INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:

Application for Certification ) Docket No.
for the GWF TRACY COMBINED ) 08-AFC-7
CYCLE POWER PLANT PROJECT )
_____________________________________

TRACY CITY HALL
CITY COUNCIL CHAMBERS - 1ST FLOOR
333 CIVIC CENTER PLAZA
TRACY, CALIFORNIA

THURSDAY, OCTOBER 23, 2008
4:00 p.m.

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

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

HEARING OFFICER, ADVISORS PRESENT
Raoul Renaud, Hearing Officer
Ivin Rhyne, Advisor to Commissioner Rosenfeld
Diana Schwyzer, Advisor to Commissioner Douglas

STAFF AND CONSULTANTS PRESENT
Kerry Willis, Staff Counsel
Angelique Juarez-Garcia
Paul Marshall
Christopher Meyer

PUBLIC ADVISER
Loreen McMahon, Associate Public Adviser
Elena Miller, Public Adviser

APPLICANT
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Counsel to GWF Energy, LLC

Doug Wheeler
GWF Energy, LLC

Mark Kehoe, Director of Environmental Safety
GWF Energy, LLC

Hal Moore, Director of Engineering
GWF Energy, LLC

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PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
HEARING OFFICER RENAUD: Okay everybody, welcome back. Thank you for attending. We have just returned from the site visit and will now proceed into the Informational Hearing portion of our, of our hearing today.

I am Raoul Renaud, the Hearing Advisor assigned by the Energy Commission in this matter. We have up here Commissioner Karen Douglas, who is the Chair of the Committee assigned to hear this, as well as Ivin Rhyne, the Advisor for Commissioner Rosenfeld who could not be present today, Chris Meyer, the Project Manager from the Energy Commission, and Diana Schwyzer from the Energy Commission, who is Commissioner Douglas' Advisor.

What we will mainly do this afternoon is have presentations from the applicant, from the Energy Commission staff and from our Public Adviser concerning the process that is about to begin unfolding over the next many months. Before we do that I just need to say a couple of words about the background of this proceeding and a couple of points.
We mailed a notice of the events today on September 26, 2008 to interested landowners, government agencies and other individuals. And on September 10, 2008 the Energy Commission accepted as complete the applicant's Application for Certification of this project.

What I need to emphasize today is that the Commissioners conducting this proceeding will eventually issue a Proposed Decision containing recommendations on the proposed project. And that decision will be based solely on the evidence which is contained in the public record.

Now as I said earlier, we are now on the public record. We have a certified court reporter who is setting up microphones and there are other microphones up here that are already in operation. Everything that is said in here will be recorded and eventually transcribed into a booklet that will be posted on the Commission website. The Committee will also take evidence in the form of testimony and documentary evidence, all of which again, will be posted on the Energy Commission website. And any kind of communication or documentation concerning this matter will also be posted there.
The Energy Commission strives to make these proceedings as open and transparent and available to the public as possible. For that reason we have a rule which prohibits any kind of communication between the parties and the Commissioners. All communication concerning the merits of the case need to be done in a public setting such as this one and then made available as part of the public record so that everybody who wants to can see this information.

There will be additional hearings in this case in the future, there will also be workshops. All of these proceedings will be noticed as broadly as possible so that everybody who is interested can make arrangements to attend.

The first presentation for today will be by our Public Adviser, Elena Miller, who is handing out some papers there. She is going to describe the process by which members of the public can participate in the Energy Commission's proceedings.

Following that we will have the presentation by the Applicant describing the proposed project.

We will then hear from the Energy
Commission staff providing an overview of the licensing process and the role of the staff in reviewing the proposed project.

We will also have an opportunity at the end for questions or comments from members of the public. And at that point we will conclude the meeting.

So, Ms. Miller, if you are ready I will ask you to proceed, thank you.

PUBLIC ADVISER MILLER: Thank you.

Hello, everybody. I am Elena Miller and I am the Public Adviser. I am going to walk through some general information about my office and what we do within the Energy Commission. I am not going to get into details about the project, that is specific for the project manager.

The primary focus of my office is to help the public to understand the Energy Commission's proceeding. We make recommendations on how to assist the public in participating in a meaningful way. So let me just say, if anybody has any questions about our process please don't hesitate to call my office.

Outside of this room we have business cards, we have a pamphlet about the Public
Adviser's Office. I have given you handouts that encompass the PowerPoint that I am giving you now. Call us if you have general questions, we are a good place to start. And then often what we end up doing is putting you in contact with staff within the Commission.

This is general contact information. If you haven't been to our website I encourage you to go our website. There is a lot of information there. There is a specific page just for this project with a lot of information on it. And certainly there will be more information coming up.

If you have not signed up for what is called the List Server please do so. And if you need assistance in finding that call my office, we can help you get to that location. That will allow you to receive electronic notices. And certainly any future workshops or hearings that are scheduled, that will be your best and quickest way to find out.

The application that was filed by GWF is called the Application for Certification; we refer to that as the AFC. If you haven't seen it already this slide tells you where you can go to
see it. It is available in public libraries in this area, in Tracy and Stockton. It is located throughout the state as well. Also located in Sacramento at the Energy Commission's Library. I, of course, realize that is not practical for most people. If you still can't find it or if it is inconvenient, you cannot get to the library, if you have special circumstances, please call my office and we can take care of that problem as well.

We have done a considerable amount of outreach already. The Energy Commission sends letters to property owners and so what this slide is telling you is the type of outreach that has been done. Our siting office sends notice to local elected officials. We have a number of different lists at the Energy Commission that allow us to notice different categories of persons.

My office specifically sends its own notice and so some of you may have seen my notice and not the general notice that comes out. I focus on outreach to the community, not property owners. But I do capture elected officials, local elected officials, libraries, schools, medical
facilities. They are listed here so that you get
a general idea of where my focus is.

There was that final point that we did
advertise in local newspapers in Spanish and
English.

To give you some general insight into
our Energy Commission meetings. They are publicly
noticed, they are open. We recommend and ask that
you sign in. On the table outside of this room is
a sign-in sheet on a clipboard. It is not
required that you sign in under the Government
Code in order to come into the meeting. However,
if you do sign in, that is our way of knowing to
get more information to you in the future. In
other words, you can check a box to be on a
mailing list to receive notice through the US
Postal or through electronic e-mail. That is the
way we know that you are here.

Also on that table are these blue cards.
Filling out a blue card does not get you on a list
because there is no contact information that you
can provide on this card. This is simply for
comments. But these are also on the table outside
of the room.

We encourage you to comment. It
improves our process, it improves the final
decision by the Commission. If you need special
accommodations please let us know. If you have
disability accommodation needs there is a -- Lou
Quiroz is the contact person. If English is not
your first language let me know. I am bilingual
but we can certainly -- in Spanish. We can
certainly make arrangements if there is another
language need.

I have already mentioned the blue cards
and I can't stress enough the importance of making
comments.

There are two types of participation at
the Energy Commission. There is informal
participation and there is formal. This slide
explains informal participation. What that means
is that you are commenting, either verbally or in
writing. I can give you more guidance, I am
certainly available today to talk to you more
about that. This just gives you some general
insight into what we are looking for in terms of
informal participation.

Important distinctions. When you are
participating informally your comments do become
part of the record, they are not evidence. And
that is the significant difference because the final decision will be based on evidence.

This slide addresses formal participation. We call that Intervenor. And when you consider becoming an intervenor you need to consider that there is a petition that you need to file. My role, I am a licensed, California attorney, I am appointed by the Governor, I am available to assist you in that. I cannot represent you but I can certainly guide you and get you the important information that you need to be a formal party.

The Petition to Intervene would be filed with the Commission. It is considered by the Committee. There is a period of time that all parties can comment. And if it is granted then you are granted intervenor status. An important point, you do not have to be an attorney to intervene. You can be anybody.

This slide addresses what being an intervenor means. We capture it by saying there are benefits and there are responsibilities.

You will receive all filings in the case. So any time any party files a document with the Commission, copies of that document go out to
all other parties. And so you will only receive
those documents if you have intervened. You can
request copies of documents, naturally, but I can
explain that distinction to you later.

This is an adjudicatory process. There
are motions, there are briefs that are filed. You
would be expected as an intervenor to respond, to
file your own documents as well, to make your
witnesses available to testify and to cross-
examine other parties' witnesses.

And the last slide is just the contact
information for me and my office. Thank you.

HEARING OFFICER RENAUD: Okay, thank you
very much. And Ms. Miller is available and her
staff is available to assist you and answer any
questions, either here today or at their offices.

We will now proceed to presentations by
the parties, starting with the applicant. The
applicant's representatives are seated over here
to my right, your left. Whenever you are ready
you can go ahead.

MR. WHEELER: Let me get our file up.

While Mark is doing that let me make just a couple
of introductory comments. Again, my name is Doug
Wheeler. I am here today representing GWF Energy,
GWF is pursuing the modifications that are the subject of the AFC that has been submitted to the Energy Commission. The reason that we are doing that is a couple of things. One, as we see it the future energy requirements of the State of California are going to require gas turbine projects, but efficient gas turbine projects. Now what you have heard on the site tour and what you will hear this afternoon is basically a description of what GWF is doing to improve the efficiency of the existing peaker facility.

Again, the name of the project as it has been submitted is the GWF Tracy Combined Cycle Power Plant Project.

This is a general facility map showing the location of the project site. As you are aware it is on the western side of Tracy. It is located in an unincorporated area of San Joaquin County.

Again, a better map showing the project site. You can see directly to the west of the project site the Delta-Mendota Canal. In the upper right-hand corner is the residential community of Redbridge.
The existing GWF peaker plant. Again, it is a simple-cycle combustion, gas turbine project. Two turbines totalling 170 megawatts. The facility went into, was placed in operation in May of 2003. Again, it has a ten year power purchase agreement with the California Department of Water Resources. That contract runs through the end of 2012.

As part of the original peaker project there was a community benefits program that was part of the development of the peaker project. It totaled $1.3 million. $600,000 was for environmental benefits, primarily air quality benefits, and there was a $700,000 endowment to the Charitable Giving program that has been set up within the community and continues today.

This is just a photograph of what you have seen on the site tour. Again, basically the big structure in the middle of the picture is the evaporative cooler of the air intake structure.

The benefits of the proposed combined cycle: It will have additional megawatts to meet the growing demand in California.

As I mentioned earlier, it will significantly improve the efficiency of the
project. And it does that because we are recovering the waste heat from the combustion turbine exhaust, generating steam and generating additional electricity.

It will use the existing infrastructure, which will minimize the environmental impacts.

This all results in lower emissions per megawatt of electricity generated.

The analysis will be done assuming 8,000 of availability, which is the same basis on which the peaker plant was evaluated.

The key project features. Again, there will be two heat recovery steam generators that will have the capability for limited supplementary gas firing, which is typically referred to as duct firing, and the associated stats. The emission control system, what is referred to as the SCR and the oxidation catalyst, will be located in the HRSGs.

There will be a new 145 megawatt steam turbine. The 145 megawatts generating capacity is based on, if we are recovering only the waste heat we will generate approximately 90 megawatts of additional electricity. With the supplementary natural gas firing in the HRSG, that takes it up
to the 145 megawatts.

The cooling, thermal cooling of the steam cycle. Again, as we mentioned on the site tour, will be by an air-cooled condenser. We will see that in a later slide in terms of the visual impacts and the size of the structure.

The air-cooled condenser is going to be located where the existing storm water retention basin is located. The basin will be relocated to the west.

There will be a new auxiliary boiler. The auxiliary boiler is used to keep the seals on the steam turbine hot and some partial heating of the HRSG. The purpose is to reduce or minimize the start-up time on the combined cycle.

There will be minor footprint changes in the footprint of the plant. Again, the permanent disturbance will increase by 3.3 acres. Again, that is for the relocated storm water retention basin.

The annual water usage incremental to the current water usage will be approximately 25 acre-feet per year. As I mentioned on the site tour, the current water requirements for the peaker is 29.5 acre-feet per year. Again, this is
all predicated on the facility operating 8,000
hours.

There will be a temporarily disturbed
area of approximately 12.3 acres. That is for
construction lay-down and construction parking.

The site is on an existing 40 acre
parcel that is owned by GWF. Again, the peaker
plant occupies 13.1 acres. The proposed combined
cycle project will occupy 16.4 acres.

This is a general site layout. I
apologize for the quality. It may be difficult to
see without a pointer. On the top of the general
site arrangement is the temporary storm water
collection basin. Below that, the cross-hatched
area is the temporary parking and lay-down. And
then you get down in the plant site. You can see
the air-cooled condenser, the two combustion gas
turbines, HRSGs, and the steam turbine.

The switchyard will be essentially
unchanged. There is some modification work that
is required to add the steam turbine. And then we
pointed out the existing PG&E substation. Again,
it belongs to PG&E. It is located on that 13.1
acre site.

The electrical interconnection, as we
described, will require some modification of the
on-site 115 kV switchyard.

We pointed out the three 115 kV lines.
The Tesla-Manteca line was the center line on the
tower. Currently the peaker is interconnected to
the closest steel tower line to the facility.

As I mentioned there are three
reconductored segments that are off-site that we
will look at on a later slide. GWF has received
the system impact study from the ISO for the
interconnect. Reconductoring is where you have an
existing size wire on the transmission line and
you are increasing the size of that wire, if you
will, to handle the increased transmission load.

This is a little bit hard to see but
again, down on the left hand side the red, dashed
line is about .7 miles of reconductored line. If
you move up to the top, right-hand side there is a
green section that is 1.7 miles and then there is
an orange section that is .6 miles. And again,
obviously that reconductoring will be done off-
site. But again, it is upgrading the transmission
lines on the existing structures.

The air quality improvements that are
discussed in the application. The project will
incorporate higher efficiency emission control systems. Specifically the selective catalytic reduction or SCR for NOx control will reduce the NOx emissions to two ppm. The current permit limit for NOx is five ppm. And the reason for the significant reduction is primarily associated with the temperature of the exhaust gas. You can just do a much better job of removing the NOx from the turbine emissions at the right temperature.

Also in the HRSG and part of the more efficient controls is an oxidation catalyst. Currently the CO permitted limit is six ppm. That will be dropped to two ppm. The VOC will remain unchanged at two ppm.

The ammonia slip or the ammonia concentration. Ammonia is used in the selective catalytic reduction system to reduce the oxides of nitrogen and the ammonia in the stack is typically referred to as ammonia slip. That ammonia slip concentration, the proposed limit is five ppm. Currently that limit is ten ppm.

This is just another slide comparing the existing limits with the proposed limits. Again, the NOx will drop from five to two ppm, CO from six to two, VOC will remain unchanged. The PM10/
PM 2.5 emissions are associated with the amount of natural gas that is burned in the facility. And the ammonia concentration dropping from ten to five ppm.

This slide contrasts the annual permitted emissions for the current peaker. The NOx emissions permitted, 307,000 pounds per year. The proposed project will emit 181,000 pounds a year. Again, this is all assuming that the facility operates 8,000 hours.

The CO emissions, 143,000 actually goes up to 161 even though the concentration is dropping. The start-up cycle on the combined cycle turbines actually increase the CO emissions.

The VOC is slightly higher. That is primarily associated with the burning of natural gas in the HRSG. The size of the duct burns in the HRSG are roughly 325,000 million BTU per hour. Again, that natural gas firing will allow the facility to generate an additional 60 megawatts.

The PM10/2.5 emissions, 53,000 pounds will increase to 67,000 pounds. Again associated with the gas burned in the HRSG.

The SO2 goes up slightly as well because of the natural gas.
The project emission change for NOx is reduced by 126,000 pounds an hour. The project in terms of mitigating the increased emissions for PM10 and VOC are mitigated or offset using NOx as a precursor to ozone. The ratio for NOx and VOC is one-to-one. The ratio for PM10, again because NOx is a precursor to PM10, is 2.38-to-one. Meaning one pound of NOx would offset 2.38 pounds of PM10. Excuse me, the other way around. The CO emissions and the VOC increase will be offset by surrendering emission reduction credits as part of the project to the San Joaquin Valley Air Pollution Control Group.

Noise. The project is designed to achieve 42 dBA or less at the nearest residence. I have got a map that will follow and show you where that is located. For those of you from Tracy who know, it is the Timmons residence which is located in the orchard west of the project.

The proposed project will comply with the San Joaquin County noise ordinances.

The nearby receptors. The nearest residential receptor is the ST-5R, I believe it is, to the left and slightly below the project site. And again, that is the Timmons residence.
and as the closest residential receptor, sensitive receptor, again, the design point is 42 dBA, the contribution from the project.

Visual resources. There are no visible plumes associated with the project. As I mentioned on the site visit, we will review the landscape plan for the peaker. We have had a lot of difficulty maintaining the trees that were designated for visual resource mitigation at the peaker plant. The major equipment color will be chosen to blend with the surrounding environment, which is the green that you saw on the existing peaker plant.

These are the key observation points. You can see there are three of them. One towards the center of the slide is located at Schulte and Lammers Road. The other two are located looking at the site from the freeway, from 580.

This is the observation point from Lammers Road and West Schulte. You can see -- and this is the existing project site. You can see that the dominant features from that key observation point are the two stacks and the air intake structures on the turbines.

This is the view from the same location.
with the proposed project modifications rendered into the existing facility. You can see the new stacks, the HRSGs. You can still see the air intake structures. And again, as mentioned at the site tour, the dominant structure associated with the modifications is the air-cool condenser. To the right is the Owens glass plant facility. Further to the right off the slide is the biomass plant.

Any additional questions. I don't know what the -- if we take questions at the end of this presentation?

HEARING OFFICER RENAUD: Yes, please.

MR. WHEELER: Are there any questions that we might be able to address from the audience?

This is the information on the contacts, again. I am Doug Wheeler. Mark Kehoe is located here in the front row, Director of Environmental Safety. And then Hal Moore is our Engineering Manager.

On the tour on our way back I pointed out the 200 acre grassy field that was adjacent to the peaker plant access road. About three weeks ago the Tracy City Staff made a recommendation to
the City Council, which was approved by the
Council, to consider alternative uses of that 200
acre parcel. As I mentioned on the site tour,
originally that was designated as a sports park.
The City has moved to a different location for
that sports park.

The other part of the -- the
recommendation really went to looking at
alternative uses. The property was transferred
from the federal government to the City with
specific land uses, either recreation or
education. And the other part of the
recommendation was to negotiate with GWF and
others to look at an alternative energy facility
on that 200 acre parcel.

Obviously the land use issues have to be
resolved by the City and the federal government.
Once we get to that point if there is an agreement
between the City and GWF that would represent site
control then there may be an opportunity to look
at a solar component which would be integrated
into the combined cycle that is proposed,
currently proposed.

I want to emphasize that the project
that is in front of the Energy Commission is a
combined cycle project. This came up two weeks ago. Certainly from an energy efficiency perspective, its location to the existing combined cycle, it may make very good sense to consider integrating solar into it. But again, I just wanted to mention to the community and to the Siting Committee that this has come up and it may be something that we will want to include in the project down the road. I have no idea of time frame but I just wanted to give you a heads-up.

Are there any comments form Mike Carroll?

MR. CARROLL: No comment. I'd be happy to answer any questions that anyone may have.

HEARING OFFICER RENAUD: All right, no questions at this point. Remember, we will have a public comment period at the end as well in case something should come to mind.

Let's proceed with a presentation on behalf of the Energy Commission staff. This will describe what the Energy Commission does in considering the Application for Certification. And then we will discuss the staff's Issues Identification Report as well as some scheduling issues for handling the rest of the case.
MR. MEYER: It will take us just a second to get the PowerPoint up. Elena Miller has kindly offered to hand out some copies of the presentation so you can have a place for notes. And since there was some contact presentation information on this slide on the presentation we will be giving, you will have it for your records if you have any questions further down in the process.

Okay, I think we are ready to go here.

Good afternoon. My name is Christopher Meyer. I will be the staff's project manager for the GWF Tracy Combined Cycle Power Plant Project.

The first slide is just sort of a recount of the key members of the Siting Committee, Hearing officer and Public Adviser's Office and also Staff Counsel.

You will hear people talk about the docket number throughout the process and that is that 08-AFC-7. It is just simply it was the seventh project received by the Energy Commission in 2008. Just one moment while I get the clicker here.

Basically the purpose of the siting project for the Energy Commission under the Public
Resource Code is, you know, two-fold. Really we look at making sure that the process goes forward to provide security, energy security for the State of California while balancing that need to provide the power with looking out for the public good as far as environmental concerns. And when we talk about environmental we are looking at you know, bio, cultural issues. Also looking at things such as visual, land use, health, air quality and things of that nature as well in our review.

The Energy Commission looks at thermal power plants that are greater than 50 megawatts. When we talk about thermal people talk about solar projects. There are solar projects that get their energy out of using mirrors to heat a medium. That's solar. Something like a PV which doesn't have a thermal component is not something that the Energy Commission would look at. In this case of a natural gas-fired facility and it is over 50 megawatts, it is well within the jurisdiction of the Energy Commission.

We also look at the infrastructure that is related to the power plant. As the applicant talked about, they will be reconductoring the transmission lines because of this upgrade in the
project that has been proposed. We look at those
and we also look at any access roads, anything
that has either temporary or permanent impacts
that would be from the proposed project.

And when people talk about CEQA impacts,
the California Environmental Quality Act. The
Energy Commission is the lead agency that looks at
the CEQA review.

The Energy Commission has a three-step
process. Basically the first step we call data
adequacy. And I will go through these a little
bit more later. It has already happened. Where
we look at the project for completeness. Then we
go to a discovery and analysis phase, which is
where we are right now. And when that is
completed we will get into the evidentiary hearing
and decision phase.

And during the discovery and analysis
process there are several parties that can be
involved. As the Public Adviser explained, you
will have intervenors. People are formal
intervenors who petition. And if they are
accepted by the Committee as formal intervenors
they will become official parties. So they will
join the applicant and the Energy Commission staff
as parties to the project.

One of the big things that staff will do is make sure that the public has a voice and a -- has basically a voice in the process, whether you become a formal intervenor or not. Also we work with a lot of state and federal agencies, local agencies, to make sure that their voice is heard as well.

And when we talk about agencies, local. Even though this project is outside the city limits of Tracy, because we recognize that the City of Tracy was very interested in the original Tracy Peaker Project through that proceeding, we decided it would be very good to involve the City of Tracy throughout this proceeding to find out what their concerns are. We are also going to be working with the County.

The different technical areas will have different agencies that they will look at, whether they are local or state or federal. Air quality we will look at, we will work with the San Joaquin Valley Air Pollution Control District to look at what conditions they would have and learn how to meld that into our process. I won't go through all of these. You will have them in the slide,
the different agencies that we will be working with.

As I said before it is a three-step process. The data adequacy phase. Really what we are looking at there, we are not saying that the application is complete with everything we need to do our analysis. The adequacy phase basically says, does this application have the minimum information for us to even start our review.

We have regulations that have a laundry list of information that needs to be provided on all the applications. Our staff goes through that and makes recommendations to the Executive Director who then makes them to the Commission to determine whether the project can be accepted by the Commission as complete and that will start the 12 month clock.

In this process the applicant has -- Excuse me, let me just back up just a second. The first go-around there were some technical areas that we found needed additional information. We provided that to the applicant. They provided a supplement to the AFC. So if you go to our website you will see both the AFC and a supplement with additional information clarifications. With
that supplement the Commission found the project
to be complete and we started the 12 month clock.

Right now that puts us into the
discovery and analysis phase. The discovery phase
is basically where we ask the applicant specific
questions in each technical area to provide
additional information that our staff needs to do
a very complete and thorough analysis. As we
draft those they will go up onto our website and
you can review those as well. So you get an idea
of what issues the staff has and what questions.

The Issues Identification Report is also
a very early process. We have completed that and
there are some copies on the dais of that. If we
run out just let me know, I'll make sure you get a
copy.

Once we go through the data requests
within 30 days the applicant will produce the data
responses to those requests and shortly after that
we will have one of the first of our workshops.
We will have several workshops which are held a
little bit less formal than this. There won't be
a record. It will be something where I will
conduct a workshop to, as the Hearing Officer
provided earlier, discuss all the issues between
the different parties in a public forum.

I won't be talking to the applicant, Commissioners, Committee, anyone about the substantive issues on this project outside the public view. So as the public, as intervenors, you will be completely aware of all the major issues. We try to make sure that the process is as transparent as possible.

So some of these workshops, like the -- we will have an issues resolution and data response workshop where that's sort of one of the first times the Energy Commission staff and applicant's staff can really sort of work through some issues. It is sort of like a working meeting in a public forum.

So you will see a lot of discussion back and forth between the parties so you can get an idea of sort of what we are trying to deal with. And then at the end of that meeting, that open meeting, we open it up to the public so you can ask any questions on either generally on the process or specifically on the issues that we were dealing with on that particular workshop.

Then that brings us to the staff assessments. Staff will produce two documents,
two major documents on this, a Preliminary and then a Final.

Basically each of the technical areas will look at LORS, which are the laws, ordinances, regulations and standards that pertain to that technical discipline.

And we conduct both the engineering and environmental analysis. When we talk about that we talk -- there are certain issues like reliability, noise. Excuse me, reliability, efficiency, that are an engineering aspect rather than biological, cultural or visual, which are dealt with in the Environmental section. So it is divided up within the document but it is all put together in one Preliminary Staff Assessment and then in the Final Staff Assessment.

One of the things that we will be doing is evaluating alternatives. And when we talk about alternatives we don't talk just about other power plants, other locations. We look at both of them. We will look at, can this proposed project be met with different technology, whether it is renewable or another combustion technology. Or if there are impacts that are site-related on the analysis we may look at those.
And one of the things, if staff looks at certain issues and determines that there are potential, significant environmental impacts, the staff will propose mitigation for those. We will identify potential mitigation and will recommend the adoption of that mitigation as far as the conditions of certification in both the Preliminary and Final Staff Assessments.

But one thing to differentiate. The Energy Commission staff -- I am representing the technical staff for the production of the staff assessments. Our role is not as a decision-maker. We are just solely focused on the analysis and we make recommendations to the Committee. The Committee would be the ultimate decision-makers in the process.

The third step is, as I talked about, the decision-making process. When the staff has produced its documents, we have produced our Preliminary Staff Assessment, it goes out to workshops. We get comments from all the parties and the public. We incorporate those into our Final. That document goes both out for public review and also to the Committee. And at that point they will have evidentiary hearings and
prior to that a prehearing conference. The Committee at that point takes all the comments from those steps and will produce a Presiding Member's Proposed Decision. And that will contain a lot of the information from those earlier documents.

And once that Presiding Member's Proposed Decision is completed it will go in front of the full Commission for a decision. Because the Siting Committee, as was explained earlier, is two of the Commissioners on the Energy Commission. And if approved, if the project goes through that process and is approved, the Energy Commission is required to make sure that all the conditions that are accepted, proposed and accepted and adopted are followed through both the construction and operation phase of the project. And that goes right up through closure.

So if the project many years from now as approved has to be taken down, the Energy Commission also will make sure that the project is removed in a safe manner.

And this is just a little bit of an overview of the people that are involved in the evidentiary hearing and decision process. The
intervenors are still involved, you have public comments again. The Public Adviser, who you heard speak earlier, will be instrumental in making sure that people understand how they can fully participate in this process. At that point Energy Commission staff, myself, we become one of the people testifying and providing information into this process, just as everyone else will, to help the Committee make a decision on this.

And one thing just to -- that can be sometimes misunderstood. Energy Commission staff is almost like a disinterested third party in this process. We look at all the information and try to put a very sort of non-biased and cohesive package together, either recommending or not recommending approval of the project.

So we are neither an opponent or a proponent of the project going through this. So that is why we really invite information from all parties, from the public, from intervenors, from the applicant, from interested agencies, to help us provide the decision-makers with the best project possible so they can make the best decision they can make.

And this was covered actually very well
by the Hearing Officer so I'll just sort of leave it in here for your notes later.

And once again this gives you some locations, some of the libraries and the name of our website, where additional information will be posted throughout the process.

And on that website you will see Notices. we have figures, maps, all of the document that the Commission produces. All the public documents will go onto this website. There are documents from the applicant. As I talked about before, the application is on there in electronic format.

So if one of the libraries is too far away and you don't want to have to deal with that you can actually, our website is designed so that you can download the AFC in little pieces. You can go to different parts of it. So it is not going to overwhelm your computer in most cases, and look at it in the comfort of your own home.

And if an intervenor has documents that they provide they will go up on this website as well.

And one thing, as the Public Adviser talked about earlier, there is a list server on
this website where you can sign up and you will automatically get e-mail every time a document is posted at the website. You won't get the actual document, because some of them are fairly large, but you can take a look at what was posted and decide if you want to go to the website and where you can get more information.

So this is just a little bit more information on the website. This you will have. This is one of the slides in the handout that will have my phone number. I encourage people, if you have questions, issues on this project, please let me know. The soonest you let me know is great. If you have something that is a very technical question, very detailed, shooting me an e-mail is great because then I have that without sort of me trying to translate it and I can provide it to the appropriate staff committee to help me answer your question.

Now we come to Staff's Issue Identification Report. What staff does in one of their very first stages is after we look at whether the project has all the pieces necessary for us to start our review. We look at, is there anything that is a project killer. Is there some
major issue that could either significantly affect our ability to recommend the project, or that could significantly impact the proposed schedule for the project or our review of the project.

What we do is we make sure that the public, the Committee and the applicant are aware of these potential issues so we can address them early. And on this project, mainly because it is an existing power plant that is operating currently, there were no major issues that were identified by staff by the proposed project. And this is just the proposed project is converting the existing peaker to a combined-cycle.

This is not saying that during the process when we get farther into all of the technical areas we won't identify significant issues. It is just that at this first blush look we did not identify any.

That said, staff will be looking very closely at water use to make sure -- and we will be sending out in our discovery phase data requests to make sure that the water use for this project, even though it is minor in its increase over the existing use, is compliant with state water policy. And that is really the only smaller
issue that we are really concerned about that we will be looking at in this initial process.

This brings us to the proposed schedule. In your handout I did this one as a full page, otherwise no one would be able to read it. And I will say right at the beginning, this is a proposed schedule from staff and it will be, the Hearing Officer and the Committee will ultimately look at this and determine whether this is an appropriate schedule. But it shows us at this point down about the fifth item, the Informational Hearing and Site Visit.

The applicant received our data requests on the 21st and they will have a month to provide responses to that. And then as I talked about before, shortly thereafter we will hold a workshop to deal with the resolution of any outstanding issues and also to talk about staff's questions on those data responses. So if any of those data responses have minor issues we want to clarify, instead of going back and forth with different requests and responses we will do that in that open meeting.

And as you notice in my schedule, I worked to set the schedule up so that we don't
have anything, any sort of public involvement
during the major holidays. So we are not going to
ask anyone to be here Christmas week for anything.
So you can look that over at your leisure. And
please, if you have any questions about my
schedule call me and I will do my best to answer
your questions.

One of the things that we look at in our
proposed schedule that many of you who have been
following the Energy Commission's workload in this
current period of time are aware that our schedule
is hopeful and we will work very hard to keep on
it. But with the workload of the Commission right
now we can't guarantee that all those dates are
absolutely set and there might be slippage due to
sharing staff time with other projects right now.

And there's other agencies. As I talked
about before, the San Joaquin Valley Air Pollution
Control District, that have to produce documents
that we need as part of our review. That if those
are delayed that could impact our schedule.

And that concludes my presentation.

This again is just a slide of the key players from
the staff and the Hearing Officer if you have any
questions. Also, as the applicant provided
earlier, their contact information if you have any
questions you want to go directly to the applicant
on. Are there any questions on my presentation I
can answer? Excellent, thank you very much.

HEARING OFFICER RENAUD: Thank you,
Mr. Meyer. As Mr. Meyer showed, his schedule
shows roughly a 12 month period from the time the
Commission determined the application was data
adequate until the issuance of the Commission
decision. This is the 12 month period we strive
to maintain. It is not always possible. Lots of
bumps in the road can occur during this process
and sometimes it takes longer.

But I take it, Mr. Carroll, that if we
could stick to that 12 month schedule the
applicant would have no objection.

MR. CARROLL: We would have no objection
to that.

HEARING OFFICER RENAUD: Very good. The
Committee will issue a Scheduling Order in the
near future that will set forth various landmark
dates by which things are to be done.

And with that I think we have completed
everything we need to do at this hearing save and
except the very important public comment period.
And at this time we will invite any members of the public to come forward, ask questions, make a comment. The microphones are open.

Going once. No one? All right, in that case I think we consider it adjourned after closing remarks or comments.

PRESIDING MEMBER DOUGLAS: Very well.

Thank you, everybody. I think we are at the cusp of adjourning this hearing.

I just wanted to say one thing, which is that the Energy Commission has convened an order instituting an investigation for looking at how we analyze greenhouse gas impacts in our power plant siting cases. I point this out because we will have hearings or workshops in October, November, quite likely December, leading to a draft, and then ultimately I think early in 2009 a final set of recommendations or guidance from the Commission to staff.

So I raise this just to say that I hope this is not something that will affect our timetable here, although it could, and that there may be requests for information or analysis coming out of that process.

Beyond that, if there are no questions
and no comments the hearing is adjourned, thank you.

MR. MARSHALL: Christopher, did you want to mention Angelique's contact information as the Compliance Project Manager for the program.

MR. MEYER: Yes, I apologize. We are going to do something a little bit new. And it was completely my error in forgetting to introduce the Compliance Project Manager who, if the project is approved by the Commission, would be in charge of ensuring that all the conditions of certification are addressed during the compliance phase. And she has just a very brief presentation that she wants to give explaining what our role will be.

MS. JUAREZ-GARCIA: Hello, my name is Angelique Juarez-Garcia. I am the Energy Commission Compliance Project Manager assigned to this project. I just wanted to start by saying my presence and presentation here does not assure or imply that the Energy Commission has already made a decision to approve this project. In fact, that approval or disapproval will come only after a comprehensive siting process that is just starting here.
I am basically here to provide assurance that if and when this project is licensed there will be a rigorous and ongoing process to ensure that the project is constructed and operated in compliance with all applicable laws, ordinances, regulations and standards to include all conditions of certification imposed on the license if it is issued.

It is also important to note now that the Commission's siting process is time for public participation and involvement to comment on conditions of certification that will apply to this project. Once the Commission has issued a Final Decision it is more difficult to change the conditions of certification for a given project.

In addition to myself and the Commission management a third-party delegate is involved in the compliance process with the Commission to oversee construction of power plant projects. The Commission delegate is the Chief Building Official or CBO.

The CBO can be a local building official such as the City or County building departments or a third-party company from a pre-approved statewide list of qualified delegate CBOs,
maintained by the Commission Compliance Unit.

Though the CBO reports directly to the Compliance Unit, its activities and expenses are paid for by the applicant through a contract agreement with the CBO prior to the construction activities.

In most cases, shortly after the Final Staff Assessment is published, the Compliance Program manager with the assistance of the staff attorneys will assign a delegate authority to enforce the on-site compliance program to the CBO through a Memorandum of Understanding or MOU.

The delegate CBO is responsible for monitoring the following: All critical construction activities to ensure compliance with the facility design, transmission engineering system, related civil, structural, electrical and mechanical codes are consistent with county, state, federal building requirements. The CBO is the on-site inspector that reviews engineering documents similar to what an inspector does for a local building department.

If and when this project receives a license a compliance fee is imposed on the project and those fees are due after licensing and each year after licensing by July 1.
Occasionally the project owner will realize after receiving a license that they would like to amend conditions of certification to the license. This may occur during construction or operation for a variety of reasons such as a new technology becoming available or because of undiscovered, operational or site constraints on the existing license. Should an amendment be requested the project owner will contact the Energy Commission's CPM for a pre-amendment petition meeting and discussion.

If and when the project owner proceeds with the amendment petition the Energy Commission will send out a Notice of Receipt explaining the purpose of the license amendment petition to a combined mailing list of all parties that were identified during the licensing process and in the compliance phase of the project. This list will include all surrounding landowners and residents within 1,000 feet of the project, to include agencies.

The Commission staff then process the amendment, and when needed, provides technical analysis similar in format and levels of review as the original application for certification review.
Similar to the process that we are in now.

Again, my name is Angelique Juarez-Garcia. I am based in Sacramento. I have cards outside on the sign-in table. And if this project, if and when this project is approved my contact information will be available during the compliance phase of the project. Thank you.

PRESIDING MEMBER DOUGLAS: Thank you very much.

And now we really are finished and adjourned. Thank you.

(Whereupon, at 5:42 p.m., the Informational Hearing was adjourned.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of October, 2008.

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