel free to call me.

23 If you don't catch me today or you can't stick
24 around, my phone number is up here. This is a Yuba City
25 phone number: 821-0180. We will return your call. Curt's

1 phone number in our corporate office in San Jose -- Curt and
2 I are also, we're up here really regularly. This has become
3 my home away from home and I'm always free to meet with you
4 in town or at Greenleaf 1. And please take that opportunity.
5 Thank you again for being here today.

6 PRESIDING COMMISSIONER MOORE: Charlene, before I
7 let you off the stand, I want to address a question that I
8 know has come up, at least tangentially in discussions that
9 some of us have had up here, and that is the idea of an
10 emergency plan. If you have such a plan, maybe you could
11 briefly describe the nature of it and how it works to
12 integrate with the local officials here.

13 MS. WARDLOW: In terms of flooding?

14 PRESIDING COMMISSIONER MOORE: Fire or flooding or
15 an explosion or something else that would be catastrophic in
16 nature.

17 MS. WARDLOW: There is an emergency evacuation
18 plan. And I think a perfect example is a year ago January,
19 when Yuba City was on an evacuation alert, Mike shut -- they
20 shut the gas lines down, shut the gas flow off to the plant
21 so you remove the possibility of an explosion episode. The
22 plant was completely shut down and everyone was evacuated.
23 So that's basically your emergency procedures are, you know,
24 shut the gas line down, bottle up the power plant and get
25 your people out. You know, your first concern is people and

1 public health, making sure the plant is safe while no one is
2 there.

3 PRESIDING COMMISSIONER MOORE: So you're
4 coordinating with the county officials here closely in the
5 event of a natural disaster. What if there was a fire or
6 some other explosion at the site?

7 MS. WARDLOW: Mike has been working with Sutter
8 County OES. And I guess Yuba City actually is responsible
9 for the Greenleaf 2 project, but I have been working with
10 Gary Crouse at Sutter County OES on how we were going to deal
11 with emergency situations for the new project, how we're
12 going to deal with beefing up his HAZ-MAT response and fire
13 capabilities.

14 Right now his HAZ-MAT team is kind of spread out
15 throughout the county. He doesn't have all his resources at
16 one fire station. And he and I have been discussing about
17 what, you know, what revenues are going to be available to
18 him to beef up equipment, manpower. How are we going to
19 staff our facility so that we meet his requirements for
20 having enough people in an emergency situation to deal with
21 it as well.

22 PRESIDING COMMISSIONER MOORE: Sure, as well as a
23 physical situation with sprinklers and/or --

24 MS. WARDLOW: Right.

25 PRESIDING COMMISSIONER MOORE: -- fire retardant

1 materials.

2 MS. WARDLOW: Yes.

3 PRESIDING COMMISSIONER MOORE: To fend things off.
4 All right. I'm sure that will end up coming up more in the
5 future as we go down this line. I appreciate your
6 presentation very much.

7 MS. WARDLOW: Thank you.

8 PRESIDING COMMISSIONER MOORE: I'm going to open
9 this up in just a second to public comment. And let me
10 remind people that we've got blue cards that we're asking
11 people to fill out with your name and affiliation. And if
12 you know the topic that you want to address for our records,
13 it makes it a little easier for us to know what you're
14 concerned about. And for the record, it makes it easier for
15 our record-keeper to know what you are speaking of when we
16 refer back.

17 So, let me ask Supervisor Akin, are you still here?

18 SUPERVISOR AKIN: Yes.

19 PRESIDING COMMISSIONER MOORE: Would you like to
20 come up to the podium and address us.

21 SUPERVISOR AKIN: Thank you, Commissioner Moore and
22 Commissioners.

23 People from Calpine, Western Power, I'm here today
24 to tell you that Sutter County supports this project. I
25 think it will be good for the county. In the long run, I

1 think it's an investment in the county. I think it will
2 provide long-term power for us. However, I need to qualify
3 my statement in saying that any project has to be good for
4 both parties, both the local people as well as for Calpine.

5 Some of the things that need to be addressed and
6 will have to be addressed by the Energy Commission, Calpine
7 and Sutter County are things such as ground water, the
8 effects of the pumps. I know that Calpine pumps about 4900
9 acre feet of water pump annually, could have an effect on the
10 ground water in the area. With that, I know that Sutter
11 Extension has an AB 30-30 plan. Sutter County is going to be
12 looking at the 30-30 plan process also.

13 But the concern with my constituents in District
14 Five is the fact that water could be pumped down and they
15 would have to start chasing the water, and they don't want to
16 have to start deepening their wells. This is something that
17 is a concern. I think it can be addressed.

18 But I think should this happen, I think Calpine
19 needs an alternative for water. One of those alternatives
20 may be contracting with Sutter Extension who has surface
21 water, very good surface water. It's right there in the
22 ditch in front of your place and would not have an effect on
23 ground water.

24 The other alternative might be Yuba City in
25 contracting and talking with them about use of waste-water

1 once it's been processed and cleaned up.

2 Another issue that is a great concern to my
3 constituents in the area is water, great drainage water, the
4 quality of that drainage water and the amount of that
5 drainage water. As people with Calpine are fully aware of,
6 in the last two seasons we have seen continued flooding of
7 Township Road. Township Road has just recently become dry
8 and basically driveable once again.

9 And this needs to be addressed by Calpine because
10 the people in the area there from George Washington, Oswald
11 Road, Obanyon Road, over to the Sutter bypass cannot be
12 impacted anymore than they're presently being impacted with
13 drainage water. And with the amount of water that will come
14 from this factory or plant, that is a concern and it needs to
15 be mitigated for.

16 Noise is another issue that people are bringing to
17 my attention. And I'm told by the people at Calpine, as was
18 mentioned earlier, that this can be handled, but it is
19 something that the county will want to have handled and
20 expected.

21 The other thing is the lighting. People along
22 Township Road, Best Road and Oswald Road have again raised
23 the issue with the lights and asked that they be directed
24 more towards the plant rather than the outside. The other
25 thing is that people have pointed out that the planting the

1 trees around the outside edge of the facilities could hold
2 down the lighting problems and also probably help mitigate
3 the noise issues.

4 Another issue is one with the power lines. The
5 power lines, the location of the power lines to me are more
6 of an easement problem and I think will have to be worked out
7 with people and the farmers, landowners in the area.
8 However, I would like to point out that on the north side of
9 Obanyon Road and Bolten Road, there is an airstrip that is
10 used by people in agriculture for crop dusting. Also
11 Dellings Brothers have an airstrip on the south side of
12 Obanyon Road, just to the west of Bolten Road that would have
13 a high power line on both ends of the strip.

14 One other thing that I would like to address that I
15 hadn't thought of until today here is the one issue with the
16 gas line and the locating of that and coming underneath the
17 bypass levee. And I don't know whether you would be coming
18 across, but I think you would also be coming across one of
19 the Reclamation Districts, either 1500 or 1660, with the gas
20 line underneath the Sacramento River also.

21 Recently in District 1500, we had a problem with a
22 gas line that erupted while the water levels in the
23 Sacramento River were high and it caused our District 1500 to
24 have a tremendous concern for a short period of time. We
25 were able to take care of that, but I would ask that Sutter

1 County be part of the process of locating this gas line as
2 well as the Department of Water Resources because we would
3 have concerns at the depth underneath the bypass, the levees,
4 and also the distance away from the levees for these gas
5 lines came back up.

6 And I think that our standards might be a little
7 bit more stringent than the standard of the Department of
8 Water Resources. The standards would be because I think the
9 further -- the deeper we go under the levee, to a point, the
10 better. And the further up away from the levee the gas line
11 surfaces, the better.

12 So these are issues that we would like to be
13 involved with. With the ground water issues, the drainage
14 issues, the light, the noise. And the lights issues are
15 things that the county will be involved in in the land use
16 planning process, but I wanted to bring this to your
17 attention so that it can be considered now.

18 And once again, I'd like to say that as Supervisor
19 for the District, I support this project. We just want it
20 done right. Thank you.

21 PRESIDING COMMISSIONER MOORE: Thank you,
22 Mr. Supervisor. We're very sensitive to your concerns and we
23 appreciate your involvement very much.

24 With that, I'm going to turn back to staff who have
25 prepared an issue identification report. And I'm going to

1 ask them to summarize what they've been thinking about since
2 this was filed, things that we ought to be concerned about.
3 And then I know that the applicant and CURE, one of the
4 intervenors, has a response -- probably would like to make a
5 response to some of those. So, if you will, we'll go through
6 that process and then we'll open this up for comments and
7 questions from the public.

8 Mr. Richins.

9 MR. RICHINS: Thank you very much. On January
10 11th, staff filed an Issues Identification report and I want
11 to just briefly go over that with the slides. These slides
12 are also in the package that I referenced earlier. I want to
13 also emphasize that these issues that we have identified are
14 what we called just early warnings. These are potential
15 issues that are just being discussed and analyzed now. They
16 may turn out not to be problems, but these are just things
17 that we have identified early on that we wanted the
18 Commissioners, the public and other agencies to know about
19 early on in our siting process.

20 We have identified a number of issues and we used a
21 definition that we call major issues. In the bullets there
22 at the bottom are three items that we used for definition.
23 Potential impacts that may be difficult to mitigate, the
24 project has, as proposed, may not comply with local laws,
25 ordinances, regulations or standards, or there may be

1 potential conflicts over findings and conditions of
2 certification. So this is the definition that we used as a
3 general screening tool to determine whether we should include
4 these in this report and in our presentation today.

5 Just in an overview, we have identified similar
6 issues as the supervisor from the District has identified.
7 We have issues as it relates to air quality, biological
8 resources, transmission system engineering, visual resources
9 and water resources. There's also some issues in these
10 categories as it relates to scheduling and I'll discuss those
11 further as I go through each one of those areas.

12 There's also a couple of policy issues that we'll
13 talk about later on, too, and that is plant closure of the
14 commissionings and also the role of the independent system
15 operator in this particular case.

16 The air quality issue: We have tentatively
17 identified a couple of areas within air quality and that is
18 the best available control technology. That's a
19 determination that would have to be made by the Feather River
20 Air Quality Management District. And we are working with
21 them to resolve that issue. The issue is similar to the PSD
22 or the prevention of significant determination that is made
23 by the federal government and the issue revolves around what
24 technology should be used to try to minimize the amount of
25 air pollution.

1 The project as proposed is 3.5 parts per million as
2 you heard Charlene talk about earlier. The federal
3 government is looking at another technology called SCO-NOCS
4 that could reduce that emission level almost in half to two
5 parts per million, but that's an issue that will be resolved
6 through workshops and discussions during the case.

7 There's also an issue of air quality offsets and
8 having an adequate number of offsets clearly identified so
9 that the local air district can determine if the project is
10 adequately offset.

11 One of the issues as it relates to scheduling is
12 coordination with the Feather River Air District. We have a
13 schedule that's proposed to have a preliminary staff
14 assessment out by July 1. And this would be a little bit in
15 advance of when we would receive a preliminary determination
16 of compliance from the Feather River Air District.

17 Likewise, the final staff assessment comes out a
18 little bit before the final determination of compliance from
19 the local air district. And we're working with the air
20 district to see if they might be able to expedite their
21 review a bit so we come in sync.

22 On some of the biological issues, there's been some
23 concerns raised about impacts to the various species of
24 salmon that are in the Delta, the Sacramento River and also
25 the bypass. Those will be fully discussed and addressed.

1 Also, some impacts as it relates to Giant Garter snake on the
2 water discharge through the local channels.

3 There's also some concerns from a biological
4 standpoint for the fly zone and collisions with Sand Hill
5 crane and other waterfowl as it relates to the transmission
6 lines.

7 And also another issue that we're working through
8 is on the timeliness of the federal biological review and
9 consultation. US Fish and Wildlife service has 135 days in
10 which to do their review. If you take a look at the
11 schedule, that would put it beyond our preliminary staff
12 assessment and closer to our final staff assessment, and we
13 would like to try to resolve many of these issues between --
14 well, before the final staff assessment is adopted or
15 drafted. And so the timing could be a little bit of a
16 problem here, but we're coordinating closely with Western and
17 US Fish and Wildlife Service so that this timing matter can
18 be worked out.

19 A similar issue on timing as it relates to
20 interconnection studies for our transmission staff to review,
21 review the project, we take a look at existing studies that
22 have been performed called interconnection studies.

23 One of those studies -- and there's been many
24 studies that have been completed either in draft or in final
25 form to date and we're reviewing those. There's one study

1 that appears to us that we may need some additional -- well,
2 we may need to have it in final. It's in draft now, as I
3 understand, and that's a stability analysis and we're working
4 with Morteza and Western to make sure that the timing is such
5 that it will flow into our PSA and our final staff assessment
6 in August.

7 And then on visual resources, these issues -- this
8 issue has come up by the Supervisor and the staff has
9 identified a couple of issues as it related to the plant.
10 And that is, from the plume itself, from the cooling tower,
11 we have noticed in the two cases that we approved in the
12 Sacramento area, the Proctor and Gamble project and the
13 Campbell Soup project, that under certain weather conditions,
14 there's quite a visible plume occurring on those two
15 projects. It's a little bit greater than we had anticipated
16 when the project was certified and so we're just monitoring
17 that situation to see if there is some applicability to the
18 Sutter project.

19 And the other visual issue the staff has identified
20 is that of the transmission line and we'll be working with
21 the residents with Calpine and all agencies to resolve those
22 matters to the best of our ability.

23 Then on water resources, we've identified a couple
24 of areas and that is the water supply, the potential impacts
25 to the ground table on the surrounding wells. We have a data

1 request in to Calpine and they're going to be providing some
2 modeling information and additional information for us as it
3 relates to ground water table and the impact to nearby wells.

4 Also, water quality is an impact. It has potential
5 impacts. We've received a number of letters from people that
6 are water users in the Delta that are concerned from the
7 standpoint of increased costs to their pumping and treatment
8 for the water users in Contra Costa and in the Delta. So
9 this will be a matter that will be fully addressed and
10 discussed during the process.

11 Then as I indicated earlier, there are two policy
12 issues that we have addressed and these are similar issues
13 that have also been identified in the High Desert siting
14 case. The first one is the appropriate requirements for a
15 facility such as this for a decommissioning or plant closure,
16 and that issue is running I think on a parallel track with
17 the Energy Facility Siting Committee. Also, staff has
18 recently submitted a brief on that particular issue in the
19 High Desert case. And so there are some similar issues
20 between the two cases.

21 And the other item we have identified as what role
22 should the ISO play. The ISO, that's Independent System
23 Operator for the transmission system, what role should they
24 play in our process. And I think we're working through that
25 and that is we're coordinating closely with them. Western

1 has an area group called the Sacramento Area Transmission
2 Planning Group which they are participating in along with all
3 of the other local transmission owning utilities in the
4 Sacramento region. So the interconnection of the Calpine
5 project is being coordinated closely with that group,
6 Western, and the California Independent System Operator.

7 Both of these issues will be, as I say, they will
8 be addressed in our preliminary staff assessment and the
9 final staff assessment.

10 Now, I have a slide of a proposed schedule. Do you
11 want me to go into that now or do you want me to wait and
12 come back to that?

13 PRESIDING COMMISSIONER MOORE: Why don't we wait on
14 that until after we have the comments from the applicants and
15 intervenors, and then we'll wrap this up after public
16 comments so everyone knows what kind of schedule we intend to
17 meet and the products we intend to produce.

18 MR. RICHINS: Okay, thank you very much.

19 PRESIDING COMMISSIONER MOORE: Thank you.

20 For the applicant, do you have questions or
21 comments on the staff proposal?

22 MR. HILDEBRAND: Well, we worked closely with the
23 staff over the last year in assembling our AFC. And we
24 believe that they've done a fine job in their analysis to
25 date, and we expect to continue to work very closely with

1 them over the next year. So with that understanding, I'll
2 hand it back to you.

3 PRESIDING COMMISSIONER MOORE: No additions or
4 suggestions for improving the process?

5 MR. HILDEBRAND: We stated in the past that being a
6 merchant plant in a deregulated marketplace, we see this
7 facility as being new and different. And we've asked the
8 Commission to understand that it is operating in a brave new
9 world and to try and alter the review process to reflect
10 that.

11 And I'm heartened by Chairman Keese's comments to
12 reflect the willingness of the Commission to change along
13 with the deregulated marketplace and understand that this
14 merchant facility is brand new. Calpine is very excited about
15 the opportunities that deregulation provides. But it needs
16 to have a fair bit of fostering and understanding in the
17 development process as well.

18 PRESIDING COMMISSIONER MOORE: I appreciate your
19 comments.

20 CHAIRMAN KEESE: Have you done any thinking about
21 the decommissioning issue?

22 MR. HILDEBRAND: We've done some thinking and we're
23 really not prepared at this point to provide any formal
24 comments on that.

25 CHAIRMAN KEESE: Okay. As you noted, it's being

1 briefed by the parties in the other case.

2 MR. HILDEBRAND: Right.

3 CHAIRMAN KEESE: The solution will probably come at
4 the Commission level, and I would imagine that these two
5 cases will lead us down the path of solution.

6 PRESIDING COMMISSIONER MOORE: Charlene.

7 MS. WARDLOW: Excuse me. Could I just offer a
8 comment? We have been --

9 PRESIDING COMMISSIONER MOORE: You know, I think
10 you're speaking into the wrong microphone. The amplification
11 one is the other one.

12 MS. WARDLOW: Yes. We have been reviewing the
13 changes, the proposed changes to regulations that are being
14 proposed in light of how they might better reflect a
15 deregulated industry. So we have been participating. We
16 have been submitting comments via that vehicle.

17 PRESIDING COMMISSIONER MOORE: Good, thank you.

18 HEARING OFFICER FAY: If I may, I would just like
19 to add, I understand perhaps today you're not ready to
20 comment specifically on some of the considerations you would
21 like the committee to take into account. But if whenever
22 possible if you could articulate those in the most specific
23 ways, either a letter to the docket, to the Commissioners,
24 that of course would be made public to everybody, on what
25 your suggestions are for how the process can be sensitive to

1 the deregulated environment.

2 I think your comments that you just made probably
3 don't mean much to the audience because they're not sure in
4 some cases of what the existing process is, but even where
5 they are, they're not sure what you mean in terms of where
6 the changes might occur to accommodate the deregulated
7 environment. So whenever you can target specific changes, I
8 think it would be important to let everybody know.

9 MR. HILDEBRAND: Yes. I'd like to address a couple
10 of topics along those lines. We have mentioned in the past
11 that the 12 month window is something that we should all
12 strive for, but we would also like to work with the
13 Commission closely to try and expedite that if at all
14 possible. That's one area that we would like to see a new
15 merchant facility viewed in a slightly different light.

16 Also operating flexibility. We are currently and
17 don't expect to have 100 percent of the output under long-
18 term power purchase agreements guaranteeing 87-60 hours a
19 year of operation around the clock.

20 So in terms of air, water, other operating permits,
21 we would just like to have the Commission and the other
22 permitting agencies recognize that certain flexibility is
23 really key for a successful development and operation of the
24 facility.

25 PRESIDING COMMISSIONER MOORE: Thank you.

1 Is there someone from CURE here --

2 ATTORNEY REYNOLDS: Yes.

3 PRESIDING COMMISSIONER MOORE: -- who would like to
4 offer comments? Welcome to the process.

5 ATTORNEY REYNOLDS: Thank you. Good morning. I'm
6 Lizanne Reynolds. I'm an attorney for CURE. That's
7 California Unions for Reliable Energy. We were granted
8 intervenor status I guess about a week or two ago.

9 We have been participating in this process. We
10 have not taken a position on the project. We are in the same
11 position as the staff in trying to evaluate the project's
12 benefits and any possible detriments. We should be issuing
13 our first set of data requests early next week so that's kind
14 of where we are in the discovery process.

15 Comments about the schedule. One of the issues
16 that I think needs to be addressed, because this plan is
17 under a shortened time-frame, the deadline for the Air
18 District's determination of compliance is 180 days, not 240,
19 and so that needs to be revised in the schedule. That's
20 under the regulations, section 1744.5. I don't know if
21 that's going to work because that is shortening it
22 substantially, but that's what the regulations say.

23 There is also nothing in the schedule yet about
24 briefing of the issues and so we want to make sure that
25 there's enough time given the parties to brief the issues,

1 and our preference would be for a staggered briefing. The
2 applicant has the burden of proof so their brief, we believe
3 that their brief should come first and then we would issue a
4 response brief and so on.

5 And also, some others mentioned this earlier that
6 the Endangered Species Consultation --

7 PRESIDING COMMISSIONER MOORE: Can I stop you for
8 just a second?

9 ATTORNEY REYNOLDS: Yes, sure.

10 PRESIDING COMMISSIONER MOORE: Go back to your
11 statement about staggered briefing.

12 ATTORNEY REYNOLDS: Right.

13 PRESIDING COMMISSIONER MOORE: A lot of people in
14 the audience may not understand what that's about. Maybe you
15 could just go into a little more detail about the briefing
16 process.

17 ATTORNEY REYNOLDS: Sure. Or I guess it would
18 apply to testimony, too. The way the process works is that
19 everyone does discovery and finds out what all the
20 information is and then we submit testimony. And there is a
21 concern about what order that happens in, who goes first and
22 whether it's together and things like that.

23 And our preference would be to have the applicant
24 submit theirs first because they have the burden of proof
25 with respect to the project, and then intervenors and others

1 like the staff would then submit their testimony, and the
2 same for the briefing schedule.

3 PRESIDING COMMISSIONER MOORE: Okay.

4 ATTORNEY REYNOLDS: As far as some of the
5 outstanding issues, we think it's really important that the
6 data be in and the people have a chance to look at it and do
7 some discovery and have a chance to incorporate it into their
8 testimony and briefs. And that would apply to the Endangered
9 Species Act Consultation. The air emissions offsets data and
10 the transmission interconnect study, we want to make sure
11 that we, as well as the other parties, have enough time to
12 review that so that we can incorporate that into our
13 testimony.

14 I know there was a ruling issued about the
15 confidentiality of the offsets and there was some -- a grant
16 of temporary confidentiality. And we would hope that
17 temporary means that we do have a chance to look at the data
18 and incorporate it into our testimony. And as far as
19 decommissioning and closure requirements, we submitted a
20 brief in the High Desert project, and it is fairly detailed.
21 So if requested to in this case, we would probably submit
22 similar briefing.

23 PRESIDING COMMISSIONER MOORE: Thank you very much.

24 ATTORNEY REYNOLDS: Thank you.

25 PRESIDING COMMISSIONER MOORE: All right. With

1 that, I've got a number of cards from people who would like
2 to speak today and I'm going to ask them to come forward and
3 give us their comments or questions. We'll do our absolute
4 best to answer things and take note of what you're saying.

5 Jim Kitchen, good morning and welcome to our
6 hearing.

7 MR. KITCHEN: Thank you, Mr. Moore.

8 Greetings to everybody that's here. My name is Jim
9 Kitchen and I am the 1998 president of the Yuba-Sutter
10 Chamber of Commerce.

11 In looking at issues like this, one of the things I
12 do is try to relate everything back to the mission statement
13 of our Chamber of Commerce. And our mission is to create a
14 community client in which -- create and foster a community
15 client in which businesses are both productive and
16 profitable. It is my personal opinion and one that I will
17 urge on my Board that this project is not only compatible
18 with our mission, but that it in fact is essential to
19 carrying out this mission.

20 Our community, the Yuba-Sutter community, not
21 simply Sutter County alone, but the Yuba-Sutter community
22 needs jobs. We need work for the people that live in our
23 community now. This project in creating 20 additional jobs,
24 and then through the multiplier effects, supporting hopefully
25 an additional 40 to 50 jobs, will go, again, a long ways

1 towards meeting this need for employment for the people who
2 live in our region.

3 We also need to create goods and services that gets
4 sold outside of our region and bring income back to the
5 region. The Chamber supports a very strong program of
6 shopping locally. But shopping locally, as necessary as it
7 is, is not enough. Eventually merchants have to spend their
8 money outside of the region to bring products in.

9 Our community must also then manufacture or create
10 products which go outside of the region and bring that money
11 back. And a facility that's going to generate sufficient
12 electricity for 500,000 homes is certainly going to have to
13 sell power outside of this region and bring money back here.

14 Thank you very much.

15 PRESIDING COMMISSIONER MOORE: Thank you, sir.

16 David Shirah, and forgive me if I've mispronounced
17 your last name.

18 MR. SHIRAH: Commissioners, members of the
19 committee, I guess we're going to do a Chamber of Commerce
20 tag-team here. I, too, am from the Yuba-Sutter Chamber of
21 Commerce and I'm the vice president of Economic Development.

22 I just wanted to interject real quick that several
23 months ago Calpine came before our Board of Directors and
24 gave us a presentation on this project. And as a Board, we
25 were very pleased with what we saw. We felt that there was a

1 lot of expense and consideration given to the community at
2 large as well as the environment in agriculture which
3 agriculture is obviously very important to our region.

4 Also, we were very excited about the prospects that
5 they were going to bring in an expanded payroll of two
6 million dollars to our community which actually translates
7 into ten million dollars.

8 Additionally, I guess with our -- as being a member
9 of the Economic Development Community, there is no doubt in
10 our minds that the project will provide some stability,
11 considerable stability. But we also like to look a little
12 bit further beyond that. And with the advent of
13 deregulation, we seriously would like to think that Calpine
14 could very well play a very important role in our future
15 business attraction and expansion efforts that we'll endeavor
16 in the Yuba-Sutter region. Thank you.

17 PRESIDING COMMISSIONER MOORE: Thank you very much.
18 Charles Wagner.

19 MR. WAGNER: Hello, everybody. My name is Charles
20 Wagner. I'm here today representing the Millwrights
21 Machinery Erectors Local 102.

22 We have approximately 900 members in Northern
23 California. Millwrights were -- Any of you that don't know
24 who and what we are, we're affiliated with the United
25 Brotherhood of Carpenters. We like to say that we're the

1 nuts and bolts of the carpenters.

2 We install sewer plants, water treatment plants,
3 car plants, bottling plants. But our forte is gas and steam
4 turbines. We like to, but we don't, we do a bunch of
5 installation, rebuilding, maintenance for customers like
6 PG&E, Wheelabrator, Chevron, Campbell Soup, Westinghouse,
7 Calpine and etcetera. We do these installations and
8 overhauls from Southern California up through the geysers to
9 the Oregon border. And we do this utilizing local manpower.

10 The Northern California Millwrights and Machinery
11 Erectors supports this proposed Calpine Corporation 500
12 megawatt power plant. We look forward to supplying the
13 project with a highly trained skilled work force compiled
14 with local area residents. Thank you.

15 PRESIDING COMMISSIONER MOORE: Thank you,
16 Mr. Wagner.

17 Bill Lewis, good morning.

18 MR. LEWIS: Good morning. Thank you, Commissioners
19 and members of the committee. I'm the utilities director for
20 the City of Yuba City. And like the members of the Chamber
21 of Commerce, this city does support this project. We believe
22 that it will be good for the local economy. It creates
23 construction jobs as well as well paying permanent jobs. And
24 aside from the city, it provides a local source of reliable
25 power. The city has a demand itself of over two megawatts

1 that we utilize ourselves.

2 And the facility will be using the latest
3 technology and is attempting to be an environmentally
4 responsive project. Calpine, as was stated, currently
5 operates facilities in Yuba City. They've been an excellent
6 customer for both the city and a member I think of the
7 community. They provide -- We provide water for cooling to
8 their existing facility and they have an industrial use
9 permit for discharging into the waste-water system. And
10 they've coordinated their water demands very well with our
11 city's water plant.

12 So from our past experience, I think we can
13 conclude that Calpine would be a responsible company and an
14 asset to the community.

15 Deregulation of power, though, will open up
16 opportunities for the city to purchase power, basically put
17 it out on a competitive market. And in that regard, the city
18 is currently negotiating a contract with Calpine to become
19 the provider of choice. Part of that over the last six to
20 nine months we've had various discussions with Calpine
21 representatives and it has been learned that the facility
22 will utilize around 3,000 gallons per minute for cooling
23 water. That's, to the local agricultural community, that's
24 probably in the neighborhood of 12 to 15 acre foot per day.
25 And that equates, as was stated earlier, to around 5,000 acre

1 foot per year.

2 The choice that's been, as of to date, is to
3 utilize ground water. However, there is an alternative.
4 Yuba City operates a waste-water treatment plant that could
5 provide all of the cooling water that would be utilized at
6 the facility. The supplied water would meet all the
7 requirements for industrial processed water including worker
8 contact. The water would be of such quality that it could be
9 used on food, crops, agricultural crops, and direct contact
10 with the crop itself. The water is of such quality that it
11 could even be utilized on schools, parks and playgrounds that
12 our children would play on.

13 Of course there would be minimal requirements for
14 ground water because it is not a potable source of water, but
15 it -- some type of ground water would have to be utilized for
16 potable water. So Yuba City is requesting that the review of
17 cooling water include the use of reclaimed water and that the
18 decisions -- in coming to a decision, that economics not be
19 the only decision. There is best available control
20 technology that's being used for emissions controls. That,
21 by far, is not the least expensive method, but it is the best
22 method. And we need to decide, is pumping 5,000 acre foot of
23 water the right thing to do.

24 The use of reclaimed water would be beneficial to
25 Calpine and we have a very reliable source of water. The

1 waste water is going to continue so we have a very reliable
2 source of water. It's somewhat resistant to droughts. Water
3 will be used. It will be beneficial to the city in that it's
4 a resource that could be recycled. We want to recycle and
5 reuse as many of our resources as possible, water being one
6 of them. And it's beneficial to the agricultural community
7 in that it would reduce ground water pumping.

8 PRESIDING COMMISSIONER MOORE: Thank you very much.
9 We appreciate your comments and I'm sure we'll be hearing
10 again from you.

11 MR. LEWIS: Thank you.

12 PRESIDING COMMISSIONER MOORE: Thank you very much.
13 Mike Shannon.

14 MR. SHANNON: I'm Mike Shannon. I'm a local
15 grower. I live on Pierce Road. I don't have much new to
16 say. Dick Akin basically covered everything I had to say
17 except that the wires are going to be a major problem, where
18 they're planning on putting them. There's two airstrips down
19 there. There's one on Dellings and one on Bolten.

20 PRESIDING COMMISSIONER MOORE: Mike, how long are
21 the strips there?

22 MR. SHANNON: I don't know. You know, I'm not a
23 crop duster, but they are -- they are strips that can only be
24 used right now. If you put the wires in that impede one end
25 of those airstrips, they're only going to be used one way.

1 So that means if there's a south wind blowing, or if there's
2 a north wind blowing, they can use it either way. South
3 wind, that means they have to take off into the south wind
4 with a load to take off. That means the strip on the north
5 side will not be used.

6 With the restrictions we have and the herbicides
7 and pesticides in rice today, you may only be able to get one
8 day to get your herbicide on. If a wind blows for four more
9 days, you don't get the herbicide on, the weeds grow too
10 tall, you don't kill them. There's only one other strip that
11 I know of in that general area that all the pilots are
12 allowed to use, and that's mine. And I can -- I have been
13 out there every day and I've seen many days where there has
14 been three planes lined up from morning to night to try and
15 get everything on.

16 So if you impede these rice growers with these
17 wires, it's going to cost some people some money. The other
18 thing is that Dick Akin did say there is a drainage problem
19 down there. That is saying it about as soft as you can say
20 it. Right now, gentlemen, if I get rain tomorrow, I will not
21 get mail and I will not get dump service to my house on
22 Pierce Road because the road is not passable. They will not
23 come down that road. I have lost a week's worth of mail
24 because the mail did not get delivered.

25 There is a major drainage problem. All the water

1 has to come down either Snake Creek, which is to the west, or
2 Guild Side to the south and east. Putting that kind of water
3 into our system when it always rains -- Now, this flooding
4 situation isn't just this year. This is every year. Unless
5 we're in a drought situation, Pierce Road floods every year.
6 Every year. Obanyon Road has flooded three out of the last
7 seven years.

8 The water has to go to Snake Creek. The only way
9 the water from Calpine can get away is Snake Creek. Now, I'm
10 not against the project, but until these things are taken
11 care of, we can't okay this project.

12 Now, the noise problem was a problem. When they
13 first put the first plant in, that other company came to
14 local growers, myself included, and I don't know if they went
15 to my other neighbors, but they came to me and said this was
16 going to be a plant for gas and agricultural byproducts and
17 products. Would you grow crops for us. And we said, of
18 course, yes. It was going to be odorless and it was going to
19 be noiseless.

20 I've never had a contractor going in for this
21 outfit, never. It was never included in that. It was to get
22 us on their side to put that plant in. And yes, it's been
23 noisy. And then the one lady spoke and said, well, hopefully
24 you won't get any more noise with the new plant. If they can
25 say we won't get any noise, let's guarantee it. If they're

1 going to take care of the drainage, let's guarantee it.

2 They're going to put the plant in. I don't want to
3 have to spend money later. My grandfather has a piece that
4 we now farm that I'm part owner in at the end of Oswald Road.
5 The major wires go right through the middle of that field and
6 they're the high power wires. We were paid a one time
7 easement payment on that. It costs me money every year.
8 Every year it costs me money to farm that.

9 The wires are too tall and it interferes with the
10 seeding and the fertilizing of that field. And I was hoping
11 Charlie Onsot, who does my flying, would be here today. He
12 can attest to that. The wires are too high and the planes
13 have trouble taking care of the wires and still getting my
14 crop on right. So wires do intercede with the farming of a
15 field.

16 Now, it would be fine if I was getting paid every
17 year so I wouldn't lose money, but it's money out of my
18 pocket every year that I farm that field. I have fields that
19 don't drain because we don't have the drainage. My drains
20 are good around my fields, but the water can't get away south
21 of us. It's a county problem that has not been taken care
22 of. We had ten years of drought and we had no flooding and
23 it got ignored. Maybe not ignored, but there was not the
24 money nor the equipment to take care of the problem. We are
25 now in a wet situation and we have flooding out there,

1 period.

2 If you've not lived out there for 10 or 15 years or
3 20 or 30, you do not understand the flooding problem we have
4 out there. Drive out there after a good rain, drive down
5 Bolton Road, Obanyon Road, Pierce Road, you'll find out we
6 have flood problems.

7 If you go to Guild Side and see if it's full, and
8 you go to Snake Creek and see it's full, where does the water
9 go? It doesn't. It backs up. And there's people on Oswald
10 Road -- I don't know if any of them are here -- that have
11 damaged wheat fields, prune orchards because the water didn't
12 get away from Oswald Road. That's just one little neck.
13 That water isn't going to get away until all the water south
14 of it gets away. That's correct, right? That it all goes
15 away that way.

16 Calpine is going to put the water right to the
17 south. The water is going to come out just north of the
18 pumping plant. It's going to cause a problem until another
19 plant is put in. We clean out the ditches, expanse Snake
20 Creek, then maybe it will work. But those are some problems
21 that have to be looked at. And we're not even talking about
22 the water problem of quality yet.

23 So, that's all I have to say.

24 PRESIDING COMMISSIONER MOORE: Okay, Mike, thank
25 you.

1 Arnold White, good morning and welcome to the
2 hearing.

3 MR. WHITE: Good morning. Hello, folks, I'm Arnold
4 White. First, I'd like to ask how much a day of water are
5 you going to be pumping out over there?

6 PRESIDING COMMISSIONER MOORE: I'm not sure that we
7 know the exact amount at this time?

8 MR. WHITE: You never have put anything in the
9 paper. Once you put 'maybe.' In all these papers, you got -
10 - you never say how much you're going to pump out or what
11 you're going to do.

12 And another thing about the drainage, all this is
13 going to go down to Guild Houses Slew. And the south, it's
14 backing up the drainage ditches. I've been pumping all
15 winter trying to save my house. I can't get the ditches
16 fixed or nothing. And then when it does, it's backing up.
17 And we got to get this fixed some way, and they're going to
18 have to do something if they put it in there.

19 And what about my water in my well?

20 PRESIDING COMMISSIONER MOORE: How far away do you
21 live from the current -- from the existing plant?

22 MR. WHITE: About two and a half miles. And we got
23 to get -- If you put that damn one in there, you're going to
24 have to give me some kind of guarantee on some of this stuff
25 and I want it entered that I spoke here today, too.

1 That's all I got to say.

2 PRESIDING COMMISSIONER MOORE: All right, thank you
3 very much. I appreciate your comments.

4 Is there anyone else who would like to address us?
5 Remember, we're here right now in an informational way.
6 We're trying to get smart about this the same way that you
7 are and understand what's going on. So, if you got questions
8 that you think we ought to know about or concerns that you
9 want to voice, this is a real good time to get it on the
10 record so that we'll understand it and take it into account
11 in our deliberations.

12 So, with that in mind, Andy Jansen.

13 MR. JANSEN: Hello. I haven't been out there very
14 much. I work out there most of the time. And on South Flay
15 Road, there's the lay 80 field, a bunch of water gets backed
16 up in there every year because these guys keep dumping it in
17 the drainage ditch. Every year that I've been out there in
18 the last three years, it keeps backing up.

19 And about the well drilling, if you guys drill two
20 deep wells, you guys are going to bring up a bunch of salt
21 water, and that salt water ain't going to be good for
22 nothing.

23 And also those power lines, I mean those pilots,
24 I'm worrying about them taking off and everything, getting
25 the herbicides on. But somebody is going to run into them

1 and kill themselves and then we're going to have dead people
2 and it's all going to be because of the power lines. And is
3 the power lines worth killing people for?

4 And also my other concern is, why can't we just
5 move the plant to where the lines are and then we don't got
6 the dang power lines. I'm sure they can find a piece of land
7 over there to put up and they can leave all us farmers alone.
8 And, I mean, I've been noticing the drainage problem really
9 bad. Someone has a new Kabota tractor out there that's stuck
10 in the ditch. It's been pumping water day and night trying
11 to get it out of there, and everything is backed up down
12 there. It's finally starting to drain, but not much.

13 I'm really proud of these people for being really
14 nice people to us. They've been really supportive and
15 they've been coming over and talking to us and I really
16 appreciate that. I'm not good at speaking in front of
17 people. I get nervous.

18 PRESIDING COMMISSIONER MOORE: You're doing just
19 fine. You're doing as good as we do.

20 MR. JANSEN: I'm also worried about what are they
21 going to do -- If they make the ditches right, they'll take
22 more of our land. If they take more of our land, we don't
23 have as much rights to farm and we'll be losing money. Every
24 way they do it, they're going to be hurting their neighbors.
25 I don't see any way that you guys can do it that you won't

1 hurt someone. You might not hurt them as much, but that
2 airstrip down there is the lifeline for a lot of farmers.

3 Crop dusting and also the duck club's power lines
4 do scare away ducks and people sell their duck rights.
5 That's a known fact. And the noise, to get you guys to know
6 how loud it is, I was driving a D7-F out there and the plant
7 turned out and I could hear it. And that's pretty loud for
8 all the farmers who know how loud a CAT is. And that's
9 really about all I have to say and I want to thank you guys
10 for letting me come up here and speak to you. You guys are
11 all real nice people and supportive. Thank you.

12 PRESIDING COMMISSIONER MOORE: Thanks, Andy. I
13 appreciate your comments.

14 Anybody else who would like to give us your
15 thoughts? Come on up. You know we don't have a card on you
16 so maybe say your name slowly and just give us your address
17 so we'll have it for the record.

18 MR. RUSSELL: Yes, okay. My name is Paul Russell.
19 I represent Sutter Extension Water District. I had a prior
20 engagement so I was a little late in getting here. But
21 anyway, I would like to speak to you about our canals and the
22 placement of the power poles that they are anticipating
23 putting in. That's our greatest concern is for that.

24 And I'm -- Do you want my address?

25 PRESIDING COMMISSIONER MOORE: Sure, your business

1 address.

2 MR. RUSSELL: My business address is 4525 Franklin
3 Road in Yuba City.

4 PRESIDING COMMISSIONER MOORE: Okay. Do you want
5 to elaborate a little bit on your concern about the location
6 of the poles. Give us a bit more detail on that.

7 MR. RUSSELL: Yes. We was contacted first
8 somewhere around the first part of January, late December
9 from Calpine. We knew the project was going on, but I don't
10 think that they were aware that we owned the canal banks in
11 that area. I know they had been talking to the county. To
12 what extent, I don't know. But then they come in and they
13 met with us. They were very courteous.

14 They came and made a presentation and talked to
15 some of our Board members and they invited us down for a
16 walk-through. I had some information on it, but it didn't
17 have specifics of where the power poles were going to set.
18 And so I went down and met with Curt with a couple of my
19 directors and we had a walk-through of where the power poles
20 were going to set.

21 The canal banks average about ten, maybe 12 feet at
22 the top. They're fairly small. And the county road is on
23 the east side of our canals if you're going down Township
24 from the power plant. And there's a little ditch that lays
25 between the counties. It's kind of a little bar ditch that

1 runs the winter water off, and then our banks start.

2 And I think -- correct me, Curt, if I'm wrong --
3 you needed just 38 feet from the center of the county road?

4 MR. HILDEBRAND: We need a 56 foot wide easement
5 overall and that would be a 28 foot offset.

6 MR. RUSSELL: Twenty-eight feet.

7 MR. HILDEBRAND: Minimum.

8 MR. RUSSELL: Twenty-eight feet. And so we were --
9 Where the centerline, where the yellow markers are on the
10 county roads or the center of the road, we don't know.
11 That's a guess.

12 But anyway, using the centerline from the county
13 road, some of the poles would set up on part of the bank and
14 part of it would be off the edge of the bank. If I
15 understand it correctly, these will be three to four feet in
16 diameter, the base of the poles. I don't know how big the
17 concrete is that would be anchoring those, but that didn't
18 leave us enough room for our equipment to get around. And
19 therefore, we stated to them at the walk-through that our
20 concern was we just didn't want the power poles. It gives us
21 a liability that we do not desire to have.

22 If you're anywhere connected as a political
23 subdivision or if you're doing anything within the State of
24 California, the liability is quite obvious. In some of the
25 cases, we went through with the county on some issues because

1 we cross the county road. We had nothing to do with the
2 accident, but we had the liability. We were there. We were
3 named. And we feel the liability is not worth the power
4 poles being on our canals.

5 So that was our concern that we wanted to express
6 to you. And I talked to a gal by the name of Brenda I
7 believe the other day from the Energy Commission and
8 expressed to her that our main concern is the power poles.
9 We've talked to them about going underneath. That's
10 environmentally out of the question they tell us. We don't
11 know, but that's environmentally out of the question. It is
12 a problem.

13 Curt told us that they had talked to some flyers,
14 not in this area, but other areas, and it didn't seem to be a
15 problem, but there is a problem with the wires hanging the
16 way they are. And I know they can move the poles one way or
17 the other a little ways, but they're going to be situated to
18 where we might accidentally knock one down and we don't want to
19 pay the liability if we knock a wire loose.

20 So we wanted to make that clear. I know I -- I
21 didn't hear what everybody had to say, but anyway, that was
22 one of our main concerns. Sorry about not being here on
23 time.

24 PRESIDING COMMISSIONER MOORE: No problem,
25 Mr. Russell, thank you.

1 Anyone else that would like to get your comments
2 on? I'm sorry, Mr. Keese.

3 CHAIRMAN KEESE: I'd like to ask a generic question
4 here. It sounded to me like the water problem is a problem
5 today. And I have two questions: One, was there a
6 suggestion that the current power plant is a major part of
7 that problem or a minor part of that problem? And number
8 two, is there a suggestion that this new power plant will be
9 a major part, a major addition to the problem? I guess
10 ancillary to that is, is this a problem that has to be
11 handled whether there's a new power plant or not? Is there -
12 -

13 MR. HILDEBRAND: I'd like to speak to that briefly,
14 Chairman. Greenleaf 1, the existing facility out there, was
15 down from a period of October 25th through the period of
16 February 25th, a period in which much of this flooding has
17 occurred. Down meaning we were producing and discharging no
18 water into the ditches. So, I would state that the problem
19 exists with or without Greenleaf. It needs to be addressed
20 either way.

21 CHAIRMAN KEESE: Is this a city problem or a county
22 problem?

23 MR. HILDEBRAND: Where it is, it's in the county.
24 It's unincorporated.

25 CHAIRMAN KEESE: It's in the county.

1 AUDIENCE SPEAKER: It's in the county. It's
2 strictly the county out there.

3 CHAIRMAN KEESE: Strictly county?

4 AUDIENCE SPEAKER: Right.

5 CHAIRMAN KEESE: So, it's in the unincorporated
6 area.

7 AUDIENCE SPEAKER: Right now it's Calpine Lake,
8 right behind the wood piles that you'll see if you go out
9 there.

10 CHAIRMAN KEESE: But do we have a general consensus
11 then that this is a problem that has to be taken care of in
12 any event? Is that --

13 PRESIDING COMMISSIONER MOORE: Mr. Richins, you can
14 probably address that one on behalf of the staff. It's an
15 issue that we're intending to look into as a part of this
16 report; am I correct?

17 MR. RICHINS: That's correct. We will be looking
18 into all of the issues that people have brought up today as
19 well as any other issues that might be raised beyond this
20 point up until we do our final staff assessment in August.

21 PRESIDING COMMISSIONER MOORE: Okay. Anyone else
22 who would like to address us? I'm sorry, yeah.

23 MR. SHANNON (From Audience): You (inaudible).

24 PRESIDING COMMISSIONER MOORE: Excuse me, could you
25 state your name, please.

1 MR. SHANNON (From Audience): I'm Mike Shannon.
2 Basically all the water, if you're not familiar, all the
3 water from Yuba City (inaudible), it all comes down whether
4 it's intercepted by intercepting down north of Yuba City or
5 it comes down Guild Side or it comes out Snake Creek.
6 Basically, all that water comes from Yuba City. That's the
7 drainage for Yuba City, that whole area.

8 And when it backs up our area, then it backs up
9 against George Washington and it backs up all the way back to
10 Mill Side. If the water is intercepted by Guild Side, then
11 it's carried out. If it's not picked up by Guild Side, it
12 comes through us. And it's been an increasing problem every
13 year.

14 PRESIDING COMMISSIONER MOORE: As to when it occurs
15 up here --

16 MR. SHANNON (From Audience): Yes, sir.

17 PRESIDING COMMISSIONER MOORE: -- there's more and
18 more runoff.

19 MR. SHANNON (From Audience): Right.

20 PRESIDING COMMISSIONER MOORE: And that's feeding
21 more water down into that area.

22 MR. SHANNON (From Audience): Exactly. So the
23 problem is going to be there and it has to be solved. And
24 it's been a major problem for the last ten years. And once
25 we got out of the last drought, there was so much building

1 when we had that eight years of drought we didn't have a
2 flood problem. As soon as now that we even get normal rain,
3 we have a flooding problem out there. So, it's basically a
4 county problem out there, but it's starting to become a city
5 problem.

6 PRESIDING COMMISSIONER MOORE: Well, Mr. Shannon, I
7 might point out that this is one of those things that they
8 refer to officially in politics as a marriage made in heaven
9 where we've got the city interested in selling something.
10 They have a direct interest in this. And we have a company
11 that's interested in getting an economic opportunity, and a
12 lot of other actors that have a vested interest in one aim or
13 another. And we're in the middle of this, brokers of the
14 public interest. So, I suggest this is a good opportunity to
15 air those inter-agency concerns and we'll be making sure that
16 something positive happens as a result of this.

17 Let me then turn back to Mr. Richins and ask him to
18 discuss the schedule a little bit and some of the products.

19 MR. RICHINS: I just have one comment as it relates
20 to all the issues here, but specifically the drainage here.
21 We're looking at having a workshop soon, maybe in the middle
22 of March, towards the end of March; the March time period to
23 discuss water issues. And one of the items on the agenda
24 could be this drainage issue as it relates to water. So it
25 might dovetail nicely with something that we're proposing

1 from just the overall water issue.

2 PRESIDING COMMISSIONER MOORE: Just so everyone
3 understands -- I was just asking Gary -- when you have a
4 workshop, the public will get at least ten days notice before
5 you have that workshop so people will know about it. You'll
6 see it advertised in the local press as well as, for those
7 who are interested in the project and keep an eye on our
8 website, you'll understand what we're doing as we go around,
9 especially stuff that comes up to address a special or
10 specific issue like drainage.

11 Mr. Richins.

12 MR. RICHINS: Yes. The slide that I have up there
13 is a proposed schedule that staff is recommending. We have
14 looked at some of the issues. We've looked at our normal 12
15 month process and have come up with a schedule that would be
16 a 12 month schedule as we have done in past cases. And so
17 it's laid out there pretty much.

18 Today is the March 3rd information hearing and NEPA
19 scoping and the data responses are due back from Calpine
20 tomorrow. Also, it sounds like CURE will have some data
21 requests going out in the next couple of days.

22 We are hoping and we have targeted July 1 as our
23 preliminary staff assessment. This will be a document that
24 will identify and roll up our analysis of all the issues that
25 have been identified so far, including those issues that have

1 come up today and issues that will come up in the future.

2 We will hold some workshops on that particular
3 document. And at that time, we will find out whether we've
4 done an adequate job or we've missed some things. And then
5 from those workshops we will rewrite and resubmit that draft
6 document which is called *Final Staff Assessment*. And for
7 NEPA purposes, it will be used as the draft environmental
8 impact statement.

9 We also have some other dates down there, receiving
10 information back on the final DOC, determination of
11 compliance, from the Air District. And then with a tentative
12 date around the end of September for evidentiary hearings, a
13 proposed decision in November and then an adopted decision
14 January 20th.

15 PRESIDING COMMISSIONER MOORE: Let me just point
16 out, that's not an adopted decision. That's an adoption
17 hearing. So, anyone here doesn't get confused, the
18 Commission, the California Energy Commission, will entertain
19 a recommendation from this committee and that recommendation
20 could be unanimous, it could be split. In any case, the
21 recommendation will be the subject of a hearing. And the
22 Commission will then determine whether to adopt this or not.
23 It's not a foregone decision. We'll probably have to change
24 that slide and make sure that's a little clearer.

25 MR. RICHINS: On the next slide I just want to

1 point out some key events. I think for us to be able to meet
2 that schedule, a couple of things needs to occur. And that's
3 a timely response by Calpine to the data requests that we
4 have made and that others might be working in the future.
5 Also, the timely completion of biological consultation by US
6 Fish and Wildlife Service. Also, the timely review by both
7 the federal government and the local Air District as it
8 relates to air requirements. And then also working closely
9 with Western on their transmission studies.

10 We see those as key events that need to occur so
11 that we can meet both the July 1 date for our PSA and then
12 the August 27th date for the FSA.

13 And then we would propose to keep the committee and
14 the public apprised of our status on these products by
15 issuing a regular status report that would be docketed and
16 sent out to interested parties.

17 PRESIDING COMMISSIONER MOORE: Thank you. Let me
18 ask if there are questions.

19 Mr. Keese, any questions of staff?

20 Do the applicants have any questions of staff that
21 they want to get on the floor here?

22 Thank you, Mr. Richins.

23 Let me ask a question of the applicants before I
24 turn to you for any further comments. We have a tour
25 schedule of the plant this afternoon. What would you

1 estimate is the likely amount of time that we would take in
2 transit down and transit back and the tour itself? How much
3 time do we need to allocate and give this a fair view?

4 MR. HILDEBRAND: Depending on the level of interest
5 at the various sites --

6 PRESIDING COMMISSIONER MOORE: Which we can't
7 predict.

8 MR. HILDEBRAND: -- we're estimating an hour, an
9 hour and 15 minutes total round trip.

10 PRESIDING COMMISSIONER MOORE: All right. It's
11 getting on 12:15 now. How many people here would like to go
12 on the tour? About four, okay. Okay. I don't think we're
13 going to need all those buses.

14 Well, with that, we'll make a decision regarding
15 lunch and stuff after this -- we close this up, we can poll
16 everyone I think individually.

17 Yes, sir.

18 MR. FOSTER (From Audience): I wanted to make a
19 comment.

20 PRESIDING COMMISSIONER MOORE: Yes, come on up.

21 MR. FOSTER (From Audience): No, that's fine.

22 PRESIDING COMMISSIONER MOORE: All right.

23 MR. FOSTER (From Audience): My name is Brad
24 Foster, 3568 Obanyon Road. Will the other class address the
25 issue on traffic coming in and out of the plant? This has

1 never been completely addressed. The trucks coming in still
2 use whatever road is most convenient for them.

3 In other words, every county road is being torn up
4 in this area, especially this time of year. Township Road
5 has been flooded for three weeks. You should drive down
6 Township Road today. Hopefully the county hasn't patched the
7 holes and you'll get to see them all. So they're coming
8 Obanyon Road. Obanyon Road, the ditches are full to the top
9 of the bank. Obanyon Road is being torn up.

10 The problem is a lot worse before they wanted the
11 new plant. When they wanted a new plant, all of a sudden it
12 started being addressed. This is something you need to think
13 about.

14 Another thing is the power lines. Nobody wants
15 them in their rice fields. We live on Township Road. I farm
16 on Township Road. My shop is within a hundred yards of
17 Township Road. I don't want to work underneath these power
18 lines either.

19 Our house sits on Obanyon Road. We built it facing
20 the Sutter views. I don't want power lines between my house
21 and the Sutter views. The same with the plant; how tall is
22 this plant going to be? I've heard 180 feet high stacks.
23 You know, if there is something else, I don't see any trees
24 that's going to be tall enough out there to hide all this.
25 These is something that needs to addressed. Thank you.

1 PRESIDING COMMISSIONER MOORE: I appreciate your
2 comments. Anyone else who would like to address us, get your
3 comments on the record? Yes, sir.

4 AUDIENCE SPEAKER: Yeah, how tall are these lines
5 going to be?

6 PRESIDING COMMISSIONER MOORE: How tall are the
7 lines?

8 AUDIENCE SPEAKER: On Obanyon Road, how tall?

9 MR. HILDEBRAND: We expect the towers to be in the
10 100 foot range.

11 PRESIDING COMMISSIONER MOORE: Similar to the
12 towers that are along the bypass right now.

13 MR. HILDEBRAND: Yeah, we can point them out more
14 clearly on the tour. There's two sets of lines. The smaller
15 set of lines is the 230-kV Western lines. Those are
16 approximately 100 feet tall. The lines are 500 --

17 PRESIDING COMMISSIONER MOORE: So, the answer to
18 your question, about 100, 100 feet tall.

19 AUDIENCE SPEAKER: We have the property on the end
20 of Obanyon Road on the south side and we have the tower lines
21 going along the bypass. Crop dusters will not fly into the
22 power lines. And we have the towers on the north side next
23 to the road, it's not -- I don't think you would want to be
24 flying those things or having somebody you knew very well or
25 loved very well in that airplane.

1 Now, when you talked -- And I got your name and I
2 talked to you earlier, you had mentioned to me that you had
3 talked to some crop dusters and they didn't think that the
4 lines would make a difference. I'm not a pilot, but I kind
5 of question that.

6 PRESIDING COMMISSIONER MOORE: Well, let me give
7 you some assurance on that. I am a pilot and I plan to be
8 talking to the crop dusters. I'll probably get out and fly
9 it myself and see for myself. So, you'll have a different,
10 you'll have that perspective on it as well.

11 Yes, sir.

12 AUDIENCE SPEAKER: I'd like to -- One other thing,
13 I'll be happy to take you down and show you everything.

14 PRESIDING COMMISSIONER MOORE: We'll be around.
15 We'll get out to see it. I promise you.

16 AUDIENCE SPEAKER: All right.

17 PRESIDING COMMISSIONER MOORE: And we'll be
18 accessible.

19 MR. OLSEN (From Audience): I'm Jim Olsen. I'm
20 just a concerned citizen. I say there's 250 people that are
21 going to be in the construction. Are we going to bring in an
22 out-of-state contractor to come in and bring in people?
23 Families, 250 families? It's going to influx the schools and
24 influx -- What have you got planned on that? Are you going
25 to hire a local contractor? I don't think we have any that big.

1 PRESIDING COMMISSIONER MOORE: Very good questions.
2 I don't know that we have answers to those today, but I
3 appreciate you putting them on the record. We'll make sure
4 that when we go through this study, we address those.

5 Anyone else? This is not your last chance. You'll
6 have other opportunities to make sure we answer the question,
7 how are we doing on this.

8 Let me turn to the applicant again and ask, do you
9 have any other comments that you would like us to be thinking
10 about before we close this phase?

11 Can I get back to you in just one second?

12 MR. DONALDSON (From Audience): My name is
13 Donaldson. I live just a quarter-mile south of the existing
14 plant out on Township Road, 5794 South Township Road. I'm
15 only one person out there that seems to be (inaudible) and
16 that's the (inaudible), excuse me. It's EMF, electro
17 magnetic field, right in front and over going out is 60,000
18 plus 12,000 PG&E lines.

19 Now, I do not need another 250,000 volts. It
20 should be in that field which would be either on the other
21 side of the road or over on this side of the road, but will
22 still be in the field. And I know it hasn't been proven or
23 disproven, but it is a factor, a medical factor. But until
24 that is disproven, I don't think I need another 250,000 volts
25 of magnetic field in my front yard.

1 However, I think there are alternative routes even
2 underground. I know these things are going to be addressed,
3 but this is my comment and I'm only one person. The rest of
4 the project is all right with me.

5 PRESIDING COMMISSIONER MOORE: Thank you. For the
6 applicant.

7 MR. HILDEBRAND: Again, we would just like to thank
8 Paul and his staff today for their fine work and we look
9 forward to continuing to work very closely with the
10 Commission.

11 PRESIDING COMMISSIONER MOORE: I trust you will.
12 CURE, do you have any additional comments?

13 MS. REYNOLDS: No.

14 PRESIDING COMMISSIONER MOORE: No? Okay. All
15 right. With that, what I'm going to do is close this and
16 tell you that we'll be very public in our dealings and in our
17 information flow and you'll see us again. In terms of
18 hearings, we'll try and make anything that we do that
19 concerns the community accessible to you. It's not a
20 hardship to try to come here. And where we can get these
21 facilities or the Board of Supervisors' chambers, and we'll
22 do that whenever we can. Otherwise, our hearings will be
23 conducted in Sacramento at the Energy Commission. You'll be
24 aware of those, but we'll go to great lengths to accommodate
25 the community interest to make sure that it's heard. Go

1 ahead.

2 HEARING OFFICER FAY: Just briefly; we remind you
3 again that if you do have access to the internet, you can
4 follow much of the case with that and certainly it will lead
5 you to phone numbers or E-mail addresses to contact other
6 people like our staff or Calpine.

7 I'd also like to remind people that the application
8 for certification copies are in the local library. If you
9 don't have your own copy, you can check the local library on
10 any of these subjects that some individuals have mentioned as
11 a particular interest to them. If it's not covered in the
12 AFC, then I suggest you call the staff and tell them that you
13 would like them to focus on that and give you some
14 information on that subject.

15 But all these things like socioeconomics,
16 contractors coming in and impacting schools, etcetera, EMF,
17 all these subjects will be dealt with in the staff analysis
18 of the project. So, keep your ears open for the workshops if
19 it's a workshop on your favorite subject. And at the very
20 least, be sure to review the staff analysis when it comes out
21 and then make your comments on that as to whether you think
22 it adequately addresses the concerns.

23 On the site visit, I would just like to mention.
24 We did ask people to reserve spots in advance on the buses.
25 I don't think that will be a problem based on the show of

1 hands, but many people who did not raise their hands are
2 probably also going to be on the buses like me and the
3 Commissioners.

4 If you decide not to be on the bus, I would just
5 like you to keep in mind that you won't be hearing little
6 comments that some of the people from Calpine would be making
7 that would make it more interesting. So to get the most
8 information, I encourage you to join us on the site visit.

9 PRESIDING COMMISSIONER MOORE: All right, with
10 that, let me just say on the site visit, I think I'm going to
11 -- Yes, sir.

12 AUDIENCE SPEAKER: Excuse me. Did I understand you
13 to say that all future meetings are going to be in
14 Sacramento?

15 PRESIDING COMMISSIONER MOORE: No, I didn't say
16 that. What I said was we would hold some of the meetings in
17 Sacramento, but we'll hold -- whenever there is something
18 that is of great concern to the community that we want to
19 make sure we get community input in, we'll make sure the
20 meetings are here.

21 AUDIENCE SPEAKER: Thank you.

22 PRESIDING COMMISSIONER MOORE: All right. I'm
23 going to make an Executive Decision on the tour and lunch. I
24 think extending everybody out on the site beyond the lunch
25 hour is probably inconvenient. So let's plan to meet back

1 here at 1:30. And the buses are here and then we'll leave
2 from here. Is that convenient with everyone? Can we do
3 that?

4 MS. WARDLOW: That's fine. I just -- Western was
5 going to do their NEPA scoping as part of this meeting this
6 morning in order to meet our time line. That's pretty
7 critical and we have not covered that yet.

8 PRESIDING COMMISSIONER MOORE: I'm sorry, I left
9 that off my list.

10 MS. MCMAHON: No, no, we have. That was covered.

11 MS. WARDLOW: Okay, because I had you getting up
12 twice. So that's okay.

13 PRESIDING COMMISSIONER MOORE: No, I thought they
14 were taking --

15 MS. WARDLOW: I just wanted to make sure we covered
16 our bases. Thank you.

17 MS. MCMAHON: Yes, we did.

18 PRESIDING COMMISSIONER MOORE: Okay. All right.
19 With that, this meeting is adjourned and we'll see those of
20 you for the tour back here at 1:30.

21 (Thereupon, the proceedings was
22 adjourned for the site visit.)

23 --o0o--

24

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CERTIFICATE OF TRANSCRIPT

I, Wendy J. Dippold, as the Official Transcriber,
 hereby certify that the attached proceedings before **ENERGY
 RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:)	Docket No. 97-AFC-2
)	
Application for Certification)	
for the Sutter Power)	
Plant Project)	
_____)	

INFORMATIONAL HEARING
NEPA SCOPING MEETING

were held as herein appears and that this is the original transcript thereof and that the statements that appear in this transcript were transcribed by me to the best of my ability.

I further certify that this transcript is a true, complete, and accurate record of the proceeding.

 Wendy J. Dippold
 March 6, 1998
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