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BEFORE THE CALIFORNIA ENERGY COMMISSION
AFC COMMITTEE CONFERENCE

In the Matter of:)
) Docket No. 15-AFC-01
PUENTE POWER PROJECT)
_____)

CALIFORNIA ENERGY COMMISSION
1516 9TH STREET
ARE ROSENFELD HEARING ROOM
SACRAMENTO, CALIFORNIA

MONDAY, JUNE 5, 2017

9:30 A.M.

Reported by:
Peter Petty

APPEARANCES

COMMISSIONERS

Janea Scott, Presiding Member

Karen Douglas, Associate Member

ADVISERS

Rhetta DeMesa, Adviser to Commissioner Scott

Matthew Coldwell, Adviser to Commissioner Scott

Jennifer Nelson, Adviser to Commissioner Douglas

Kristy Chew, Special Technical Adviser

HEARING OFFICER

Paul Kramer

STAFF

Shawn Pittard, Project Manager

Kerry Willis, Staff Counsel

Michelle Chester, Staff Counsel

Rosemary Avalos, Public Adviser

PUENTE POWER PROJECT

Michael Carroll (via WebEx), Latham & Watkins, LLP

George Piantka, NRG Energy, Inc.

Dawn Gleiter (via WebEx), NRG Energy, Inc.

APPEARANCES

INTERVENERS

Ellison Folk, City of Oxnard

Alicia Roessler (via WebEx), Ventura County Environmental
Coalition / Environmental Defense Center / Sierra Club
Los Padres Chapter

Shana Lazerow, California Environmental Justice Alliance

Kevin Bundy (via WebEx), Center for Biological Diversity

Grace Chang (via WebEx), FFIERCE

ALSO PRESENT

Senator Hannah-Beth Jackson, District 19

Bryn Sullivan, Chief of Staff to Assembly Member Limon

Jordan Pinjuv, California Independent System Operator

Neil Millar, California Independent System Operator

Carmen Ramirez (via WebEx), Mayor Pro Tem, City of Oxnard

Garry Chinn, Southern California Edison

James Caldwell, V. Jon White and Associates for City of
Oxnard

Raj Dixit, WebEx Coordinator, Counsel to Committee

APPEARANCES

PUBLIC COMMENT

Jan Smutny-Jones, Independent Energy Producers

Noemi Tunquil, CAUSE

Alexis Juarez, CAUSE

Elma del Aguila, CAUSE

Dayane Zuniga, CAUSE

Evelyn Garcia

Adriana Sanchez-Ochoa, Next Gen Climate

Cherie Cabral, California Construction Labor Management
Trust

V. John White, Center for Energy Efficiency and Renewable
Technologies

1
2 P R O C E E D I N G S

3 9:32 A.M.

4 SACRAMENTO, CALIFORNIA, MONDAY, JUNE 5, 2017

5 HEARING OFFICER KRAMER: This is Paul Kramer, the
6 Hearing Officer for the Puente Power Project AFC Committee.
7 We are opening today's Committee Conference. But as I said
8 in a memo last week, we are going to immediately go into a
9 short closed session for the purposes of deliberating. And
10 we also promised we would not come back any sooner than
11 9:45. So if you folks want to do something for a few
12 minutes, you're welcome to do that. It might be a little bit
13 later than that, but we're hoping not to. This is just a
14 brief deliberation. It will probably be followed by a longer
15 one later in the day.

16 So we are going to go off the record until at
17 least 9:45, and we'll be in closed session. Thank you.

18 (Off the record at 9:32 a.m.)

19 (On the record at 9:51 a.m.)

20 COMMISSIONER SCOTT: We are going to go ahead and
21 get started. Good morning, and welcome to the Committee
22 Conference for the Puente Power Project. I am Commissioner
23 Janea Scott. I am the Presiding Member over this. My
24 Associate Member, Commissioner Karen Douglas, is right here
25 to my right. And I am joined by my two Advisers, to my left,

1 Rhetta DeMesa, and Matt Coldwell. Commission Douglass is
2 joined by her Adviser to her right, Jennifer Nelson. And to
3 Jennifer's right is the Commissioners' Technical Adviser on
4 Siting Matters, Kristy Chew. And to my immediate right is
5 our Hearing Officer, Paul Kramer.

6 Let me now ask the parties to introduce
7 themselves, and we'll start with the Applicant please.

8 MR. CARROLL: Good morning. Mike Carroll with
9 Latham and Watkins on behalf of the Applicants. To my right
10 is Dawn Gleiter, Project Director of the Puente Project for
11 NRG Energy. And to her right is George Piantka, Director of
12 Environmental Services for NRG Energy. Thank you.

13 COMMISSIONER SCOTT: Good morning.

14 And next, CEC Staff please.

15 MR. PITTARD: Good morning. This is Shawn Pittard.
16 I'm the Staff Project Manager. And with me are Staff
17 Counsel, Kerry Willis and Michelle Chester.

18 COMMISSIONER SCOTT: Good morning.

19 And now I'll turn to the Interveners, the City of
20 Oxnard please.

21 MS. FOLK: Good morning. Ellison Folk, outside
22 Counsel to the City of Oxnard.

23 COMMISSIONER SCOTT: Good morning.

24 And then do I have Environmental Coalition,
25 Environmental Defense Center, and Sierra Club, are you on

1 the line? If so, please introduce yourselves.

2 Oh, hold on a sec. It looks like folks are muted.
3 Okay. Let's try again.

4 Environmental Coalition, Environmental Defense
5 Center, and Sierra Club, I think everyone's un-muted, so if
6 you are there, please introduce yourselves.

7 MS. ROESSLER: Yes. Good morning. This is Alicia
8 Roessler from Environmental Defense Center, Sierra Club, and
9 Ventura County Environmental Coalition.

10 COMMISSIONER SCOTT: Good morning.

11 And do I have Intervener, Bob Sarvey? If you're
12 there, please introduce yourself. Please say hello. Okay. It
13 sounds like he is not there.

14 Do I have Intervener, California Environmental
15 Justice Alliance?

16 MS. LAZEROW: Hi. Yes. Good morning. This is Shana
17 Lazerow on behalf of CEJA, California Environmental Justice
18 Alliance.

19 COMMISSIONER SCOTT: Good morning, Shana.

20 Do I have anyone from the Center for Biological
21 Diversity? If so, please introduce yourself.

22 MR. BUNDY: Good morning. This is Kevin Bundy from
23 the Center for Biological Diversity.

24 COMMISSIONER SCOTT: Great. Good morning.

25 And do I have anyone from Fighting for Informed

1 Environmental Responsible Clean Energy, or FFIERCE?

2 DR. CHANG: Yes. This is Grace Chang from FFIERCE.

3 COMMISSIONER SCOTT: Good morning.

4 And then let me introduce some others that we have
5 here, as well, from state agencies. I believe we have folks
6 from the California Independent System Operator. Please step
7 up to the microphone and introduce yourself.

8 MR. PINJUV: Yes, Commissioner Scott, Jordan
9 Pinjuv, Senior Counsel for the California ISO. And with me,
10 I also have Neil Millar, who is the Executive Director for
11 Infrastructure Development.

12 COMMISSIONER SCOTT: Great. Good morning.

13 Do I have anyone from the California Coastal
14 Commission? Okay.

15 Do I have any other state or federal wildlife
16 agencies or agencies that would like to introduce
17 themselves? If so, please go ahead. Okay.

18 Any other state or local officials that would like
19 to introduce themselves this morning? If so, please go
20 ahead.

21 MAYOR PRO TEM RAMIREZ: This is Carmen Ramirez,
22 Mayor Pro Tem, City of Oxnard. I'm listening in. Thank you.

23 COMMISSIONER SCOTT: Good morning.

24 And then I'd also like to acknowledge our Public
25 Adviser, who is in the back of the room. She's waiving at

1 you. If you'd like to make a comment, she will let you know
2 how to do that. That is Rosemary Avalos. Thank you for being
3 here.

4 And with that, I will now turn the conduct of this
5 hearing over to our Hearing Officer, Paul Kramer.

6 HEARING OFFICER KRAMER: Thank you. Good morning
7 everyone. The purpose of today's meeting is not to take
8 evidence or establish any facts. We are basically here to
9 talk about recent discussions that occurred at the
10 California ISO Board meeting. And then also to hear
11 argument, and then to eventually rule, if not today, in the
12 relatively near future on the applicant's motion to exclude
13 the testimony of the city filed -- or the testimony of James
14 Caldwell that was filed on the city's behalf.

15 So again, we're not taking testimony. We're not
16 trying to argue the merits of the position, the various
17 positions of the parties. However, the notion that we
18 lawyers use in court of an offer of proof might be a good
19 way to frame some of the discussion. So while we don't want
20 somebody to tell us -- to give us their testimony in depth,
21 it may be appropriate at various times for a party to
22 summarize what they could have proved by way of the evidence
23 they believe they have.

24 And one other thing to note is Senator Hannah-Beth
25 Jackson has asked to speak with us, and we will try to

1 accommodate her when she arrives. We think that might be
2 between 10:30 and 11:00.

3 So with that, also a little bit different than
4 normal, we have blue speaker cards filled out by Jan Smutny-
5 Jones, CEO of Independent Energy Producers. I hope I have
6 that right. And then Garry Chinn, who is the Manager of
7 Electric System Planning from SCE. We also have one from Mr.
8 Caldwell. But my understanding is that he will be called
9 upon at Ms. Folk's discretion, depending on where the
10 discussions go.

11 Normally with these public comment cards, we would
12 just ask these individuals to speak after we've had our
13 discussions. But given their positions, especially Mr.
14 Chinn's, we think there might be some value in having him
15 make his comments as we are, for instance, discussing the
16 first item which is the discussion that recently occurred at
17 the ISO.

18 So with that, let's skip to what I hope is a
19 relatively simple item of business which was the first item,
20 and that's the status of this proceeding.

21 Our simple question for the parties is whether
22 everything is on track to produce supplemental testimony on
23 June 15 that would be on all topics, except biology? And
24 then for the applicant to produce a biological survey report
25 on June 23rd. And we also note that there's an opportunity

1 for closing testimony, which would be due on July 14.

2 So begin with the applicant. How are we doing?

3 MR. CARROLL: Yes, we are doing just fine.

4 Everything is on track. We are on schedule to complete all
5 the biological resources surveys. Most of them have been
6 completed already. We had agreed to do some later surveys in
7 June at the request of some of the interveners for a couple
8 of the species, so those will be completed. And the study is
9 on track to be submitted on June 23rd. We're not aware of
10 anything, including the biological resources surveys that
11 are being undertaken, that would be preclude us from moving
12 forward according to the schedule established by the
13 Committee on May 11th.

14 We'd be happy to provide a little more detail on
15 what we found with respect to the biological resources
16 survey, if that's of interest to the Committee. But in terms
17 of where we are on it, we're on schedule and planning to
18 submit the results as called for in the scheduling order.

19 HEARING OFFICER KRAMER: No. That's what we need to
20 know. We'll wait to read it.

21 Staff?

22 MR. PITTARD: Yes. Staff is on track for filing
23 supplemental testimony on June 15.

24 HEARING OFFICER KRAMER: Okay. Thank you.

25 Ms. Folk?

1 MS. FOLK: Well, the city is on track to file
2 relevant testimony on June 15th, as well as July 14th,
3 depending on, you know, what other parties file on June
4 15th.

5 I do think that the discussion today may influence
6 the schedule somewhat, probably not significantly. But if
7 Cal-ISO were to do the analysis that they've been offered --
8 they've offered to do, that it may require a slight
9 adjustment to the schedule, but I don't think it would be a
10 significant one.

11 HEARING OFFICER KRAMER: Okay. Thank you.

12 Mr. Sarvey, have you joined us? Okay.

13 Ms. Lazerow? Hold on a second. We have everyone
14 muted.

15 MS. LAZEROW: Can you hear me?

16 HEARING OFFICER KRAMER: Yeah. Let's --

17 MS. LAZEROW: You have us muted.

18 HEARING OFFICER KRAMER: Yeah, Mr. Dixit, let's un-
19 mute everyone. And then as people appear to be noise makers,
20 go and individually mute them, and we'll see if that will
21 work for us for a while.

22 MR. DIXIT: Everyone is un-muted.

23 HEARING OFFICER KRAMER: Okay. So, Ms. Lazerow, go
24 ahead.

25 MS. LAZEROW: Good morning. Can you hear me?

1 HEARING OFFICER KRAMER: Yes, we can.

2 MS. LAZEROW: CEJA does not intend to file
3 supplemental testimony in the first round. We will, of
4 course, review the testimony that comes in and may make a
5 filing in July based on that, and agree with the city that
6 the outcome of today's deliberations may have some effect on
7 what that schedule is.

8 HEARING OFFICER KRAMER: Okay. Thank you.

9 Center for Biological -- Mr. Bundy?

10 MR. BUNDY: Thank you. I'm sorry. I was struggling
11 with the mute button myself.

12 Very much like Ms. Lazerow just stated, we are on
13 track as far as testimony goes. We may also -- we would also
14 reserve the right to file something in mid-July, depending
15 on what other parties file in June, and also agree with the
16 city that the schedule may need adjustment, depending on the
17 discussion at the Cal-ISO, the Cal-ISO testimony.

18 HEARING OFFICER KRAMER: Okay.

19 EFFIERCE? Dr. Chang?

20 DR. CHANG: Hi. Like the other interveners, I am
21 waiting to see how today -- what results from today's
22 conversations and where we are at. And I will be in concert
23 with the other interveners filing either mid-June or mid-
24 July, and/or mid-July.

25 HEARING OFFICER KRAMER: Okay. Thank you.

1 Did we get you, Ms. Roessler, already?

2 MS. ROESSLER: No, not yet.

3 HEARING OFFICER KRAMER: Go ahead.

4 MS. ROESSLER: Okay. Thank you. We're on track to
5 make our supplemental testimony deadlines for June and July.
6 We're also interested to hear what comes out of today's
7 process, and echo the rest of the interveners' sentiments in
8 regards to the importance of the ISO testimony and analysis.

9 We'd also like to add that the revised schedule
10 does not allow the Coastal Commission an opportunity to
11 supplement it's 30413(d) report. And we hope that that would
12 be up for consideration today by the CEC, as well.

13 HEARING OFFICER KRAMER: Okay. Thank you all.

14 So now let's go to item B on the agenda, which was
15 the California ISO discussion that occurred at their
16 Governing Board meeting on May 1st. All the Committee knows
17 of that so far is what's in the transcripts that were
18 provided to us.

19 It seems appropriate to first let the
20 representatives from the ISO tell us, well, what they are
21 thinking about doing, what they're offering to do, and if
22 you can, how you think it will help us in this proceeding.
23 And then we'll hear from the parties. And the reason we
24 invited you here today was because, you know, this is an
25 adjudicatory proceeding, so we have to discuss these things

1 with you in public. And, frankly, all of our contacts have
2 been in public thus far, even to the point of the note that
3 I sent to Mr. Berberich, who was docketed in this
4 proceeding.

5 So with that, if you gentlemen want to come to the
6 podium and tell us what you would like to tell us.

7 MR. MILLAR: Thank you very much. Neil Millar with
8 the California ISO. My responsibilities there are with the
9 Infrastructure Development Group, the transmission planning
10 and generator interconnection process.

11 So in that context, we've been heavily involved in
12 a lot of the proceedings that came before we came to this
13 point, working with the Energy Commission, the Utilities
14 Commission and the utilities in developing the appropriate
15 mitigation plans for the reliability issues in Southern
16 California over the last few years.

17 In that context, we had participated both in the
18 proceedings that led to the identification of the need for
19 reinforcement in Southern California, and in this area in
20 particular, and have been participating in virtually all of
21 the regulatory proceedings to this point.

22 At the permitting stage, this is one area where
23 have tended not to get too involved. The needs have been
24 established and mitigations are underway.

25 Where that took us to, though, is as you've seen

1 in the transcript. And I should clarify, my goal today is to
2 build off of what was said in the transcript. Our board
3 members are speaking on behalf of their own positions at
4 that meeting. The offer was made to reach out to the Energy
5 Commission to see if additional analysis on one particular
6 issue would be helpful. Our goal, as it is in all regulatory
7 proceedings, is to be respectful of the process, and we look
8 to continue that here. So our intention, following on the
9 commitment our CEO made at the board meeting, is to reach
10 out to see if additional analysis on these issues would be
11 helpful to the Commission.

12 Now the other thing I can get into a bit more
13 detail on today is what that might look like, the kind of
14 analysis we're talking about, and what it would take to
15 position. But the offer itself was really -- is what was
16 enshrined in the transcripts that you've already had the
17 opportunity to review. And I won't try to put my own
18 interpretation or words on that offer. I think it was, you
19 know -- what drove it was also part of a public discussion,
20 and it was captured in the transcripts.

21 So if that's -- if there aren't any questions
22 there, I could move on to what the additional analysis
23 itself could look like.

24 HEARING OFFICER KRAMER: Please do.

25 MR. MILLAR: Okay. So the kind of analysis that we

1 were looking at was, to some extent, consistent with what
2 we've done in the past in the Public Utilities Commission
3 proceedings where we would test various portfolios of
4 preferred and conventional resources, as well as some
5 interaction with transmission projects that are also moving
6 forward, to test how those different portfolios would meet
7 the identified reliability need.

8 Now in previous cases, we were working off of a
9 relatively small handful of scenarios that were developed
10 largely by the people doing the procurement or leading
11 procurement activities. The offer we were extending here
12 would be to build on that to seek and explore and study
13 various portfolios of preferred resources that could also
14 meet the needs. Now, that's what we can do.

15 What we wouldn't be doing is making an opinion or
16 offering an opinion on whether not those resources are
17 really there. We don't have particular insights into the
18 viability of some of those preferred resources, and that's
19 where we would turn to the guidance from the Energy
20 Commission, from the industry on which portfolios, in fact,
21 we should be studying.

22 Now the other thing I should mention up front is
23 the transcripts refer to doing some of this work as part of
24 the 2017-2018 transmission planning process. That's simply
25 not feasible. Our 2017-'18 transmission planning process

1 concludes with us having finalized results in March of 2018.
2 So just like from time to time where have to support other
3 regulatory proceedings that aren't aligned with our annual
4 process, we would be doing this as a standalone body of
5 study work that we would seek to accommodate your schedule
6 to the extent we can. So we are obviously not proposing
7 waiting until March of 2018 to bring results forward.

8 Now what we would also do, as a matter of detail,
9 is capture these results in the eventual documentation,
10 because we also try to provide transparency throughout our
11 planning process, as well. But we would be focusing on a
12 standalone study, and trying to work both on the inputs and
13 aligning the outputs to the extent we can with what meets
14 your requirements.

15 Now the schedules I was hearing sounded very
16 aggressive for that type of work. But a lot of that would
17 really hinge on how quickly we can get clarity, if we are
18 requested to do this work, clarity on what kind of scenarios
19 we would be studying and how quickly we could land on what
20 those scenarios would look like. That would be the biggest
21 challenge in getting going on the work.

22 Okay, so I think those were the key points I
23 wanted to touch on. And my officer team did ask me to also
24 particularly reinforce our objective of being respectful of
25 the various processes and ensuring that we're providing, if

1 we do this work, that we're providing what you need.

2 So I'll stop there and see if there are any
3 questions I could help with.

4 HEARING OFFICER KRAMER: So once you have the
5 clarity you're asking for, basically, how long would it take
6 you to complete a study?

7 MR. MILLAR: We would say three weeks to a month to
8 do the work, and to have something that we're comfortable
9 filing, quality material.

10 HEARING OFFICER KRAMER: How much, at this point,
11 is unclear to you, everything, or, you know, what these
12 various portfolios might be, or --

13 MR. MILLAR: Well, at this point, we wouldn't say
14 that we have any actionable portfolio to study. We've heard
15 different comments of different types of resources. Normally
16 what we were going back to were the various results coming
17 through the actual RFO process. We've heard speculation of
18 other resources, but we're not aware of any additional
19 outreach to industry that's been done, any other additional
20 RFO's providing information on further renewable or other
21 preferred resources in the area that would contribute. So we
22 would see needing to have to move very quickly on a tight
23 process to produce no more than a handful of scenarios to
24 study.

25 And that blend of are we talking additional demand

1 response, are we talking additional storage, what are the
2 additional types of resources, that's really where we would
3 look to collect that information from outside, as opposed to
4 providing our own opinion. That procurement activity is not
5 our area of expertise.

6 HEARING OFFICER KRAMER: Now the information that
7 Mr. Caldwell provided during public comment before your
8 board, he basically alluded to the information he had filed
9 in this proceeding that we're undertaking, have you reviewed
10 that?

11 MR. MILLAR: Yes, we have.

12 HEARING OFFICER KRAMER: Is that -- does that
13 constitute, in your mind, just one particular proposed
14 portfolio, or is it a series of proposals?

15 MR. MILLAR: I would -- we might get additional
16 clarity today, but at this point I would characterize it a
17 range of discussion of possibilities, as opposed to a
18 specific portfolio that we could pick up and study.

19 HEARING OFFICER KRAMER: So somebody would have to
20 convert that to one or more portfolios for you to do the
21 work?

22 MR. MILLAR: Yes. And we're willing to support that
23 activity to be clear what it is that we need. But the
24 inputs, we see having to come from outside, given our
25 limited ability to say whether or not some of those

1 resources are actually viable or not.

2 HEARING OFFICER KRAMER: Because you're not in the
3 business of developing assets for utilities?

4 MR. MILLAR: Correct.

5 HEARING OFFICER KRAMER: Okay. Anything else?

6 (Pause)

7 HEARING OFFICER KRAMER: Okay. Thank you. Did you
8 have anything else you wanted to add?

9 MR. MILLAR: I don't think so at this time.

10 HEARING OFFICER KRAMER: Okay.

11 MR. MILLAR: But I'd be glad to help along the way.

12 HEARING OFFICER KRAMER: Please stick around for
13 what I think might be an interesting discussion.

14 MR. MILLAR: We will. Thanks.

15 HEARING OFFICER KRAMER: Okay. So we want to
16 explore what this would mean, going through this process.
17 And because we have Mr. Chinn here from the utility that
18 would have to, well, operate and, you know, this is a part
19 of its portfolio, whatever comes of this if we go down this
20 route, we're going to let him speak first. And then we're
21 going to hear from each of the parties. I'd like you to
22 focus your responses on how we could go about defining the
23 set of scenarios that the ISO could analyze, and its effect
24 on the time table for this proceeding, and any other
25 relevant thoughts or concerns that you have.

1 So, mister -- oh, Ms. Lazerow, I see that you've
2 arrived. If you would like to pull up a chair to the corner
3 next to Ms. Folk, you're welcome to do that.

4 MS. FOLK: Thank you.

5 HEARING OFFICER KRAMER: So, Mr. Chinn, go ahead.
6 Could you please spell your name for our court reporter?

7 MR. CHINN: Good morning. My name is Garry Chinn,
8 and it's G-A-R-R-Y C-H-I-N-N.

9 I guess I'd like to speak about kind of the
10 process of how we got here, and maybe even the potential
11 outcomes of moving forward in terms of running an ISO study.

12 The CPUC process that began to look at OTC units
13 in the Moorpark area kind of began back in May of 2012. The
14 ISO, at that point in time, started doing their studies to
15 determine what the issues are in the Moorpark area. And they
16 identified that there is a voltage collapse once Mandalay
17 and Ormond are retired.

18 The CPUC's final decision that authorized SCE to
19 run a procurement showed that we needed potentially up to
20 290 megawatts of resources to prevent the voltage collapse
21 and allow the retirement of the 2,000 megawatts of resources
22 that is Ormond and Mandalay.

23 SCE then initiated an all-source Request for
24 Offers to fill that identified need of 290 megawatts. We
25 conducted an extensive outreach to the supplier community to

1 ensure a robust response to the RFO. We also consulted the
2 ISO during that period of time to determine the particular
3 characteristics that the ISO is looking for in terms of the
4 preferred resources.

5 Ultimately we selected 12 megawatts of preferred
6 resources, and Puente which is a 262-megawatt plant. Those
7 preferred resources actually represent all eligible Request
8 for Offers that SCE received.

9 ISO then confirmed that portfolio was sufficient
10 to address the voltage collapse. And the PUC authorized or
11 approved SCE's Power Purchase Agreements for the portfolio,
12 enabling the, basically, 2,000 megawatts of OTC units to
13 retire.

14 Currently, we're about five years into the
15 process, with about three-and-a-half years left until the
16 December 2020 compliance date for Mandalay and Ormond.

17 So that's kind of a history of how we go here.

18 Looking forward, I guess a new study by the ISO
19 could show a potential different mix of resources that could
20 address the voltage collapse. But that could change the
21 scope of the procurement, and it may not be a viable mix.

22 Just for example, a portfolio of inverter-based
23 generation located on the distribution system could work,
24 based on the studies, but it may show that we need more than
25 290 megawatts just because they're further away from the

1 transmission system and less efficient to support voltage
2 collapse. That portfolio may also be cost prohibitive when
3 compared to the 12 megawatts and Puente. And it may not be
4 fully achievable just simply based on our last RFO, since we
5 procured, basically, every preferred resources that was
6 available.

7 So the 12 megawatts of preferred resources and
8 Puente was basically selected through an all-source
9 procurement process, and was determined by the ISO as a
10 solution to the voltage collapse in the Moorpark subarea.
11 Determination of a new scope of need, authorization to
12 procure that need, and then running a new solicitation,
13 approval of the Power Purchase Agreements, will likely
14 require continued operation of Mandalay and Moorpark as we
15 approach that deadline. And this is at the same time that
16 Mandalay and Ormond are approaching their end of operating
17 life.

18 So in essence, kind of failure to certify Puente
19 at this point would require us to kind of go back four to
20 five years in time and restart the process. And ultimately,
21 there's no guarantee that the system can reliably and cost
22 effectively operate without some sort of gas unit in the
23 area.

24 So that's my comments. And any questions?

25 HEARING OFFICER KRAMER: Okay. Thank you. If you --

1 you're not about to leave, I hope?

2 MR. CHINN: No. I'll be around.

3 HEARING OFFICER KRAMER: We may have some more
4 later. Okay.

5 Let's then take comments, beginning -- from the
6 parties, beginning with the applicant.

7 MR. CARROLL: Thank you. Mike Carroll for the
8 applicant.

9 And I'll just say at the outset that coming into
10 today, it was a little unclear to us what we were being
11 asked to respond to. And there's been some clarification
12 provided this morning, but on the one hand, if we are being
13 asked to respond simply to the statements that were made by
14 the Cal-ISO Board Members on May 1st, our view is that those
15 were public statements made by a majority of the individual
16 members of the Cal-ISO Board, expressing their hope and
17 expectation that this agency would review preferred
18 resources as a potential alternative to the Puente Project,
19 and offering, based, according to the transcript, on an
20 assumption that this agency was not doing that, offering to
21 assist in that process. And that's really what we have.

22 And as we indicated in our filing on Friday, given
23 that that's what we have in front of us, we think the
24 response is fairly straightforward and simple which is rest
25 assured we are, in fact, looking at preferred resources as

1 an alternative to the Puente Project. And, in fact, that's
2 one of the topics that has received a significant amount of
3 attention in terms of analysis and testimony provided during
4 the evidentiary hearings.

5 And thank you for your point of view. Many of the
6 parties in the proceedings share that point of view. And we
7 are undertaking the analysis that you hope and expect us to.
8 And in some respects, that could be and, frankly, in our
9 view, should be the end of the inquiry.

10 But we've -- what we speculated to some extent,
11 based on the fact that we were all gathering here today to
12 talk about it, and based also on the remarks this morning,
13 is that you're also asking us to comment on setting aside
14 specifically what the Cal-ISO might have said and the
15 context within which -- and by the Cal-ISO, I mean the
16 individual board members, setting aside what they might have
17 said, setting aside the context within which they said it,
18 setting aside whether or not they really had the requisite
19 information to make recommendations that were meaningful,
20 does it otherwise make sense to move forward?

21 In other words, in our filing on Friday we really
22 addressed the point that given the context within those
23 comments were made, given the information or the lack
24 thereof that it was apparent that the Cal-ISO Board had at
25 the time that it made the comments, you know, it probably

1 did not make sense in our view to put very much weight on
2 that recommendation.

3 I think what you're asking us today is beyond
4 that, given what we all know, who participated in these
5 proceedings, does it make forward to -- does it make sense
6 to move forward with this study?

7 And in response to that, we would say, "no, it
8 doesn't," and for two reasons. One is the timing issue.
9 We've just heard testimony, and it's not a surprise to most
10 of us, the testimony we just heard, information which isn't
11 surprising to us, that the conduct of the study, and as I
12 understand it, that is simply the technical aspect of the
13 study would take months to complete, once the study was
14 framed. And I suspect that framing the study could well take
15 longer than conducting the study. That's not at all unusual
16 in a study of this nature. And so we're talking about
17 potentially a very lengthy process to conduct the study.

18 We didn't hear any discussion about is there other
19 process associated with that? It's not exactly clear to me,
20 based on public comments from individual members of the
21 board that, you know, can the CAISO proceed with this study
22 without further authorization? Or is there a need before we
23 even begin to identify what's going to be studied, let alone
24 get to the studying, for some sort of a process that needs
25 to take place? Or, you know, does the CAISO Board have the

1 authorization to simply send staff off into conducting a
2 study without any discussion or analysis or assessment of
3 necessary resources, or whether those resources are
4 available?

5 So, you know, we've heard that conducting the
6 study takes months. We've heard that first we would need to
7 figure out what the study was going to actually look at,
8 which I think could take many months. And I have some
9 question about, you know, what additional process, before we
10 even get to that stage, might be necessary. So the timing
11 for us is a serious problem.

12 We had discussion here a couple of months ago,
13 before the most recent scheduling order was issued on May
14 11th, about the implications of further delay on this
15 project. And, you know, we're happy to if you'd like, but
16 unless asked, we won't repeat those, but they are serious.
17 And so a delay of weeks, let alone months at this point is a
18 serious concern for us.

19 So because of the timing, we don't think that it
20 makes sense to move forward with this study.

21 The other reason that we don't think it makes
22 sense to move forward is substantive. And what we heard
23 today confirmed what we assumed, which is that this study
24 would have very little probative value of anything that is
25 relevant to this Committee. And, this is my

1 characterization, sort of a theoretical analysis of what
2 other options might be available to meet the needs in the
3 Moorpark subregion is a very, very long way away from a
4 study that confirms the feasibility of those options.

5 And so, you know, the inquiries that are in front
6 of this Committee are related to its obligations under CEQA
7 that look at a reasonable range of feasible alternatives.
8 And the other relevant inquiry which may, although we don't
9 think it ultimately will be, but which may be in front of
10 this Committee is whether or not it could make the finding
11 necessary to adopt an override. And the test there is
12 similar, reasonable and prudent.

13 So those are the relevant inquiries. Based on what
14 we heard about this study, we don't think that it even
15 begins to scratch the surface of what would be necessary to
16 make those determinations. It would be, at best, a
17 theoretical assessment of other options that might be
18 available in order to meet the need, but no analysis
19 whatsoever of whether or not those options are actually
20 available, whether or not they're feasible. So it really is,
21 if anything, only the very beginning.

22 So because it would take, in our view, a long
23 time, and much longer than we believe the project can
24 sustain, given where we are on these proceedings, and
25 because it would add no probative value to any inquiry that

1 is before this Committee, we don't see any value in it
2 whatsoever. It would be a long time spent for something --
3 for an additional piece of evidence which, in our view,
4 would be accorded or should be accorded very little weight.

5 You know, the state has a very specific process,
6 and we heard a little bit about it today, in which the CEC
7 and the CPCU create demand forecasts and assess resource
8 needs. The CAISO develops a transmission plan. The CPUC
9 creates a procurement plan. And then to the extent that that
10 procurement plan includes generation that falls within the
11 scope of this Commission's jurisdiction, you review the
12 projects.

13 And that's the process that was undertaken here.
14 It was undertaken in a careful and methodical and meticulous
15 way over the last four to five years. At each stage of those
16 proceedings the issues that are being discussed today were
17 raised, they were debated, in some cases they were
18 litigated. Many of the same issues that we're hearing today
19 were raised then. Many of the same parties that are here
20 today participated in those proceedings, and that's what
21 brought us to this point today.

22 And what we have here is really a suggestion that,
23 as the gentleman from SCE stated, that we go back to the
24 beginning and start over again with no reasonable
25 expectation that the outcome would be any different than

1 what we have in front of us. And so to even entertain the
2 notion of doing that, I think, is nonsensical and
3 potentially very dangerous when a need has been identified
4 which, at this point, is not very far off into the future,
5 given the additional steps that need to be taken, you know,
6 once this process is concluded.

7 So in our view the process has been followed. The
8 process has produced credible results that every informed
9 entity along the way has adopted and endorsed and signed off
10 on. That's what's brought us to this point. And what's now
11 in front of this Committee is whether or not to move forward
12 with this project. And to go back to square one, we think,
13 doesn't make sense, and it certainly doesn't make sense in
14 this forum. I mean, if we were to go back to square one, I
15 don't think going back to square one can be done in the
16 context of the CEC proceedings with input from the Cal-ISO.
17 I mean, what we're really talking about is the step in the
18 process that the CPUC is most responsible for; they're not
19 even here today. And so I certainly think that they would
20 have something to say about it.

21 So we don't think under any circumstances it makes
22 sense. We certainly don't think that it could be
23 accomplished in the context of an AFC proceeding on our
24 particular project. We think that it would take a very long
25 time to complete. And at the end of the day, if it told us

1 or told you anything new, it would be of very limited
2 additional value.

3 So for that reason -- again, you know, it's a
4 little unclear what it is I'm opposing. You know, I don't
5 know if I'm opposing a request that would come from the
6 Committee for the CAISO to adopt additional evidence which,
7 notwithstanding, you know, what was done in March would be
8 somewhat unusual. I mean, typically the parties develop the
9 evidence and present what they think should be presented to
10 the Committee, and the Committee decides whether or not it
11 goes into the record. But to the extent that the Committee
12 itself is contemplating requesting that the CAISO develop
13 additional evidence, that's somewhat unusual. Or am I
14 objecting to some sort of an ambiguous request on the part
15 of the city for the Commission to -- or the Committee to
16 extend the schedule to allow them to develop additional
17 evidence to support their alternatives?

18 So again, the procedural aspect here is a little
19 ambiguous. I'm not exactly sure what I'm objecting to. But
20 to the extent that it involves the CAISO going and doing
21 this study, for all the reasons that I've said, we very
22 strongly object to that.

23 Thank you.

24 HEARING OFFICER KRAMER: Thank you.

25 Staff?

1 MR. PITTARD: Yeah. It's our opinion that our
2 analysis is complete in alternatives, and we do not need
3 additional information.

4 HEARING OFFICER KRAMER: Well, no need to review
5 other scenarios on those that you've already reviewed?

6 MR. PITTARD: Correct.

7 HEARING OFFICER KRAMER: Okay. Thank you.

8 Ms. Folk?

9 MS. FOLK: Thank you. Well, the first comment I'd
10 like to make is that, with respect to the various
11 transcripts that were docketed of the CAISO Board hearing,
12 I'd recommend that the one to review is the one docketed by
13 the city, because it's the only complete transcript of the
14 entire discussion. The other ones are snippets of the
15 discussion. And I do think reading it does give a good sense
16 of what the CAISO Board was thinking, and what Staff also
17 thought at that hearing.

18 And I'd like to just respond to NRG's comments,
19 and to the extent I can, to those of Edison. And in large
20 part, NRG raises --

21 HEARING OFFICER KRAMER: Let me stop you for a
22 minute, because Senator Jackson just arrived. So before you
23 get going, maybe I would be best for her --

24 MS. FOLK: Sure. Good timing.

25 HEARING OFFICER KRAMER: -- to speak to us.

1 HEARING OFFICER KRAMER: So, Senator Jackson, if
2 you wanted to come to the podium right there. You're
3 probably going to have drag that microphone down. There you
4 go.

5 SENATOR JACKSON: I'm used to that, being always
6 the short one in the room, but mighty of spirit.

7 So thank you very much. And I appreciate the
8 opportunity to speak out of the order of business. But I did
9 want to take the opportunity, first, to thank you, and to
10 speak about the proposed siting of the Puente Power Project
11 combustion turbine generator along the shoreline in Oxnard,
12 which is in my district. It is actually the largest city in
13 my district. I represent all of Santa Barbara County, and
14 all of Western Ventura County which includes the City of
15 Oxnard.

16 Now as you know, this project stems from a
17 determination that was made more than five years ago by the
18 California Independent System Operation
19 Corporation -- and, of course, we, in Sacramento, do the
20 alphabet soup. And so if you wouldn't mind, I will refer to
21 it as Cal-ISO going forward -- that is a facility capable of
22 providing ancillary grid support. The finding was that this
23 was needed in order to meet projected load capacity
24 requirements in this area of Ventura County.

25 With the retirement of both the Ormond Beach and

1 Mandalay facilities, something must be done to protect the
2 region from temporary loss of the transmission corridor from
3 the large Edison substation at Six Flags in Valencia to
4 Moorpark. However, we believe locating an additional fossil
5 fuel plant in the coastal zone is not the answer.

6 As I have previously stated during these
7 proceedings in Oxnard, constructing the Puente Power Project
8 is not in line with the state's goals to
9 remove -- to move towards total carbon neutrality, but
10 instead actually takes us farther away from reducing
11 reliance on fossil fuel plants, and our efforts to achieve
12 our renewable portfolio standards. It makes, frankly, little
13 sense to invest \$250 million in a conventional gas power
14 plant that runs counter to the state's clean energy policies
15 at a time when California is already experiencing a glut of
16 electricity.

17 It was -- excuse me -- only weeks ago that I stood
18 with President Pro Tem Kevin DeLeon and other legislative
19 leaders at the UC Davis Solar Farm to announce our bold but
20 clearly achievable commitment to make California 100 percent
21 reliant on renewable energy and zero-carbon resources by the
22 end of 2045, a commitment that passed off the senate floor
23 just last week in SB 100. And irrespective of its future, we
24 are committed by law to increasing our portfolio and
25 alternative energy resources by 50 percent, irrespective of

1 whether this measure passes or not.

2 Now the Puente Project, I believe, is a terrible
3 misuse of coastal land. And although the project site would
4 occupy only three acres, two additional acres of protected
5 coastal wetlands would have to be filled in, and more than
6 50 acres of prime oceanfront property will have to remain
7 unencumbered in order to build this facility. And the Puente
8 Project would continue the disproportionate impact from
9 coastal power plants that the residents of Oxnard are forced
10 to endure. Oxnard has become home to more coastal power
11 plants than any other city in California. And this project
12 would continue to saddle an identified environmental justice
13 community with the plants associated environmental impacts
14 for decades to come.

15 Commissioners, more than five years have elapsed
16 since the approval process to build the Puente Power
17 Project. And in that time, as you know, we have witnessed a
18 tremendous growth of clean energy technologies and
19 strategies to meet local grid reliability and resiliency
20 needs, including demand response, conservation, and battery
21 storage. These clean energy technologies and strategies may
22 adequately meet Cal-ISO's needed projections for this area,
23 or I should say need projections for this area, but they
24 have yet to be fully studied as a suitable alternative to
25 the Puente Power Project.

1 It is my understanding that because of the lack of
2 analysis of preferred resources, Cal-ISO's Board of
3 Governors, during their May 1st meeting, expressed interest
4 in reviewing clean energy alternatives that could meet the
5 local capacity requirements in the Moorpark subarea. Based
6 on that discussion it is clear that Cal-ISO believes such a
7 study would be productive and helpful to the CEC's analysis.

8 Recently, we have witnessed other California
9 communities benefit from the use of preferred resources to
10 meet grid resiliency needs, including a pilot project in
11 Orange County that used battery storage backed up by local
12 solar and planned customer demand response to quickly meet
13 resiliency and load support needs. This pilot project was
14 successfully conducted at a fraction of the cost proposed
15 for Puente, without any combustion or resulting air
16 pollution and greenhouse gas emissions.

17 With that in mind, and with the fact that there
18 are other alternatives, this decision was made five years,
19 six years ago, before we saw the boom in the technologies
20 that exist today, I would strongly urge you to thoroughly
21 study these and any other feasible alternatives that align
22 with California's renewable energy goals, and to work with
23 Cal-ISO in completing a preferred resources alternatives
24 study before proceeding any further with the Puente Project.
25 And I ask you to reject any motion by the project applicant

1 that would frustrate the ability of the Energy Commission or
2 Cal-ISO to investigate these alternatives before acting on
3 the Puente Project application.

4 And with that, I thank you very much for your
5 time.

6 HEARING OFFICER KRAMER: Thank you.

7 We also have Bryn Sullivan, who is the Chief of
8 Staff to Assembly Member Monique Limon.

9 MS. SULLIVAN: Hi. Thank you. We'd like to echo the
10 comments Senator Jackson. And Assembly Member Limon
11 represents Ventura County and Santa Barbara County. And as
12 she was just elected this past November, she was not a part
13 of the proceeding discussions but believes that we need to
14 study feasible alternatives before acting on the Puente
15 Project.

16 She urges that Cal-ISO revisit preferred resources
17 to provide sufficient evidence to the Committee and to the
18 public that all alternatives to the Puente Project were
19 pursued.

20 Thank you so much.

21 HEARING OFFICER KRAMER: Thank you. And I'll note
22 that your two offices filed -- or sent a letter that was
23 filed in the docket last week, I believe. Okay.

24 Let's then go back to our discussion.

25 COMMITTEE MEMBER SCOTT: Thank you both for being

1 here.

2 HEARING OFFICER KRAMER: Ms. Folk?

3 MS. FOLK: Thank you. So I'll turn back to,
4 largely, the comments of NRG with respect to the value of
5 doing this study at this point. And NRG's arguments really
6 center on two things, one, their claim that Staff has
7 already conducted an analysis of preferred resources here,
8 and also that it's just too late to engage in this process
9 now. But neither of these claims is accurate, and they
10 should not be the basis to ignore the offer by the CAISO
11 Board and it's view that there is value at looking at an
12 alternative at this point.

13 And first, I'd just like to go back to the
14 transcript of the February 7th hearing, evidentiary hearings
15 where Staff is questioned about the extent to which they
16 looked at preferred resources here. And when Staff was asked
17 about the feasibility of preferred resources, such as
18 battery storage, to meet the LCR need, Mr. Vidaver stated,
19 "I have no independent estimate of how much in the way
20 of preferred resources would be available in the
21 Moorpark subarea."

22 When asked whether CEC Staff had evaluated the
23 extent to which preferred resources could meet the LCR need,
24 Mr. Vidaver stated, "I have not looked at that."

25 When asked by Ms. Chester whether Staff had

1 conducted an independent assessment of preferred resources,
2 Mr. Vidaver stated,

3 "No. Such matters require detailed, sophisticated,
4 technical analysis by the California ISO in order to
5 determine the need for new generating capacity, the
6 generating characteristics of that capacity, and its
7 location."

8 And here we have an actual offer by the ISO to do
9 this type of analysis. And Cal-ISO is one of the most
10 conservative state agencies in terms of its view about
11 ensuring grid reliability. And its view that this is an
12 analysis worth doing is something to be taken seriously.

13 In addition, the City of Oxnard has actually
14 devoted significant resources to identifying what the
15 components of a preferred resource alternative might look
16 like, and I'll just make a few points about that
17 alternative.

18 First, it takes the LCR need seriously. It does
19 not try to reduce the need. It takes it as a given and asks
20 how that need could be met with a minimum of combustion?

21 Second, it recognizes grid support issues, like
22 voltage collapse and the need for rotating mass to maintain
23 grid stability. And then it evaluates ways to meet those
24 needs with a minimum of combustion. And because the city has
25 taken a serious approach to this issue, Cal-ISO has taken

1 our proposal seriously.

2 And in Edison's comments, they again rely on the
3 results of the RFO process, just as CEC Staff did here, as
4 evidence of infeasibility of preferred resources. However,
5 the Caldwell testimony goes into detail about what the
6 preferred resource alternative would look like, and why it
7 does not require an extension of the deadline for the OTC
8 facilities. It does not rely on those facilities in any way.

9 In particular, on page 11 of the -- Mr. Caldwell's
10 testimony, he identifies the components of the proposal that
11 are either available now or in process, and how they would
12 meet the identified LCR need without building any new gas
13 power plants.

14 HEARING OFFICER KRAMER: When you speak to Mr.
15 Caldwell's testimony, you're referring to the testimony
16 filed in May?

17 MS. FOLK: Yeah. Yes, I am.

18 HEARING OFFICER KRAMER: Okay. That's TN number
19 217321.

20 MS. FOLK: And the testimony also identifies the
21 numerous changes that have occurred since Cal-ISO addressed
22 this issue in the context of the 2012 LTPP, and the ways in
23 which preferred resources are now a much more viable
24 solution to this issue.

25 And with respect to timing, the ISO has indicted

1 the actual study itself would take three to four weeks. On
2 framing, we agree, this is an important issue. However, the
3 solution is not to give an unlimited time but to put someone
4 on CEC Staff in charge of helping to identify the framework
5 for the study and giving them a deadline. Give them a month
6 to come up with the elements of what the study should look
7 like, and to work with the parties to get that, the
8 framework. And then have the ISO do the analysis they say
9 that they are able to do.

10 And finally, I just want to make a few points
11 about really where we are in this process. And, you know,
12 when I talk to people about this project, I hear over and
13 over again the response, that it doesn't make sense. Like
14 they don't understand why California is thinking about
15 approving what is an inefficient natural gas facility on a
16 beach in a low-income community that has made clear that the
17 project is inconsistent with its land-use goals and its
18 future for its coastline.

19 When I talk to energy people, I often get the
20 response, well, it's kind of a done deal. This was
21 made -- the decision was made in the 2012 LTPP, and this
22 will probably be the last gas plant California approves.
23 And, in fact, that was the response I got from Jim Caldwell
24 when I first talked to him about this project. And it was
25 only after he took some time to actually look at the issue

1 and think about it that he saw that there's another way.

2 And I think what you've seen from the CAISO Board
3 is that they have also taken a minute, or more than a
4 minute, to think about the issue, and they also realize that
5 there is another way here.

6 If you review the transcript, you'll see that
7 Director Berberich stated,

8 "We know full well, our engineers have looked at this,
9 there could be other options associated with it, and
10 they understand that the CEC has a role as the lead
11 agency under CEQA and as the agency that must make an
12 override finding here to look at alternatives." And
13 they're willing to collaborate in that process.

14 And the fact is that we should not let a sense of
15 inevitability drive the decision in this process. We live in
16 a different world now than we did when the 2012 LTPP was
17 issued. We live in a different world than when the 2014 RFO
18 was issued. And we live in a different world than when the
19 2016 PUC decision was made. Preferred resources can meet
20 grid reliability needs. And the decisions that California
21 makes now about the Puente Project have real consequences,
22 not just for Oxnard but for -- and not just for the
23 ratepayers of Southern California Edison, but for
24 California's role as a leader in a renewable energy future.

25 And given the obligation of the Energy Commission

1 here to undertake an analysis of project alternatives and to
2 only approve this project if it can make an override
3 finding, which should only be done in the rarest of
4 circumstances, it has an obligation to undertake a full
5 analysis of alternatives and to work with CAISO and take
6 them up on the offer that they are making.

7 Thank you.

8 HEARING OFFICER KRAMER: Thank you.

9 Ms. Roessler?

10 MS. ROESSLER: Hi. Can you hear me?

11 HEARING OFFICER KRAMER: Yes. Go ahead.

12 MS. ROESSLER: Okay. Thank you. I couldn't more
13 eloquently state our position any more than Ms. Folk just
14 did. I would definitely second everything that she has just
15 stated.

16 And I'd also like to just add a couple points,
17 emphasize a few points in terms of ensuring that we do make
18 the best of the process, where we are right now, and that
19 certifying this project does commit our state to another 30
20 years of fossil fuels. It is directly inconsistent with our
21 state's energy goals and laws.

22 And if we are to the point where we need to make
23 an override finding, making sure that we have an additional
24 analysis is directly related, in part of the process
25 contemplated, by the Warren-Alquist Act when those override

1 findings are necessary to make.

2 And if it looks like, as we're going through this
3 process, that we're going -- if this facility does get
4 approved, it's going to have to be against local laws and
5 policies. And we're going to be wanting to be sure that
6 there is direct necessity, and that that analysis is done in
7 a relevant time frame, not something relied on six years
8 ago.

9 So we hope that the Committee will seriously
10 consider taking the ISO up on its three- to four-week
11 process to do this additional study and analysis.

12 That's all we have today, for now.

13 HEARING OFFICER KRAMER: Thank you.

14 Mr. Sarvey, have you joined us? Robert Sarvey?

15 Ms. Lazerow?

16 MS. LAZEROW: Good morning. Thank you. Shana
17 Lazerow on behalf of the California Environmental Justice
18 Alliance, and it's member organization, CAUSE. I want to
19 thank some of the CAUSE members who have come here today to
20 speak during public comment. And appreciate the fact that
21 this Committee is taking seriously the real offer that the
22 CAISO Governors have made.

23 A lot of what you're hearing are discussions about
24 staying in your lane. The May 1st transcript from the CAISO
25 Board of Governors has a back and forth, a discussion about

1 the proper roles of these three agencies, that it's CAISO's
2 duty first to start the process by analyzing whether there
3 is a local need, whether there's a system need. Then comes
4 the Public Utilities Commission ordering the utilities to
5 procure to meet that need, and then reviewing the results of
6 the procurement process. And then it comes to you, the
7 Energy Commission, with that whole framework already
8 completed. And your job is to look at the individual
9 facilities and analyze them as individuals.

10 There are two problems with that as a rigid
11 framework. One of them is it's not actually a rigid
12 framework. Those are not the lanes that each agency is
13 confined to. And so we see at the Public Utilities
14 Commission a conversation with CAISO. The Public Utilities
15 Commission doesn't simply accept CAISO's need finding.
16 They're at every long term procurement planning process,
17 they're back and forth. CAISO participates and offers expert
18 testimony.

19 Similarly, the CEC has an obligation under CEQA
20 and under your own rules to consider alternatives that are
21 feasible, not just the alternatives that are results of this
22 long encumbered process, but feasible alternatives to meet
23 local needs.

24 You also has a specific duty to consider
25 environmental justice, and the environmental justice issues

1 in this particular proceeding are so compelling. I know
2 you've been to Oxnard several times. You've heard what these
3 issues are, that condemning this low-income community of
4 color to another 30 years of industrialized beaches is a
5 real violation of environmental justice principles. So you
6 have the chance now to do a little bit more, a very
7 significant but little bit more.

8 The Independent System Operator is offering to do
9 the work. Four of their five Governors want you to take them
10 up on their offer. Governor Ferrin, who was a Public
11 Utilities Commissioner at the time that this -- that the
12 decision that resulted in all of this procurement occurring,
13 he said in the transcript that's in front of you at page
14 seven, he said, "Now is the time to reconsider. Things are
15 changing much more quickly than anyone had anticipated."

16 Last week an SDG&E official pointed out that even
17 three years ago he would not have thought that local needs
18 could be met with 100 percent renewables, but now he
19 believes that they can.

20 The pace of technological advance is so fast.
21 CAISO is offering a very quick turnaround study. This
22 is -- I'm not quite sure why Mr. Carroll is insisting that
23 this would be months and months when we just heard from Mr.
24 Millar that his agency could complete the study in three
25 weeks to a month. And so the study that's being offered is

1 extremely reasonable in time frame. It is the solution -- it
2 is one of the solutions to the difficulty that this
3 Commission finds itself in where your Final Staff Assessment
4 concludes that there is no feasible preferred resources
5 alternative, there is no feasible non-combustion
6 alternative, because the Public Utilities Commission
7 approved the contracts that included the Puente contract
8 and, therefore, it must be assumed that all of the possible
9 preferred resources were bidding in at that moment in time,
10 and there is simply no other feasible options.

11 The evidence in the record in front of you shows
12 that that is not, in fact, the case, that this was far from
13 a robust response to Request for Offers. And that the
14 conversations that occurred at the time between the CAISO
15 and Edison about what qualifying demand response resources
16 would be accepted were evolving, even during the pendency of
17 that Request for Offers.

18 That's the long way of saying that from an
19 environmental justice perspective, in order to move forward
20 with a full consideration of alternatives that is fair to
21 the planet, is fair to the endangered species and the
22 protected habitat, and especially that is fair to this
23 community that has been suffering from the burdens of the
24 energy system for all of these decades, we would urge you to
25 take the CAISO up on its offer of a study.

1 Thank you.

2 HEARING OFFICER KRAMER: Thank you.

3 Mr. Bundy?

4 MR. BUNDY: Thank you. Kevin Bundy for the Center
5 for Biological Diversity. I don't have much to add to what
6 the other interveners have said.

7 We do support the Committee taking up the ISO on
8 its offer to do this analysis. And I'll just reiterate that
9 the Energy Commission has present obligations under both
10 CEQA and the Warren-Alquist Act, those obligations to
11 address analysis, to address alternatives, and to look at
12 feasibility that exist now, and they can't be frozen in
13 terms of the information about alternatives that might have
14 existed in 2011, 2012, 2014, in other words, what was before
15 the Public Utilities Commission.

16 The Public Utilities Commission did not do any
17 CEQA analysis on the Power Purchase Agreement for Puente
18 because it was relying very explicitly on this Commission to
19 do that analysis. Nothing in CEQA allows a review of
20 feasibility to be based on a five-year-old LTTP study. If
21 that were the case, then this CEQA analysis would -- it's
22 become a post hoc rationalization for a decision that was
23 really already taken by the PUC without doing any CEQA
24 analysis. You can see how, you know, just locking that
25 alternatives analysis into place years and years and years

1 ago and treating it as a fait accompli would not fulfill the
2 purposes of CEQA that have been articulated over and over
3 again in the case law.

4 You have CAISO offering to help here, and I think
5 that's extraordinary. It's worth taking them up on it. And I
6 would urge the members of the Committee not to prejudge the
7 value or the weight of that evidence before you see it and
8 before it's even framed and created. So we would support
9 this Commission taking CAISO up on its offer to do this
10 analysis.

11 Thank you.

12 HEARING OFFICER KRAMER: Thank you.

13 Dr. Chang for --

14 DR. CHANG: FFIERCE

15 HEARING OFFICER KRAMER: -- FFIERCE.

16 DR. CHANG: Yes. Thank you so much.

17 I'm really heartened by Ms. Folk's comments,
18 talking about something that I think often doesn't get
19 addressed in these types of proceedings, and that's just
20 common sense. What I heard her say was that when she talks
21 to people about the project outside of the energy
22 corporation, that people say that this just doesn't make
23 sense on any level. And that's where I would like to come
24 into the conversation.

25 I think that this, just on a common sense basis,

1 but also on a human race basis, and surely from an
2 environmental justice perspective, there is nothing that
3 lends itself to supporting a project that will burden people
4 of color, low-income people of color, who are particularly
5 vulnerable communities, youth and farmworkers, let alone the
6 endangered species, let alone all of the other arguments
7 that have come into this conversation.

8 When I entered this proceeding, I had said, sort
9 of my first thought, was that this was potentially going to
10 be a foregone conclusion, that potentially the CEC was going
11 to just simply rubber stamp this project. And I have gone
12 through this proceeding at this time with some hope that,
13 actually, the CEC would, in fact, take a more measured look
14 at this. And I think that that's exactly what Ms. Folk has
15 spoken to so eloquently, that everyone who has entered this
16 conversation has seen the need to step back for a moment and
17 take a really measured, careful, considered look at this.

18 And I think this is a wonderful opportunity that
19 Cal-ISO has, as many people have said, has offered to do the
20 legwork within a reasonable time frame to consider the
21 actual feasible alternatives that may be available that
22 would be mandated under CEQA and under other laws. And I
23 think that this is an opportunity for the CEC to fulfill
24 your role, actually your mandate as a public regulatory
25 agency to explore things that will protect vulnerable

1 communities. And I think that those vulnerable communities
2 should be able to rely on the CEC to take up that mandate
3 and fulfill it.

4 So I urge you to accept the offer, the very
5 generous offer of Cal-ISO to do this study at this time.

6 Thank you.

7 HEARING OFFICER KRAMER: Thank you.

8 One aspect of our question I don't think anybody's
9 really addressed is how we would go about defining the set
10 of portfolios that the ISO would analyze. They said they
11 weren't going to do that for us, and I certainly don't blame
12 them. So there would have to be some kind of process there.
13 How would that work? Do you have any quick suggestions? We
14 don't want long monologues, but we'll go back through one
15 more time.

16 Mr. Carroll, any thoughts about that?

17 MR. CARROLL: I mean, I think that's a very good
18 question. And, frankly, I don't know what that process would
19 be, but I suspect that there would be many, many people who
20 are not in this room today who would be interested in that.

21 You know, what you are talking about is, you know,
22 pulling out a slice of this process that has been undertaken
23 and redoing it. There were a lot of participants in that
24 process along the way who had a lot at stake in the outcome
25 of that process and how it should be done, and they

1 participated vigorously in that process. And to think that
2 we're going to pull out one slice and, you know, just do it
3 amongst the 12 of us here, you know, in a few weeks, I think
4 is, you know, completely unreasonable in terms of how this
5 is likely to play out. I think it will mushroom into an
6 extremely complicated process. I mean, this process takes
7 years to complete because it is complicated.

8 And a lot of people have an interest in it and
9 have, you know, very strong views about how it should be
10 done. So if you, you know, begin to analyze some slice of
11 that process which, you know, is going to have implications
12 beyond this particular case, I mean, obviously the
13 implications of what's being contemplated here, upending the
14 entire procurement planning -- or the entire energy
15 procurement and planning process has implications far beyond
16 this project or this room.

17 And so I think that process would be -- I don't
18 have any reason to believe that it would be any less
19 complicated than when the ISO and the CPUC undertook it in
20 the first place, and that took years and involved many, many
21 parties and, as I said, litigation and challenges to what
22 was done. And I don't see any reason to believe that this
23 would be any different.

24 So I don't know what that process would look like.
25 I suspect that it would end up looking a lot like the

1 process that they went through the first time, because
2 everybody that participated then is going to have an
3 interest in participating again. So that's a large part of
4 our concern.

5 I think we're naive to think -- or we would be
6 naive to think that that's something that we can assign
7 somebody on the -- with all due respect to the staff, that
8 we could assign the CEC staff to, you know, spend a couple
9 of weeks coming up with the portfolios, and that everybody
10 would just accept that and send it over to the CAISO for
11 them to undertake the study. That's not the way it has ever
12 worked. And I don't see any reason to believe that it would
13 work that way in this case.

14 HEARING OFFICER KRAMER: Okay. Does any other party
15 want to comment specifically about how we could go about
16 defining a portfolio for the ISO to -- portfolios, plural,
17 for the ISO to analyze?

18 MS. FOLK: I think the role of the study the CAISO
19 would do would be to evaluate the various types of preferred
20 resources that we know are available now and determine their
21 feasibility in terms of meeting the LCR need. And then once
22 that is determined, then in terms of the procurement
23 process, that's where you have an RFO and you go through
24 that process.

25 But I want to go back to Mr. Caldwell's testimony.

1 Because, if you review that, we already have resources in
2 process now that can satisfy the LCR need, at least in the
3 short term, while we do the work to bring other preferred
4 resources online. And that's outlined in his testimony at
5 page 11.

6 And so I think the role here of the ISO is to, you
7 know, with some support from the CEC staff, is to identify
8 the types of resources that are available now, and we know
9 what they are. There's battery storage. There's demand
10 response. There are, you know, conversion of the existing
11 Mandalay 1 and 2 to synchronous condensers, if they feel
12 that's necessary to provide rotating mass, and evaluate what
13 that would look like, and then go through the process of
14 procuring it. But that would be the second step.

15 The first step is are these feasible in terms of
16 meeting the LCR need, which is what has not been evaluated
17 here by the Energy staff yet.

18 HEARING OFFICER KRAMER: Okay. But there's no one
19 part of the portfolio that can completely satisfy the need;
20 correct?

21 MS. FOLK: The city recognizes this is not some,
22 you know, solution you take out of a box and plug in; right?
23 It's not a peaker plant that you just put one and then you
24 plug in.

25 HEARING OFFICER KRAMER: Right. And the ISO doesn't

1 want to be trying to define these various scenarios.

2 MS. FOLK: But these aren't -- no, these aren't
3 scenarios that get defined. This is do we know if battery
4 storage has matured to the point where we can rely on that
5 to provide immediate response in the event of an N minus one
6 contingency so that you can bring demand response online to
7 address an N minus one minus one, which is if that actually
8 occurs? And we know that you can now. Can we convert
9 existing demand response in the region, which is there now,
10 to quick demand response that actually satisfies an LCR need
11 through things like batteries or modifications to the
12 McGrath Peaker Plant that Edison is already installing at
13 other peaker plants that it owns?

14 So it's things like that, that have already been
15 outlined. And the question for the ISO is: Are these the
16 feasible ways to meet the need that we've already
17 identified?

18 HEARING OFFICER KRAMER: Staff, any thoughts? You
19 would be a participant in this exercise.

20 MR. PITTARD: I think we'd really need to talk
21 amongst ourselves to figure out what would be required to do
22 this. But, of course, we're prepared to do whatever analysis
23 the Committee feels is necessary.

24 HEARING OFFICER KRAMER: Okay. Any of the other
25 interveners want to comment about the process of trying to,

1 well, get the study going with some targets to study?

2 MS. FOLK: So Mr. Caldwell does have some comments
3 about this.

4 HEARING OFFICER KRAMER: Okay. Briefly.

5 MR. CALDWELL: Yeah, very briefly. I didn't want to
6 get into any of the technical details. But I think something
7 that Mr. Chinn from Edison said is important here, but that
8 is he talked about the need being to prevent voltage
9 collapse. And that really the main thing that we're looking
10 for out of this study is the quantities involved in that.
11 There clearly are other issues underneath the voltage
12 collapse. So how much can we reduce the need by getting rid
13 of the voltage collapse issue? That doesn't necessarily
14 solve it.

15 So I think what we're really looking for is not is
16 it feasible? I think it's theoretically feasible. I think
17 everybody understands that.

18 The issue is the quantities, whether there's
19 enough in that area, and to build on the RFOs that have been
20 conducted by Edison and were about to be conducted in that
21 area, in the Goleta area, where we really come up with the
22 quantities and the locations. We're not going to look at
23 discrete final scenarios. That's going to come out after the
24 RFO.

25 And the point is, is that we've already done all

1 of this paid work for the RFOs. We've done everything except
2 figure out the quantities of this, and then whether there's
3 enough of those resources in that area to fill that
4 quantities. And I think that's what we can expect from the
5 study.

6 HEARING OFFICER KRAMER: Anyone else on the phone,
7 an intervener, want to comment?

8 MS. LAZEROW: Sorry. This is Shana Lazerow,
9 California Environmental Justice Alliance, not on the phone.

10 But I just wanted to make a quick point, if I
11 might, that Mr. Carroll's representation that this would be
12 as complicated as the first time around, CEJA was a party
13 the first time around. We participated in the 2012 LTPP. We
14 looked at the local capacity -- the LCR needs. And this
15 would actually be a pretty different study. I will say that
16 the analysis of the Moorpark area was less complicated than
17 some of the other LCR analyses. But even within that less
18 complicated framework, what we're talking about here is not
19 starting from scratch and asking ourselves what are the
20 contingencies that we're planning for. That's where the PUC
21 starts. We're not talking about doing that here. We're
22 talking about the very narrow question that Mr. Caldwell
23 just framed. So we're not going to start with is it an N
24 minus one or a G minus, or an N minus one, G minus one.
25 There's a whole section of complexity that we simply

1 wouldn't be getting to.

2 So I think that while it is complicated, it's not
3 six months' worth of complicated.

4 HEARING OFFICER KRAMER: Yeah. Maybe I
5 misunderstood, but I heard Mr. Caldwell asking that the
6 study identify the amounts of particular resources that were
7 being -- that were required. And to my ears that sounds like
8 something very different than studying a hypothetical
9 portfolio of assets to see if they meet the need.

10 Did you want to comment about that, Mr. Millar?

11 MR. MILLAR: Yes. The way I was seeing this playing
12 out was that it's possible to start varying one parameter at
13 a time. So the difference here is we're not talking about
14 just one type of resource that we're saying, well, we're
15 going to count on one resource, let's load it up, how much
16 does it take to meet the need? The plan here is to talk
17 about a number of different types of resources working
18 together to collectively provide that reliable service.

19 So if we know the rest of the parameters, at least
20 as a baseline, we can adjust one value to see, well, how
21 much of that as the topping up resource would get us to the
22 finish line?

23 What we're concerned about and wanting to get as
24 much direction in advance as possible before we embark on a
25 study would be not wanting to have the values of all of the

1 different parts in play at the same time, trying to optimize
2 across multiple types of resources to meet a reliability
3 need will definitely not be accomplished in a three- to
4 four-week time frame. That becomes a very complex process of
5 trying to find an overall blend.

6 So what we normally do is look at a few scenarios
7 where we establish other resources as a baseline, whether
8 they're preferred, conventional, transmission alternatives,
9 and can look at some other type of one of them as being the
10 topping up requirement, which would still get you to that
11 line.

12 But where we're more concerned is the idea of
13 everything being at play. Here's a basket of concepts. Sort
14 out what would be the optimal solution. That would be very
15 complicated and not something we see being that quick an
16 analysis.

17 Does that help, or did I just muddy the water even
18 more?

19 HEARING OFFICER KRAMER: No. So then were you
20 concerned about Mr. Caldwell's request; is that what I'm
21 gathering? It might put you in that position?

22 MR. MILLAR: Depending on how it's interpreted.
23 Like you said, I still believe we need some -- would need
24 some guidance or direction on how we go about landing on the
25 requirements, and I'd say what comes in last as a topping up

1 resource to get us across the finish line in meeting the
2 reliability needs. I don't think it's practical to start
3 just with a list and say, well, sort out the necessary
4 levels for all of these resources.

5 We need some more structured approach to land on
6 what are the base conditions from a certain basket, and
7 which resource would we then bring on to the extent
8 necessary? Of course, that doesn't mean that we have the
9 opinion that those resources are available. That would be
10 the other conversation.

11 So it does need more structure, but I think I'm
12 coming up somewhere in between the different views I've
13 heard expressed. We don't need everything locked down with
14 exactly a certain quantity and then we say, oh, pass, fail,
15 even though the fail was just two megawatts short. That
16 wouldn't be a practical outcome.

17 On the other hand, just getting a list of
18 potential ideas to consider and start trying to construct a
19 reasonable model, that would take much more time than what
20 we're talking about fitting in here, as well. We need
21 something in between that lays out certain parameters, and
22 then top up some final resource to get us across the finish
23 line.

24 HEARING OFFICER KRAMER: Okay. Thank you.

25 MR. MILLAR: Did that help? Thank you.

1 HEARING OFFICER KRAMER: Any of the interveners on
2 the phone, did you want to comment on the process of
3 providing, now we'll call it the input that would allow the
4 ISO to perform a study?

5 DR. CHANG: This is Grace Change from FFIERCE.

6 I do not claim to know or to understand all of the
7 technicalities of what this process would entail. However, I
8 do want to speak to the objection that a few parties are
9 raising, that this might be a more lengthy and more
10 complicated procedure than they would wish. And I think that
11 --

12 HEARING OFFICER KRAMER: Well, okay, the time to
13 speak to that, I think, was a little while ago. We're just
14 talking about the process. So I'm sorry, but I'm going to
15 cut you off there in the interest of time, because we still
16 have the motion to discuss.

17 DR. CHANG: Okay. I just want to make sure that
18 it's -- that what Ms. Folk had pointed out is heard, and
19 that is that there is a statement in the transcript that
20 says that, that really speaks to the fact that a thorough
21 analysis of alternatives has not yet been conducted.

22 HEARING OFFICER KRAMER: Okay. Well, she said it
23 and we heard it. Thank you.

24 I guess that's everyone on the phone, as far as
25 the parties go.

1 Hold on a second.

2 (Pause)

3 HEARING OFFICER KRAMER: Okay. We're going
4 to --

5 MR. PITTARD: Mr. Kramer?

6 HEARING OFFICER KRAMER: Sorry. Mr. Pittard?

7 MR. PITTARD: May I ask a question? Yeah. I'm
8 wondering if -- I'm trying to understand if we're moving
9 toward being asked to do a needs analysis. And I'd just like
10 us to keep that in mind as we move forward.

11 HEARING OFFICER KRAMER: Well, we are considering
12 whether to make that request, but no decision has been made.
13 We're just trying to gather information to inform that.

14 So let's move on to the next item which was
15 the --

16 MS. FOLK: Can I just clarify one thing? I'm not
17 sure what Staff meant need analysis. I don't -- I didn't
18 think the idea here was to reevaluate the LCR need to begin
19 with, but to address the feasibility of other alternatives.

20 HEARING OFFICER KRAMER: I'm assuming he is going
21 to the issue of whether this project is needed.

22 MS. FOLK: Okay.

23 HEARING OFFICER KRAMER: And he nodded yes, for the
24 record. Okay.

25 The next item was the applicant's motion to

1 exclude the various documents in Mr. Caldwell's supplemental
2 testimony that were filed on May 11.

3 As the mover, Mr. Carroll, do you want to -- first
4 of all, you don't have to reemphasize points that you've
5 made in the previous discussion. We realize these are
6 somewhat interrelated. And, in fact, it looks like the
7 discussion at the ISO was instigated by reference to this
8 testimony. But as a maker of the motion, Mr. Carroll, do you
9 want to argue, presumably in favor of it?

10 MR. CARROLL: Yes. Thank you. I won't restate what
11 we said in the motion. And, you know, I will try to focus on
12 responding to the replies to the motion that were filed. And
13 I would characterize those replies as making the argument
14 that the supplemental testimony from Mr. Caldwell is within
15 the scope of the issues that this Committee is obligated to
16 address and is relevant, and therefore should be admitted.
17 In other words, that the supplemental testimony meets the
18 generally applicable requirements for admissibility.

19 That's not the point. That would be a good
20 argument, or those would be good arguments to make if we
21 were sitting at the evidentiary hearing and I were objecting
22 to the admission of Mr. Caldwell's testimony. That's not the
23 posture within which we find ourselves. The evidentiary
24 record on this matter was closed. So whether or not Mr.
25 Caldwell's testimony meets the generally applicable

1 requirements for admissibility is not the question that's
2 before us.

3 The question that is before us is whether or not
4 Mr. Caldwell's testimony is within the limited scope to
5 which the Committee has reopened the record. And as we
6 stated in our motion, we think it very clearly is not. And
7 the attempt to try to shoehorn into a very specific request
8 related to analysis of aviation hazards at the alternative
9 sites, what is really a reiteration of the need argument
10 that Mr. Caldwell made in his initial testimony is, you
11 know, clearly outside the scope.

12 And I think the fact that really none of the
13 interveners even attempted to argue that it was within the
14 scope, but instead argued that it was relevant and that it
15 was admissible and that the Committee is obligated to look
16 at alternatives and they're obligated to look at
17 environmental justice, and therefore it should be
18 admissible, that's all true. But that doesn't lead to the
19 conclusion that it should be admissible at this time, you
20 know, in the posture that we find us.

21 I will add that the city did have one argument
22 which -- in which or through which they tried to fit the
23 testimony within the scope of the order by arguing that all
24 of this analysis was merely a prelude to determine the size
25 of the project that they should analyze in terms of aviation

1 hazards, it's an interesting argument. I'll point out that
2 once they got to that point, they never did the analysis of
3 the aviation hazards. So apparently they undertook the
4 prelude to the analysis and then neglected to do the analysis
5 itself.

6 But save that interesting argument, all of the
7 rest of the arguments, whether -- in the three responses
8 simply go to whether or not this testimony meets the
9 generally applicable requirements for admissibility. And as
10 I said, that's not where we find ourselves at this stage of
11 the proceedings.

12 And I think it would set a very dangerous
13 precedent to take an action consistent with that theory
14 because what it would mean is that you could never close the
15 record. If anyone could show up at any point, presumably up
16 until the moment of the final decision on the project, and
17 say this is relevant evidence, it's within the scope of the
18 issues that you're obligated to take into consideration and,
19 therefore, it should be admitted, what control would the
20 Committee or the Commission ever have over the record? And
21 how would you ever bring evidentiary proceedings to a close?

22 So it simply cannot be the case that once the
23 record is closed and has been reopened on only a limited
24 basis, that anything that happens to be relevant can come
25 in. That is not the appropriate analysis to be applied. And

1 when you look at the appropriate analysis, which
2 is -- or the appropriate question, which is whether or not
3 it's within the scope of the March order, we think pretty
4 clearly, it's not.

5 So for that reason -- and I will say, and,
6 frankly, this goes with the Cal-ISO study, as well, it's not
7 that we have any grave concern about the substance of Mr.
8 Caldwell's testimony. The concern that we have is with
9 respect to the timing, and our desire to bring matters to a
10 close.

11 And if doors are going to continue to be reopened,
12 and every one -- every time, you know, one's opened a little
13 bit there's an attempt to open it much wider, which is
14 clearly what we have here, we have a request from the
15 Committee to look at aviation hazards on alternative sites,
16 that precipitated the supplemental testimony from Mr.
17 Caldwell, that precipitated him running over a notice to the
18 Cal-ISO to get them to make an offer to the Energy
19 Commission, which prior to that date it never indicated it
20 was interested in having made to them, it just indicates the
21 extent to which these things can mushroom and, frankly, spin
22 out of control, unless the Committee is very disciplined
23 about limiting the scope of the evidence that it has
24 requested.

25 So for all those reasons, we would urge that the

1 Committee not allow -- again, I wasn't quite sure how to
2 characterize our motion. It's a little bit premature because
3 nobody has, at this point, tried to move the evidence into
4 the record, but our assumption is that that would be the
5 plan at the July hearings. And so we thought rather than
6 waiting until that moment, we should get our positions on
7 the record and ask for the Committee to make a determination
8 in advance of that.

9 So we would ask that the Committee grant our
10 motion to exclude and preclude the ability to move the
11 supplemental Caldwell testimony into the record.

12 Thank you.

13 HEARING OFFICER KRAMER: So we'll next turn to Ms.
14 Folk, since it's her testimony. And then we'll hear from the
15 other parties.

16 MS. FOLK: Thank you. Well, the first point I want
17 to make is that the evidentiary record has not yet closed.
18 At the -- after the February 6th evidentiary hearings, the
19 hearings were continued to February 15th, and then again to
20 February 22nd, at which point the Committee issued an order
21 asking for additional evidence. And one piece of that
22 evidence did go to the feasibility of an inland alternative
23 and the impacts on aviation hazards that a smaller peaker
24 would have. I believe the order indicated a 50 or 100
25 megawatt peaker.

1 And so the city's evidence, in part, goes to that
2 piece of the order which is what would -- what size of
3 inland peaker would be needed, if any, in order to meet the
4 LCR need, taking into account all the other pieces of energy
5 that are available now in the region. And I'm glad Mr.
6 Caldwell did acknowledge that we made that argument because
7 it was, in fact, the first basis upon which we supported the
8 admission of this evidence here. And in order to evaluate
9 the aviation impacts, you need to know what the size of the
10 project would be.

11 The reason we submitted it early was so that Staff
12 would have this information when they are putting together
13 the analysis that the Committee asked for. We did not do an
14 analysis of the aviation hazard because we're waiting to see
15 what Staff proposes and what they say the impacts will be,
16 and we intend to respond to that.

17 And then beyond that, we also believe the evidence
18 is relevant to any ultimate determination about the
19 feasibility of an inland peaker, because we certainly don't
20 want to end up in a situation where Staff looks at 50
21 megawatt peaker and then says, but it's not feasible, even
22 if it does reduce the aviation impacts. And this evidence
23 goes to that issue, as well.

24 And then finally, with respect to timing, the
25 evidentiary hearings, we had further evidentiary hearings.

1 The Committee -- the Commission still required to make an
2 assessment of alternatives as part of its ultimate
3 determination on CEQA and compliance with its requirements
4 to make an override finding. And this evidence goes to that
5 issue, and it's certainly relevant and should be considered
6 by the Committee.

7 I know I had one more point, but it escapes me. So
8 I will let the other interveners address this, as well.

9 HEARING OFFICER KRAMER: Okay. Well, before you do
10 that, one question for you, so maybe we avoid a round of
11 debate, maybe more than one. Okay.

12 You've addressed why Mr. Caldwell's analysis
13 doesn't actually analyze the plumes. We'll ask of the other
14 parties as they take their turns if that was an issue for
15 them? In other words, were they confused about -- and I
16 think Staff was probably going to be the main, you know,
17 party that would be making this analysis, but if this really
18 is a point of confusion? The question was simply analyze
19 whether one or more smaller
20 turbines -- we'll get to you when it's your turn, Mr.
21 Pittard -- whether one of more smaller turbines at those
22 alternative sites might reduce the aviation impacts that
23 were identified at those sites?

24 But, Ms. Folk, what is really new in Mr.
25 Caldwell's testimony? He testified on February 8th. He

1 referred to a study done by Lawrence Berkeley Labs that he
2 characterized as pointing out that there is enough of demand
3 reduction, I think he was talking about, resources out
4 there. And then he also alluded to adding clutches to
5 turbines, whether it was the project's turbines or other
6 turbines. Now those are things he's brought up again in this
7 new testimony that we're talking about.

8 Why is this just not cumulative? I guess that's
9 the bottom line question.

10 MS. FOLK: Well, in fact, there's a significant
11 amount of new information that's come out since the February
12 evidentiary hearings. And this is -- some of these pieces
13 are identified in page four of our opposition to the motion
14 to strike. The Lawrence Berkeley Lab was released on April
15 1st, 2017. And it concludes there is sufficient technical
16 and economic potential for LCR-qualified demand response in
17 the Moorpark subarea.

18 The March 3rd launch of Southern California
19 Edison's new RFO to procure up to 55 megawatts of preferred
20 resources in the Goleta portion of the Moorpark subarea,
21 even though Edison has temporarily suspended that RFO, it
22 certainly indicates that Edison is capable of running an RFO
23 to procure preferred resources that would meet the LCR need.

24 The March 30th, 2017 testimony by Southern
25 California Edison at the PUC, which shows that this

1 technology, I believe it's called enhanced gas turbine
2 technology that would be retrofit to smaller peaker plants,
3 allows for voltage support without combustion. And, of
4 course, part of the LCR need here, a large part of it is for
5 voltage collapse. And so this technology, which Edison is
6 using at other facilities, this is new information that came
7 out in their testimony on March 30th, can be used at
8 existing gas resources in the Moorpark subarea, like the
9 McGrath Peaker Plant.

10 And CAISO's 2016-'17 transmission plan, which is
11 dated March 17th, 2017, indicates that Puente could displace
12 other gas-fired resources, and therefore would not increase
13 renewable integration or flexibility in the grid, which is
14 one of the justifications Staff has in the Final Staff
15 Assessment for supporting the project.

16 So there is a substantial amount of new
17 information that demonstrates the feasibility of a preferred
18 resource alternative here. It's not just -- and it's not
19 just a rehash of his prior testimony. In fact, it's actually
20 quite -- it's much, much more detailed, based on that new
21 information.

22 For example, the ability to meet the existing LCR
23 need now relies, in part, on the ongoing operation of
24 Mandalay 3, which I can discuss, you know, in a second, the
25 completion of the Goleta RFO, which Edison can pick again if

1 it wants, or it actually should be ordered to, the retrofit
2 of the McGrath Peaker, which is based on evidence from
3 Edison at the PUC on March 30th, and the completion of the
4 Wakefield battery storage facility, or another similar
5 facility, which also shows the feasibility of bringing
6 battery storage online very quickly. And all of these pieces
7 add up to more than the LCR need right now. And the idea for
8 the long run is to evaluate the resources that would allow
9 us to move beyond Mandalay 3, and so that it's not a long-
10 term solution to the problem.

11 And finally, with respect to the timing, I
12 would -- I just want to go back to the fact that Staff did
13 not do an independent analysis of preferred resources here.
14 And I understand that the statements I made before were
15 quotes from the transcript by Staff. They appear at page 223
16 in the February 7th hearing transcript. So it's not as if
17 this is something that the city is just asserting, it's what
18 the Staff said about the extent of its analysis.

19 MR. CARROLL: Mr. Kramer, may I jump in out of
20 order and respond to what Ms. Folk just said with something
21 that may alter what the remaining parties have to say about
22 this matter?

23 HEARING OFFICER KRAMER: Yeah. If you can
24 do that, that would be great.

25 MR. CARROLL: Given the characterization that Ms.

1 Folk just provided of the Caldwell testimony, there were a
2 number of statements, similar statements, that were made
3 during our previous discussion in terms of what the
4 supplemental Caldwell testimony accomplished, and statements
5 to the effect that it established that preferred resources
6 were available to meet the LCR need. And there were a
7 variety of other characterizations of that nature, which
8 listening to that characterization, and I'm not necessarily
9 saying that I agree with all of that, but if that is the
10 view of the city, then I am mystified to understand what the
11 need for the Cal-ISO study is. Because those seem to me to
12 be the very issues that they identified as needing to be
13 addressed through the CAISO study.

14 And given the characterization of Mr. Caldwell's
15 testimony today, given the characterization of his testimony
16 in the opposition to our motion which said, you know, a lot
17 of the same things, that the testimony was important because
18 it established that the preferred resources were there to
19 meet the LCR need, I see no need at all of the CAISO
20 testimony.

21 And what I would say is that if we can agree to
22 move forward without altering the schedule to engage the
23 CAISO with a study or to otherwise open the door to further
24 analyses and investigation into this issue in a way that
25 would affect the schedule, we will withdraw our motion with

1 respect to the Caldwell testimony and allow that to go in.
2 And it seems to me that should address all of the city's
3 concerns. Because based on that characterization, it
4 addresses every single issue that they've identified would
5 be addressed through the CAISO study.

6 And so our offer is that if we can proceed on that
7 basis, we will withdraw the motion to strike the Caldwell
8 testimony and allow it to come in.

9 HEARING OFFICER KRAMER: Ms. Folk, do you need a
10 minute to think about that?

11 MS. FOLK: Well, I think, in part, the purpose of
12 the Cal-ISO study is to provide the independent confirmation
13 about the feasibility and the availability of these
14 resources to meet the LCR need. And that is -- we certainly,
15 you know, believe our testimony, and it's clearly well
16 researched and established. But CAISO is saying they're
17 working -- tiering off of that to look at the need over the
18 long run and so we don't end in a situation where we're
19 building more gas than we need.

20 HEARING OFFICER KRAMER: Okay. But the ISO said
21 that they would not be looking into things, like whether a
22 particular resource was available, feasible, cost effective.
23 And it sounds like what Mr. Carroll is saying is that he
24 thinks that at least part of Mr. Caldwell's portfolio is not
25 one or more of those things, and therefore, you know, it's

1 not ultimately a good substitute for this project.

2 So if the ISO study is not going to provide any
3 information on what seems to be the likely points of
4 disagreement between the city and the applicant, what would
5 the value of it be?

6 MS. FOLK: I would like a minute to discuss this.
7 But I do believe that it will assist in identifying the
8 nature of the need and how it could be met.

9 HEARING OFFICER KRAMER: Okay. Let's take a five-
10 minute break.

11 (Off the record at 11:44 a.m.)

12 (On the record at 11:53 a.m.)

13 HEARING OFFICER KRAMER: Okay Ms. Folk. It was your
14 turn?

15 MS. FOLK: Yes. So again, you know, we stand by the
16 city's alternative. But I think the value of the ISO's study
17 is that it can break down the LCR need into how much of it
18 is necessary to provide voltage collapse versus how much is
19 -- requires new generation? And new generation doesn't
20 necessarily mean combustion, but there's an element of it
21 that's voltage collapse and an element that would be new
22 generation in the area. And that breakdown will help to
23 identify, if needed, the scope of what a smaller inland
24 peaker alternative would be, and would also set the
25 parameters for any RFO to procure new resources that meet

1 the LCR need and meet the specific elements of the LCR need.

2 HEARING OFFICER KRAMER: Is that the role of this
3 proceeding, though? We're talking about a specific power
4 plant. And it sounds as if you're talking about planning for
5 some other alternative project, and more than just
6 identifying that it's out there but trying to get into the
7 details, and perhaps even get some of the other players
8 actively involved in implementing it.

9 MS. FOLK: It doesn't -- the issue is, with respect
10 to this proceeding, I guess there are two. One is how do we
11 meet the LCR need? Is this project the project required to
12 meet the LCR need, or are there other alternatives that
13 could feasibly do so?

14 And with respect to the direction from the March
15 10th order is if an inland -- smaller inland peaker were to
16 be built, what is the size of that peaker, and what would
17 the impacts of that be?

18 And this issue of how to meet the LCR need was
19 specifically deferred from the PUC to the CEC. I mean, they
20 -- the issue of alternatives, of the impacts of the
21 alternatives, none of that was addressed. They said that's
22 the CEC's role, and that the CEC and NRG should not be bound
23 by the selection of a particular project at a particular
24 location with a particular technology.

25 And so in order to evaluate that you need to look

1 at what the need is and determine whether there are other
2 feasible ways of meeting that need. And the ISO's study will
3 assist in that analysis by helping to break down the LCR
4 needs so that we know what type of project would -- not a
5 specific project but what type of project might meet that
6 need, for example, whether or not it would be synchronous
7 condensers instead of an actual new power plant that burns
8 gas in order to provide voltage support, or retrofitting of
9 -- or whether demand response, for example, is something
10 that could meet that LCR need when paired with something
11 like battery storage, not a specific project but the range
12 of -- the category of project that might be available. And
13 this is the -- you know, CEC Staff said that's the role of
14 the California ISO. And it's in the testimony that I quoted
15 from, they said it's the role of the ISO to identify the
16 type of technology and the locations. And that's what ISO is
17 offering to do here. It hasn't been done in this proceeding.

18 And this Committee has -- the Commission has an
19 independent obligation to make a determination regarding
20 alternatives and regarding the impacts of these alternatives
21 that has not yet been done.

22 HEARING OFFICER KRAMER: Okay. So you're -- then I
23 gather you're rejecting Mr. Carroll's offer, if that's what
24 it was?

25 MR. CARROLL: May I just --

1 HEARING OFFICER KRAMER: Go ahead, Mr. Carroll.

2 MR. CARROLL: -- respond? I mean, what I would say
3 is, first of all, we've heard yet another characterization
4 of the many of what the Cal-ISO study is intended to be or
5 to accomplish. And I think it's -- if anything is clear from
6 today's discussion, it's that nobody really has any clear
7 understanding of what that study is intended to be or what
8 it is intended to accomplish, which I think is very
9 troubling.

10 Secondly, in this most recent characterization, it
11 was to determine the extent of particular resources that
12 might be needed to meet the LCR need. In the opposition to
13 our motion, it states,

14 "The supplemental testimony shows that it is feasible
15 to meet the identified LCR need with, at most, a 50
16 megawatt of new gas-fired generation."

17 I'm not necessarily saying I agree with that, but
18 presumably the city does because that's what's in their
19 papers. And if, in fact, they believe that, then the
20 Caldwell supplemental testimony makes their case.

21 And so I'm sort of dumbfounded to understand why
22 then a vague and unidentified study by the Cal-ISO is being
23 insisted upon, other than, frankly, it will result in a lot
24 of delay to the project.

25 And so, you know, the city has indicated that they

1 believe they need additional testimony to support their
2 proposed alternative. I think the opportunity to provide
3 that testimony passed a long time ago. If the city thought
4 that that was important, they could have developed that
5 testimony. Their partner in this, CEERT (phonetic), has
6 tremendous resources at its disposal from some of the
7 largest renewable energy companies in the country that are
8 members and sit on its board. And this study could have been
9 undertaken a long, long time ago if the city felt that it
10 was important for it to do it.

11 And so asking for it now, when they are
12 simultaneously saying that the testimony that they've
13 provided accomplishes all of the objectives that they've
14 identified for that study, and we're saying we're willing to
15 withdraw our objection, we still think it shouldn't go in,
16 so I'm not saying that we agree with them that it's
17 appropriate to let this in, but we will withdraw the
18 objection and allow it to go in, I don't understand the
19 insistence upon the need to move forward with the study,
20 other than that it's intended to result in delay to the
21 project.

22 MS. FOLK: This is not about delay to the project.
23 This is about ensuring that the process actually meets the
24 requirements of the law.

25 And I just have to go back to what Staff said

1 here. When asked whether it had conducted an independent
2 assessment of preferred resources, Mr. Vidaver stated,
3 "No. Such matters require detailed, sophisticated,
4 technical analysis by the California ISO in order to
5 determine need for new generating capacity, the
6 generating characteristics of that capability, and its
7 location," and this in the February 7th transcript at
8 page 219.

9 The ISO is offering to do this. It's in response -
10 - the staff has said this is the kind of analysis they would
11 need from the ISO in order to make an assessment of
12 preferred resource alternative.

13 MR. CARROLL: The staff's assessment is not the
14 only evidence that is in the record at this point. There was
15 the -- the very studies that the CAISO already undertook on
16 this issue are also in the record.

17 So whether or not the staff looked at any
18 particular issue is not definitive of the question as to
19 whether or not there's evidence in the record on that issue.
20 And the parties submitted extensive documentation from the
21 Cal-ISO when, in fact, they looked at this issue in the
22 course of their planning. And that wasn't -- there's much
23 made, oh, that's old evidence, old news. The CPUC just
24 reaffirmed all of that when it approved the contract late
25 last year.

1 And not a single expert that has stood up here and
2 offered insights on this has indicated that there has been
3 such a dramatic seachange that the analysis would be
4 dramatically different. In fact, I think what was testified
5 to is, you know, we don't have any reason to believe that it
6 would come out any different if we undertook the analysis.

7 So the continual pointing to what Mr. Vidaver may
8 have said as evidence that, you know, there's nothing in the
9 record on preferred resources is simply not true.

10 HEARING OFFICER KRAMER: Okay. We're starting to
11 argue the evidence, which we were hoping not to do today.
12 Okay.

13 I think you've made your point, Ms. Folk.

14 Let's -- somebody on the telephone was just
15 typing. We could hear you typing. We're trying to keep
16 everybody un-muted, although, actually we can mute you all
17 because we've promoted some of the interveners to
18 participant status.

19 So, Ms. Roessler, I think it's your turn to speak
20 to the motion to exclude the evidence.

21 MS. ROESSLER: Thank you. I don't have anything
22 additional to add, other than to support the city's
23 position, that we think that the ISO study should be
24 conducted in order and is directly relevant to the
25 proceedings, that alternatives analysis, and in particular,

1 the Warren-Alquist Act findings will be required for this
2 project.

3 HEARING OFFICER KRAMER: Okay. Thank you.

4 Mr. Bundy?

5 MR. BUNDY: Thank you. Kevin Bundy for the Center
6 for Biological Diversity.

7 I'll just make -- I also support -- well, we join
8 the city and the other interveners in opposing the motion to
9 strike the testimony.

10 Two quick points.

11 One, I think all of the interveners in their
12 oppositions made the point that there really is not
13 prejudice to the applicant from admitting this testimony.
14 And I don't think that anything Mr. Carroll said has
15 indicated otherwise in his presentation.

16 Second is, if I understand his proposal, it would
17 be to accept Mr. Caldwell's testimony, but then to decline
18 the benefit of an independent review from an expert sister
19 agency of the technical aspects of that testimony. I
20 understand that his main concern is about delay, but this
21 agency also needs to make the most defensible decision
22 possible, as we've all been arguing about through the course
23 of the morning. None of us here today know exactly what ISO
24 would say.

25 And so, again, I would urge the Committee not to

1 prejudice that analysis or its value before it happens.

2 Thank you.

3 HEARING OFFICER KRAMER: Okay. Thank you.

4 Dr. Chang?

5 Oh, wait, we have to un-mute because she's among
6 the attendees yet.

7 Hold on, Dr. Chang. Okay. Go ahead.

8 DR. CHANG: Okay. Can you hear me?

9 HEARING OFFICER KRAMER: Yes. Please speak up,
10 though, you're --

11 DR. CHANG: I needed to reset, as well.

12 I just wanted to reiterate that I support the
13 position that the City of Oxnard has presented. And I
14 believe that the Caldwell testimony is very important and
15 relevant. And I also believe that the CAISO study, the Cal-
16 ISO study needs to be done.

17 And I think that the -- I just want to add that I
18 feel that the timeline, the only timeline that really needs
19 to be considered in this matter as we sort of, you know,
20 bargain over how lengthy this might be and whether this
21 might be an untenable delay to do the CAISO study, I think
22 that it's important to recognize that there are people in
23 the room there in Sacramento whose futures are at stake, you
24 know, the young people who are there. And I think that
25 that's the timeline that we should be considering, is their

1 -- the future of their generation.

2 HEARING OFFICER KRAMER: Thank you.

3 Ms. Lazerow, I think I skipped over you.

4 MS. LAZEROW: Thank you. CEJA filed papers in
5 opposition to the motion to strike, and I think all of our
6 arguments are laid out in those papers. I won't reiterate
7 them.

8 Mr. Carroll's point, that if this Committee allows
9 the testimony come in that it would somehow open the flood
10 gates or that the CEC would lose control over its
11 evidentiary record is certainly interesting. And the fact
12 that ordinary agencies continue to receive evidence in order
13 to inform their CEQA analyses up until the moment of
14 decision, and the State of California proceeds with CEQA
15 decisions completed every day, but without the sort of chaos
16 that was being contemplated by Mr. Carroll, shows that, I
17 believe, the CEC also can take into consideration this
18 extremely relevant evidence to help analyze the necessary
19 alternatives.

20 And so we object. We oppose the motion.

21 Thank you.

22 MR. CARROLL: Mr. Kramer, as the person who
23 interrupted, I just want to point out, I think I interrupted
24 at the point that the staff was up. So I don't know if they
25 had anything they wanted to add --

1 HEARING OFFICER KRAMER: Oh. Thank you.

2 MR. CARROLL: -- but I just wanted to --

3 HEARING OFFICER KRAMER: Yes, you're right.

4 MR. PITTARD: Staff does not take a position on the
5 applicant's motion. But it is our understanding that the
6 evidentiary record was closed on this topic, you know,
7 except for the narrow questions that you asked in the March
8 order, and we did understand those questions to be narrow.

9 HEARING OFFICER KRAMER: Thank you. Are you going
10 to have any difficulty preparing an analysis of the plumes
11 for those other smaller turbines?

12 MR. PITTARD: No.

13 HEARING OFFICER KRAMER: Thank you.

14 Okay, a brief response from the applicant, if you
15 have anything further. Otherwise, we will move on to public
16 comment.

17 MR. CARROLL: Just very briefly, I think this has
18 been a robust discussion.

19 The last point that I would leave the Committee
20 with is that I think that there have been remarks today
21 which suggest a somewhat cavalier willingness to eschew the
22 process that is in place within the state to plan for and
23 procure the electricity needed to maintain a reliable grid.
24 And that process has been painstakingly developed and
25 painstakingly followed, and it takes time for a reason. It's

1 because it's complicated and it needs to be done right.

2 And any suggestion that we eschew that process or
3 jump back to an earlier step and revisit it out of sequence
4 and out of context, I think, sets a very dangerous precedent
5 and is something that would be done only at the peril of the
6 planning and the procurement that goes into ensuring that we
7 have a reliable grid.

8 And so I think that the suggestions have
9 implications, as I said earlier, far beyond these
10 proceedings. And that it is very dangerous territory that
11 some are suggesting be treaded into.

12 Thank you.

13 HEARING OFFICER KRAMER: Thank you. Okay.

14 We're going to move on to the public comment
15 portion of our agenda, which allows people to speak for up
16 to three minutes on an item that is appearing on this
17 agenda.

18 We'll begin with Jan Smutny-Jones. I had your card
19 first of all these, CEO of the Independent Energy Producers.

20 MR. SMUTNY-JONES: Thank you very much. I'm Jan
21 Smutny-Jones, CEO of the Independent Energy Producers. We
22 represent not only gas generators subject to the
23 jurisdiction of this Commission, but utility-scale
24 renewables, as well as storage, and demand response folks,
25 as well. So we are not opposed to any specific technology.

1 This is the first time in 28 years I've been here,
2 and I hope it's the last time I show up because normally we
3 do not participate in this proceeding. But there's been this
4 bizarre procedural twist that is predicated on the Cal-ISO's
5 unnoticed Board of Directors' discussion.

6 The decided process is nationally recognized. We
7 have participated for many years to try to perfect it so it
8 is basically fair to all parties, it's thorough, and most
9 importantly, timely. Basically, death by delay is not
10 acceptable. And what I'm hearing here is additional delay,
11 delay, delay.

12 For 15 years this Commission, along with its
13 sister agency, PUC and the Cal-ISO, have a process that's
14 worked pretty well. Your forecast of growth is identified.
15 The Cal-ISO then takes that and identifies transmission and
16 localized need. That does not seem to be in dispute here.
17 Everyone seems to agree on that. The PUC incorporates that
18 into their long-term procurement process. The utility, in
19 this case Edison, conducts an all-source competitive bid. My
20 understanding is they selected this project, and if I heard
21 correctly, all the other eligible, key word, preferred
22 resources at that time.

23 I will note that two other IEP members that I'm
24 aware of participated in this and were not selected, just by
25 -- so everyone's clear on that.

1 The Commission did approve this last year. And by
2 the way, I heard that someone suggested that the Commission
3 -- the PUC did not put a CEQA analysis on a contract. They
4 never do and never have. It's well-established law, so we'll
5 leave that at that.

6 But basically where we are right now is this
7 interesting request to basically incorporate the Cal-ISO
8 discussion. It is important to understand there was no
9 noticed public discussion on the agenda on this topic, no
10 workshops, no nothing. There were certain Board Members that
11 did not seem to be particularly surprised that Mr. Caldwell
12 was there. He did a great job of putting his position
13 forward. However, we have significant problems with this
14 kind of showing up here at the last minute as sort of this
15 is what the ISO wants to do.

16 Going through this, there is timing. You were told
17 that this could be done in three or four weeks. I've been --
18 I was one of the original chairs of the ISO. No study has
19 ever only taken three to four weeks. That is unlikely to be
20 the case. A list of resources that may appear does not seem
21 to be a feasible alternative. It's not really identifying
22 real projects. And moreover, some of the proposals in Mr.
23 Caldwell's proposal, the battery that is cited there is
24 gone. You just heard that the Goleta RFO is gone. So that
25 doesn't seem to be very feasible.

1 Getting to, basically, feasibility is the issue.
2 And as I indicated, whether or not stuff shows up is an
3 interesting question.

4 Finally, with respect, and it pains me to say this
5 because the people on the board are actually friends of
6 mine, and as I said, I served on that board and I have some
7 paternal DNA in it, but I also raised teenagers and
8 sometimes they hang around with kids I don't like, but it's
9 important to underscore the following: This is a 262
10 megawatt plant that's replacing 2,000 megawatts of coastal
11 generation that's been there since the Eisenhower
12 Administration to comply with California's once-through
13 cooling. It's a brownfield site that was preferred under the
14 California Law. It will only run when it's needed, which
15 basically means if all these other things show up, it won't
16 run very often. And there is zero evidence that any of the
17 people who are opposing this project would embrace, with
18 open arms, peakers large or small anywhere else in the area.

19 So I think this proceeding needs to stay on
20 schedule, basically meet the OTC deadline while maintaining
21 reliability. And this Committee should reject the Cal-ISO's
22 very kind offer of providing it with additional study, and
23 an untimely, controversial study that does not appear to be
24 adding anything to a feasibility analysis of something
25 that's likely to actually really show up.

1 Thank you.

2 HEARING OFFICER KRAMER: Thank you.

3 I don't have the timer with me that we used down
4 in Oxnard, so I'll be keeping time on my smart phone. And I
5 will let people know when they've reached two minutes.

6 Our next speaker is Noemi Tunguil. I apologize, I
7 probably didn't pronounce your name right.

8 And we will be getting to people who want to make
9 a public comment from the phone after we've heard from
10 everyone in the room here.

11 MS. TUNGUIL: Hi. My name is Noemi Tunguil and I am
12 from Oxnard. I come with CAUSE and Food and Water Watch. And
13 most importantly, I come as a resident of Oxnard. I come
14 here to speak before you on behalf of all the community
15 members back home who could not be here today. I come on
16 behalf of the future generations who will be effected by
17 this power plant.

18 I've been to a few -- to the hearings back in
19 Oxnard and I see that everybody stands opposed to the power
20 plant, everybody except this company. And it's very
21 devastating for us because it's going to impact our water,
22 our soil, our air. And while we already have -- we're
23 already currently fighting a lot of the oil wells and the
24 polluting power plants, the pesticides that they're -- the
25 overuse of pesticides that are being placed in the

1 farmworker fields, so this just adds on, and it's quickly
2 killing us.

3 So I've been hearing this morning from the
4 gentleman here who's been saying that he doesn't see value
5 in this study, but I do, I see value in our community, and
6 to really find another solution. Because California should
7 be leading in renewable energy. And, frankly, this -- none
8 of us in this room are going to live to see the consequences
9 that this power plant brings. But in the short run, they are
10 going to fill up their wallets. And, frankly, I think we
11 need to be done with greedy companies, and we need to start
12 listening to our community members.

13 And even representatives who sometimes don't stand
14 with us, but on this issue they are. And so I think that
15 speaks volumes, for us to be coming out and on our own
16 pockets and on our own time when I should have been working,
17 I think this speaks volumes. Because I feel right now I
18 can't even think about having children in my own community.
19 I can't see that because I don't want to raise a child where
20 this company wants to place this power plant and continue to
21 pollute our air.

22 And I urge you, I demand that we please, please
23 consider alternative energies. Please think about, would you
24 want this power plant in your background, in your backyard?
25 Because other communities around don't want this, that's why

1 they continue to put it in Oxnard where they feel that
2 people aren't educated, that we're not going to speak up.
3 But I think we're sick and tired of that. Enough is enough.
4 So please, please consider alternative energy.

5 Thank you.

6 HEARING OFFICER KRAMER: Thank you.

7 Alexis Juarez.

8 (Cell phone alarm rings.)

9 COMMISSIONER DOUGLAS: That's your timer.

10 HEARING OFFICER KRAMER: That's my timer.

11 Go ahead.

12 MS. JUAREZ: Hi. My name is Alexis Juarez and I'm
13 currently a first year at UC Davis, but I'm actually from
14 Oxnard. And since I am from Oxnard, it hits home to me to
15 hear that this proposal is still up in the air after
16 multiple years. And it's just -- I feel like it's ridiculous
17 to still be discussing this. Like I have gone to local
18 meetings where my community has spoken out against this
19 power plant. I have gone to meetings in San Francisco. I was
20 here last year to talk about this power plant, and yet it's
21 still up on the air. And it's pretty obvious that my
22 community doesn't want it there, so why is it still being
23 discussed?

24 And because like me, myself, and other members of
25 my community have invested so much time and effort to oppose

1 this plant, we at least deserve to be given like an
2 opportunity to find like cleaner ways of energy, like
3 cleaner alternatives.

4 There have only been other locations proposed as
5 alternatives, but that doesn't -- but that just like
6 disregards the fact that like it's still producing
7 pollution, regardless if it's in Oxnard or somewhere else in
8 Ventura County.

9 So that's why I'm asking to please consider the
10 study. And the study isn't going to take -- as it was like
11 said before by this gentleman that it's going to take an
12 extended amount of time and everything like that, the study
13 already has alternatives proposed, so it's not going to take
14 an extended amount of time, so just please consider the
15 study.

16 Thank you.

17 HEARING OFFICER KRAMER: Thank you.

18 Elma del Aguila.

19 MS. DEL AGUILA: Okay. Hi. My name is Elma del
20 Aguila. I'm a senior from Channel Islands High School and a
21 lifelong resident of Oxnard.

22 For the past three years, I, along with CAUSE, our
23 organization in the City of Oxnard, have worked to stop this
24 Puente Project. I personally have been to every city council
25 meeting, Public Utilities Commission hearing, and, of

1 course, CEC hearings, missing school today to come to this.
2 But we wanted to -- what we're trying to say is we've gone
3 multiple times, even lobbying to the state capitol with
4 different legislators on issues concerning this proposed
5 power plant. And time and time again we've come and
6 expressed our doubts as concerned community members about
7 how this project is only going to be hurting our community.

8 As you all know, Oxnard already is home to three
9 other power plants, the Halaco Superfund Site, landfills,
10 and number one in California for students attending schools
11 near pesticides that are dangerous and bad for our health.
12 And to make matters worse, due to these numerous polluting
13 practices, Oxnard residents are also in the top ten percent
14 of cities with the highest asthma rate.

15 So Oxnard is a low-income and majority-Latino
16 immigrant community. My own family are Latino, and my mom,
17 when she was younger, was a farmworker here in the U.S. And
18 the thing is, is that history has shown that being a
19 community of color neighboring more White, affluent
20 communities, we become a target for polluting practices.

21 You know, never before have you considered to
22 study alternative energy for Oxnard. Never before have you
23 given my community the chance that it so desperately wants
24 and needs to really show our youth and our families that
25 we're a community that wants better health for individuals.

1 We don't want pollution, and we don't want to harm the
2 health and wellbeing of our citizens. And I'm positive that
3 you also agree with this idea.

4 I urge you to authorize this study on a possible
5 clean energy alternative that could replace the Puente Power
6 Plant. They're already taking the first steps by offering to
7 do this study, CAISO. And instead of looking at other low-
8 income immigrant communities, they're giving us a chance to
9 follow California's footsteps in being a leader for clean
10 energy in the entire nation.

11 After all this opposition from the community and
12 state legislators, why not be part of a positive change to
13 get more information and see if a healthier future is
14 possible for my community? You can be our partners in
15 change. We don't have to be fighting against each other. The
16 whole point is to help the community.

17 So I really urge you to please allow this study to
18 happen.

19 Thank you.

20 HEARING OFFICER KRAMER: Thank you.

21 Next is Dayane Zuniga. It's probably Diane, isn't
22 it?

23 MS. ZUNIGA: Yeah, it's Dayane.

24 HEARING OFFICER KRAMER: Yeah. Sorry.

25 MS. ZUNIGA: It's okay. I'll go by, hey, girl. Just

1 kidding.

2 So good afternoon. My name is Dayane Zuniga. I am
3 an Oxnard City activist, and I am an artist. I have made the
4 City of Oxnard my home since my parents migrated from
5 Mexico. I'm undocumented. I am suffering from high asthma
6 conditions. I have a lung deficiency. And I have been both
7 victim and witness to the social racism -- sorry, to the
8 environmental racism that happens in my community.

9 I have followed and strongly opposed this Puente
10 Project that has been now going on for three years. To me it
11 is shocking that three years after this has started I am
12 still sitting here, or standing, trying to tell you guys to
13 stop with the money and choose the life. Like when did a
14 person's life become less valuable than -- I'm sorry. When
15 did money become more valuable than a person's life? When?
16 When did that happen? I don't understand.

17 And I, honestly, three years into this, would just
18 urge you to stop ignoring us. Stop ignoring our demands.
19 Stop ignoring our health issues and approve this study,
20 because it might not -- everything might not be set in
21 concrete, but that's the point of the study. The study is
22 supposed to bring alternative options. It's supposed to give
23 us a foot to step in.

24 So I don't understand why we're still proposing
25 this power plant. It's not fair that we're poisoning people,

1 we're taking human lives because of language barriers, the
2 color of somebody's skin, or their socioeconomic status. The
3 CEC has never studied the possibility of clean energy. And
4 Cal-ISO is willing to do this. They're willing to do the
5 hard work, so why not just let them? We're demanding. Listen
6 to us. We're demanding, change it. We're demanding, we want
7 this study. I do not understand why I have to miss work,
8 miss school to continue to be here to try to tell you guys,
9 who are the adults, the people who are supposed to be
10 looking out for me and the future, that you need to change.

11 So I am urging you, stop the environmental
12 injustice. Approve the study because it's a really good step
13 into a great change.

14 So thank you.

15 HEARING OFFICER KRAMER: Thank you.

16 Evelyn Garcia, who will be followed by Adriana
17 Sanchez.

18 MS. GARCIA: Sorry. I was trying to make it taller.

19 Since Puente was proposed more than four years ago
20 we have stood against it, not only because it would continue
21 the cycle of environmental racism, but because it will
22 continue to damage the people in my community. We already
23 have more power plants than any other city in California.
24 Pollution has ruined our city for far too long. We want
25 change.

1 Oxnard is my home, nobody where I go, and I will
2 continue to stand and protect it. I have been at all these
3 meetings standing with my community, taking my time, our
4 time, to get you to listen to us. So it seems pretty funny
5 to me that they believe timing is an issue.

6 When it comes to deciding something about our
7 community, our environment, this is about -- this
8 isn't -- this is not about you, it is about us. Remember
9 that, please. Stop stacking these dirty power plants in low-
10 income immigrant communities, or anywhere else. You have the
11 power and resources to create a cleaner, more efficient
12 solution. CAISO has even offered to do the study for you.
13 All you need to do is agree. They're giving you a resource.
14 Please take it.

15 A clean alternative would create more jobs, cost
16 less, and would be better for the environment. Just with
17 that alone, the decision seems like a no-brainer to me. You
18 have the power to help us rise, or let dirty energy win. And
19 I promise you, if you choose to hurt us, there will be
20 resistance. Enough is enough. We want change, and we want
21 you to help us. Please don't turn your backs on us. Be a
22 part of this positive turn and approve the study.

23 We are passionate. We are here. Stand with us,
24 please. We will be here at every meeting and we will try to
25 make change, because our community are hardworking and our

1 community deserves the best, and not to be stepped on over
2 and over. Please, I beg you, approve the study.

3 Thank you.

4 HEARING OFFICER KRAMER: Thank you.

5 And then finally -- my final card is from Cherie
6 Cabral. You'll be up next.

7 MS. SANCHEZ-OCHOA: Hi. Good afternoon. My name is
8 Adriana Sanchez-Ochoa. I am a Senior Policy Adviser with
9 Next Gen Climate, spent 18 years in the legislature working
10 on environmental issues. Next Gen climate is a nonprofit
11 organization that's based in California, whose mission it is
12 to advance policies to prevent climate disaster and promote
13 prosperity for every American.

14 I am here to emphasize the importance of
15 prioritizing these frontline communities, these young women
16 that you have heard of their families who are in the heart
17 of where this power plant is proposed to go up. We want to
18 make smart investments. We want to have inclusive clean-
19 energy economy that works for all Californians, and also
20 that puts us on a pathway to share our limited -- to share
21 our climate goals.

22 We believe that the era of fossil-fuel power is
23 coming to an end in California, but only if we make smart
24 decisions today. As we build clean power systems of
25 tomorrow, we must not lie -- we must not tie one arm behind

1 our backs by locking in obsolete and overpriced fossil-fuel
2 infrastructure, like Puente.

3 If natural gas was ever a bridge to a clean energy
4 system, that bridge has been built and it's time for us to
5 leave it behind. Better, cleaner and lower-cost alternatives
6 are available today. We believe that if the RFO for this
7 plant went out today instead of several years ago, there's
8 no chance that Puente would be approved.

9 We believe the people of Oxnard deserve better. We
10 don't believe that any Californian should be treated like
11 they live in a community or in an environment that is
12 considered a sacrifice zone. This has gone on for a long
13 time. We want to encourage your approval of this study, and
14 we want to oppose this plant, and we want to give the Oxnard
15 a right to a clean environment and a healthy coast that
16 should be respected.

17 Thank you for your time.

18 HEARING OFFICER KRAMER: Thank you. Okay.

19 If anyone else wants to make a public comment, be
20 ready to go next.

21 MS. CABRAL: Good morning, Commissioners and Staff,
22 and to all the parties that are here. My name is Cherie
23 Cabral. I represent the California Construction Labor
24 Management Trust. And I think the last time I spoke in front
25 of this body was down at the localized hearings the end of

1 February of the evidentiary proceedings.

2 I represent the workers that actually will be
3 engaged by NRG to actually build this facility. Those of you
4 sitting up here saw nearly 150 of them or more, the majority
5 of whom are Latino, almost all of whom are either born and
6 raised in Oxnard, still live there, or in the directly
7 adjacent communities that are there, they're raising their
8 families there, that spoke out to you and said we support
9 this project. We support the jobs that it will bring to the
10 area and the community, and the changes that that will
11 effectuate across the board. So I guess I stand up here as
12 one of the not necessarily everybody, and represent those
13 folks that are not everybody that object to the project
14 being built, amongst others.

15 And, you know, California really is leading the
16 nation, and in some places we could even say the world, in
17 policy relative to renewable energy, but it is a process to
18 get there. And, you know, the building trades is one of
19 those groups who endorsed SB 100 to the 100 percent
20 renewable goals, but we're looking at 2045, that's 25 -- 28
21 years from now.

22 So the question is: In the interim, what do we do
23 to get there? We still have a process to follow that means
24 that as laudable as those goals are, as much as we want to
25 see them attained, we still have a responsibility as a

1 government body and as the people who live here to build
2 facilities to provide renewable power to all areas of the
3 state, to provide an energy source that's reliable, not to
4 just decide that we're willy-nilly going to leave an older,
5 more polluting plant in place for 30 years while we try to
6 figure it out, but what's being offered is exactly what this
7 body planned for in the long term, which is to go through
8 its process, to do a study, what the needs are, to put out
9 an RFQ, to have a response come into that RFQ.

10 That -- indeed, I think there's a lot of people in
11 this room that are forgetting the Utilities Commission. The
12 PUC went through a very lengthy process to address the
13 issues of whether or not there was a need in issuing out the
14 contract. And what was found was that, yes, indeed, the need
15 was there. The CAISO study was very definitive. And, in
16 fact, the opposition parties that are here argued that,
17 wait, stop, no, no, no, no, renewable energy wasn't
18 considered. We need to rebid this. We need to do a new RFQ.
19 The answer that came back, after a very long process in
20 front of the PUC, was that renewable resources were
21 considered as part of that RFQ and the responses.

22 And their finding, less than a year ago from where
23 I stand right now is that if the RFQ was issued out again
24 today, that they did not expect that there would be a
25 significant change in the percentage of renewable resources

1 that they saw in response to a reissuance of an RFP. So I
2 think it's a little bit unreasonable to be asked to delay a
3 process that's established to re-litigate that matter simply
4 because we don't like the process or the answer that we got
5 the last time.

6 HEARING OFFICER KRAMER: Thank you.

7 Does anyone else in the room wish to make a public
8 comment? Okay.

9 Let's open up the telephones. Okay. Everyone is
10 un-muted. First, just say your name if you want to make a
11 public comment.

12 MAYOR PRO TEM RAMIREZ: This is Carmen Ramirez. Can
13 I just say something real quickly?

14 HEARING OFFICER KRAMER: Okay. Let's see if there
15 are any other names. Anyone else wish --

16 (Colloquy between Hearing Officer Kramer and
17 Commissioner Scott)

18 HEARING OFFICER KRAMER: Okay. Mayor Pro Tem
19 Ramirez, go ahead.

20 MAYOR PRO TEM RAMIREZ: Thank you. I appreciate the
21 time that's been given to this and appreciate all the
22 comments. I would like to encourage the Committee to make a
23 decision to accept CAISO's offer. Everything has changed.
24 Technology has changed. Policies have changed. California is
25 a leader in renewable energy and needs to change with

1 circumstances and accept that things are more possible now
2 than they were when this whole process began. And I really
3 would encourage the Committee to take up the offer from
4 CAISO to be bold, be brave and look to the future.

5 Thank you.

6 HEARING OFFICER KRAMER: Okay. Thank you.

7 Anyone else on the telephone wish to make a public
8 comment?

9 Hearing none, we'll close public comment. And we
10 will be adjourning to a closed session to deliberate on
11 these matters, and that is pursuant to Government Code
12 section 11126(c)(3), which allows a state body, including a
13 delegated committee, to hold a closed session to deliberate
14 on a decision to be reached in a proceeding the state body
15 was required by law to conduct.

16 So hold on a second. We'll try to figure out a
17 return time, so you're not sitting here waiting for us.

18 (Colloquy between Hearing Officer and Commissioners)

19 HEARING OFFICER KRAMER: Okay. I'm going to give
20 everyone a long lunch break. We're going to come -- well,
21 actually, it's not that long. We're going to come back at
22 quarter to 2:00. And for those of you who are also
23 interested in the High Desert matter, if necessary, that
24 will start a little bit late. But that's when we will come
25 back and report the results, if there is anything to report

1 from the closed session. And if nothing else, we'll adjourn
2 this meeting after that report.

3 So we are adjourned to closed session until 1:45
4 this afternoon. Thank you.

5 (Off the record at 12:38 p.m.)

6 (On the record at 2:06 p.m.)

7 HEARING OFFICER KRAMER: We do have one more
8 request to speak from somebody who wasn't here before, make
9 a public comment, that is, and we'll get to that in a
10 minute.

11 While Commissioner Douglas is rejoining us, we'll
12 announce the results of the closed session, which are
13 basically to be continued, and by continued, I mean
14 literally. We need some more time to discuss this in closed
15 session, so we will be continuing today's meeting to
16 tomorrow at 10:00 a.m. Exactly which room in this building,
17 I'm not sure at this point. The meeting will be primarily
18 for the purpose of holding a closed session.

19 I would encourage everyone, if they want to attend
20 at all, to attend via WebEx. And we will reuse the WebEx
21 information for this meeting that's on the notice. So later
22 this afternoon I'll be docketing a notice of the
23 continuance, and it will refer you to the notice of this
24 meeting.

25 Basically, what we are doing is considering ISO's

1 offer and how such a study could aid the Committee, and
2 whether it could be completed in a way that's consistent
3 with the schedule that we've published. We'll announce our
4 decision, as well as our decision on the applicant's motion
5 in writing in the very near future. But again, as I said, we
6 need to work on that a little bit more and deliberate in
7 closed session.

8 So with that, we will take the public comment from
9 the gentleman I mentioned a minute ago, and that's V. Jon
10 White with CEERT.

11 If you'd come to the mike, sir?

12 MR. WHITE: Thank you, sir, and Commissioners. My
13 name is John White. I'm the Director of the Center for
14 Energy Efficiency and Renewable Technologies.

15 And the point I wanted to make is more of a
16 historical one, and that is when the authority for the
17 Commission to override local land use authority in the
18 siting of a power plant was put in statute in 1975, it was
19 accompanied by a requirement for an independent forecast and
20 assessment of need by the Commission. And that proves to be
21 a very important provision in balancing the authority to
22 override with an independent assessment of the need,
23 compared to the applicant's proposal. This, unfortunately,
24 was repealed in statute in the aftermath of deregulation
25 because it was thought that because utilities were no longer

1 building power plants and shareholders would be the ones who
2 would be taking the risk, that this independent assessment
3 of need was no longer -- was necessary.

4 And I think I would just say that in the case
5 where an action is proposed to contemplate and override of a
6 local government land use decision the burden of proof, in
7 my mind, needs to be high. And that's why I think the
8 deliberations you're engaged in, we're very grateful that
9 you're taking the time to think this through. But part of
10 the reason we think the alternative analysis is so important
11 is because of the burden that is potentially going to be
12 placed on the City of Oxnard and its community by the
13 exercise of that override authority. And we think it needs
14 to be done with great judiciousness and restraint.

15 Thank you.

16 HEARING OFFICER KRAMER: Thank you.

17 So with that, we are adjourning today's Committee
18 Conference to tomorrow, June 6th, at 10:00 a.m. It will be
19 in this building. The precise room, I will figure out after
20 I leave here today. And the details will be in a notice of
21 the continuance, which will be filed and docketed in this
22 proceeding. Thank you.

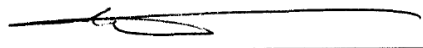
23 (The meeting adjourned at 2:11 p.m.)
24
25

REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of June, 2017.



PETER PETTY
CER**D-493
Notary Public

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

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



June 21, 2017

MARTHA L. NELSON, CERT**367