INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:

Application for Certification
for the Lodi Energy Center
Northern California
Power Agency

Docket No. 08-AFC-10

THURSDAY, JANUARY 15, 2009
5:00 p.m.

Reported by:
John Cota
Contract No. 170-07-001
COMMITTEE MEMBERS PRESENT
Karen Douglas, Commissioner and Presiding Member
Jeffrey D. Byron, Commissioner and Associate Member
Kenneth Celli, Hearing Officer
Kristy Chew, Advisor to Commissioner Byron
Diana Schwyzer, Advisor to Commissioner Douglas

STAFF AND CONSULTANTS PRESENT
Rod Jones
Melanie Moultry, Staff Counsel
Robert Worl

PUBLIC ADVISER'S OFFICE
Nick Bartsch

APPLICANT
Scott Galati, Attorney
Galati and Beck

Ed Warner
Northern California Power Agency

Andrea Grenier
Grenier & Associates, Inc.

Sarah Madams
CH2M HILL

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

The Honorable Larry D. Hansen
Mayor, City of Lodi

Nicole Goehring
Golden Gate Chapter of the Associated Builders and Contractors

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
PRESIDING MEMBER DOUGLAS: Welcome to the Scoping and Issues Identification and Scheduling Conference conducted by a committee of the California Energy Commission regarding the proposed Lodi Energy Center. The Energy Commission has assigned a Committee of two Commissioners to conduct these proceedings.

Before we begin we would like to introduce ourselves to you. My name is Karen Douglas, I am the Presiding Member of the Siting Committee. My colleague, Commissioner Byron, who is seated not to my immediate left but one further down, is the Associate Member of the Committee.

To my right is my advisor, Diana Schwyzer. To my immediate left is the Hearing Officer, Kenneth Celli. And to Commissioner Byron's left is his advisor, Kristy Chew.

Would the parties please introduce their representatives at this time beginning with the applicant.

MR. GALATI: My name is Scott Galati representing NCPA.

MR. WARNER: My name is Ed Warner
representing NCPA.

MS. GRENIER: Andrea Grenier, consultant to NCPA.

MS. MADAMS: And Sarah Madams, consultant to NCPA.

PRESIDING MEMBER DOUGLAS: Thank you.

And staff?

MR. JONES: My name is Rod Jones. I am the CEC siting project manager.

MS. MOULTRY: My name is Melanie Moultry, I am a CEC attorney.

PRESIDING MEMBER DOUGLAS: Very well.

There are no intervenors at this time.

Are there -- Let’s see. I understand that the mayor of the City of Lodi, Larry Hansen, is here; is that correct.

MAYOR HANSEN: Yes.

PRESIDING MEMBER DOUGLAS: Welcome, thank you.

Are there elected officials, other elected officials or representatives from the State of California or San Joaquin County? From the City, PG&E, Water Boards, Air District or any other agencies, organizations present? Very well.

And I would like finally to introduce
the Public Adviser, Nick Bartsch. Nick, can you
wave your hand. He is in the back of the room.

On September 10, 2008 the California
Energy Commission received an Application for
Certification from Northern California Power
Agency, the applicant.

The project involves a 255 megawatt
combined-cycle electric generating plant and
facilities in the city of Lodi in San Joaquin
County, approximately six miles west of the city
center of Lodi and approximately two miles north
of the city of Stockton.

Just prior to this Informational Hearing
the Committee conducted a public site visit at the
proposed location of the power plant.

The purposes of today's hearing are the
following: Provide information about the proposed
power plant, to describe the Commission's process
in reviewing the application, to provide
information on opportunities for the public to
participate in this process, to inform the
Committee, the parties and the community about the
project, its progress to date in the application
process, perceived issues that need resolution,
and to meet and confer about the project schedule.
Later in the hearing the Public Adviser's representative will explain how the public can obtain information about the project and participate and offer comments during this review process. Mr. Bartsch will also explain how to intervene as a formal party should members of the public wish to present evidence and cross examine witnesses.

At this time I will be handing over the conduct of this hearing to Hearing Officer Celli.

HEARING OFFICER CELLI: Thank you, Commissioner. Can you all hear me okay?

(Affirmative responses)

HEARING OFFICER CELLI: Great. We have a PowerPoint. Folks, I am going to be reading so I apologize for that. The California Energy Commission, a state agency, has exclusive jurisdiction to license, or as we say, certify new power plants that generate 50 megawatts of electricity or more.

On November 20, 2008 the Energy Commission accepted as complete the Northern California Power Agency's Application for Certification for the Lodi Energy Center, a 255 megawatt combined-cycle electric generating plant
near the city of Lodi in San Joaquin County.

Notice of today's hearing was mailed to all parties, adjoining landowners, interested governmental agencies and other individuals. It was also posted on the Energy Commission's website. The Public Adviser's Office is here today and they will explain in a moment their role in terms of additional efforts to notify the public.

Today's hearing is the first in a series of formal committee events that will extend over the next year. The Commissioners conducting this proceeding will eventually issue a proposed decision called a Presiding Member's Proposed Decision containing recommendations on the proposed project to the full, five-member Energy Commission.

To be clear, the Lodi Energy Center AFC Committee -- and when we talk about an AFC we are talking about the Application for Certification. The Committee itself is made up of the two Commissioners, Commissioner Douglas and Commissioner Byron, their advisors and me.

It is important to emphasize that the law requires that the Committee's proposed
decision be based solely on evidence contained in
the public record. To ensure that this happens
and to preserve the integrity and impartiality of
the Commission's licensing process the
Commission's regulations and the California
Administrative Procedures Act expressly prohibit
private, off the record contacts concerning
substantive matters between the participants in
this proceeding and the Commissioners, their
advisors or me.

This prohibition against off the record
communications between the parties and the
Committee is known as the ex parte rule. This
means that all contacts between the parties and
the Committee regarding any substantive matter
must occur in the context of a public discussion
such as this evening's event, or in the form of
written communication that is distributed to all
of the parties. The purpose of the ex parte rule
is to provide full disclosure to all participants
of any information that may be used as a basis for
the Committee's future decision on this project.

The Energy Commission staff is a party
to these proceedings in the same way that the
applicant, or if we had an intervenor, they would
be a party. So even though the staff -- When I'm
talking about staff I'm talking about the
California Energy Commission staff, Mr. Jones over
here. That's what we are referring to. Staff and
the people he represents. These are completely
separate entities for purposes of these
proceedings. So the ex parte rule applies to the
Energy Commission staff just as it would apply to
the applicant.

In addition there will be additional
opportunities for the parties and governmental
agencies to discuss substantive issues with the
public, and that will occur in public workshops to
be held by the Commission staff at locations near
here in Lodi or elsewhere.

Information regarding other
communications between the parties and the
governmental agencies is contained in written
reports or letters that summarize such
communications. These reports and letters are
distributed to the parties and are made available
to the public.

Information regarding hearing dates and
other events in this proceeding will also be
available on the Energy Commission's website.
The Application for Certification, or AFC process, is a public proceeding in which members of the public and interested organizations are encouraged to actively participate and express their views on matters relevant to the proposed project.

The Committee is interested in hearing from the community on any aspect of the project. Members of the public are also eligible to intervene in this proceeding. And if there are any potential intervenors we encourage you to file petitions to intervene as soon as possible to allow full participation.

In a moment we will ask the Public Adviser's representative to explain the public participation process and to also provide an update on their efforts to contact local residents and other interested groups and organizations regarding this proceeding.

Following this we will then ask the applicant and staff to make their respective presentations. These will in turn be followed by general comments from the public and/or agencies present.

So if you are a member of the public
that wants to make a comment, if you will sit
through these quick presentations we will have an
opportunity afterwards for you to get on the
record and speak.

Everything that we are saying is being
taken down and there will be a transcript provided
of today's event.

So with that, Mr. Bartsch, would you
please come forward.

MR. BARTSCH: Thank you very much. Can
you hear me?

(Affirmative responses)

MR. BARTSCH: Thank you very much
Hearing Officer Celli. My name is Nick Bartsch.
I represent the Public Adviser's Office, which is
kind of a separate office within the Energy
Commission. Our main responsibility is --

HEARING OFFICER CELLI: One moment. Are
you able to --

THE REPORTER: I don't know if that mic
is really working or not.

ASSOCIATE MEMBER BYRON: Come use this
mic right here.

HEARING OFFICER CELLI: Your mic is --

THE REPORTER: My mic is picking him up
but I don't know if the public can hear him.

HEARING OFFICER CELLI: I see what you're saying, okay.

ASSOCIATE MEMBER BYRON: Come use this one and speak to the audience, okay.

HEARING OFFICER CELLI: I'm sorry folks, we just want to make sure that everything is being recorded.

MR. BARTSCH: Can you hear me now? Our Public Adviser's Office main responsibility of course is to provide information for those interested in Energy Commission programs and proceedings and also to provide meaningful access for the general public and stakeholders to those proceedings.

We do have an excellent website and we also have a lot of information available. Even if you are not on-line you can request information by mail. And if you sign up on the sign-in sheet there was an opportunity for you to indicate whether you want to receive information by US mail or by e-mail. I hope that you will avail yourself to that by signing up.

The Energy Commission website has a dedicated website webpage to this particular
project. And it is the first item there, www.energy.ca.gov/sitingcases/lodi. And if you enter that you will bring up the main page. It has a wealth of information about this particular project.

It will also have a Notice and Document folder where you get all the updated and upcoming information about notices about hearings, events, and all of the documents that have been filed and docketed.

It also has information about the Public Adviser's documents. There's information about participation. Some of the things that I only have a few minutes to outline here. And also our contact information where you can reach us.

In addition that we have a docket. Whenever you are submitting information or comments or whatever be sure to put the docket number that is particular for this case and that is 08-AFC-10 on all your communication that you submit to the Commission.

We have provided information and the application provided information, their AFC which comes in large binders. The AFC is available for public view at those local libraries as well as
state libraries in major metropolitan areas in
California. And you also have access, electronic
access, on the dedicated website, to the AFC.

We have also, we being the Public
Adviser's Office as well as the Hearing Office as
well as the Siting Office, the Energy Commission
has provided notices to property owners within
1,000 of the project. Librarians, agency letters
to local, state and federal agencies. And we have
also notified local elected officials of the
surrounding cities within a six mile radius and
also San Joaquin County.

And also the various property and other
municipal agency and owner and library. Now we
also have a List Server list where you can sign up
electronically and that is on the dedicated
website. On the right hand side of the webpage
there is a place where you can enter your e-mail
and you will be notified electronically about
information about this particular project and the
progress of the case.

We have also prepared a notice in
English as well as in Spanish about this
particular hearing and site visit, which are the
first public events of this particular siting
process. And we have distributed that notice to various local elected officials as well as to various organizations, ethnic, environmental, health organizations and educational organizations and facilities as well as libraries throughout the six mile region of the proposed site.

Now in addition our outreach included putting ads in English in the Lodi News-Sentinel, which is the daily newspaper with the highest circulation in the area. As well as a Spanish, a notice in Spanish in a bilingual weekly. The January 1 issue of that particular paper in order to reach the Spanish-speaking Hispanic community in San Joaquin County.

And in addition to that we have contacted the major radio and television stations that are broadcasting in English as well as in Spanish in the project area. We requested that they do public service announcements and post the information about these events on their particular websites.

Now how can you participate in the siting process. Just very briefly I will explain and then I can expand on it or you can come back and ask me questions either after the hearing or
contact me when I give you the contact

information.

But basically there are, you can, you
can participate in this event by filling out a
blue card like this one. One side English and if
you prefer the other side is in Spanish. And
indicate your interest that you want to address
this Committee during the designated period for
public comment. I'll be happy to give you a copy
of this to fill out, I'll collect it and give it
to the Hearing Officer at the beginning of the
public comment period.

Now there are two ways you can
participate. One is if you just want to make
comments and participate in just providing some
information and comments you can do so either
verbally like at this hearing or you can submit
written comments to the Energy Commission. Be
sure to include the docket number on all your
written communication that you send in to the
Energy Commission. And you can do this throughout
the whole process. Your comments will be
docketed. They will become part of the record by
which the decision is made.

Now there is another way that you can
participate. By really becoming what is called an intervenor where you are really, actually become one of the formal parties to the proceeding. The benefits -- Just very quickly, the difference between just being an interested party and an intervenor:

As an intervenor -- As an interested party you are just providing comments. Your comments become part of the record. But as an intervenor you are actually submitting testimony. Testimony is something on which the decision can be based. And also as an intervenor you have the opportunity to not only provide testimony but to offer witnesses and also cross-examine witnesses of other parties. So your testimony actually becomes a part of the record and carries more weight.

How do you become an intervenor? You have to as early as possible, as Hearing Officer Celli said. The earlier that you decide, if that is what you want to do, the earlier you petition to become an intervenor the better because you get the benefit of the entire process.

In order to become an intervenor you have to submit a petition in writing. We do have
the forms. And if you contact us we walk you
through the process. The Public Adviser's Office,
we can assist you with the information with the
process. We cannot, however, represent you. But
you do not need to be an attorney nor do you need
an attorney to be an intervenor.

After your petition is received you will
get a response back within 30 days. And if it is
approved then you become a party to the
proceeding, a formal party to the proceeding.

Now with the benefits that you get by
becoming a more direct participant there's some
obligations. And the primary obligation is as a
party to the proceeding you have to serve any
document or anything that you submit, statements
or anything to the Commission, you have to serve
copies of those documents on each of the parties
who are on the proof of service list.

I think I covered this already.

Okay. So if you do have comments that
you want to make, you want to address the
Commission, please ask for one of these blue
cards, fill it out and give it back to me and I'll
make sure that you will have an opportunity to
address the Committee. But if you want to, should
you want to submit written comments later on you can do so at any time but be sure to put the
docket number on your comments.

My contact number is there. I do have copies of these slides I'd be happy to provide for you and I also have my card and some other additional information on the back table. I'll be happy to answer any questions that you may have.

Thank you for your attention.

HEARING OFFICER CELLI: Thank you, Mr. Bartsch. Ladies and gentlemen, as Mr. Bartsch said, if you want to participate by making a comment later he will have these blue cards that you will fill out. So please make sure that you fill one out. We will call you off of the list of blue cards to come up and make a public comment when it is time to do that.

Also, if you want to intervene you want to do it sooner than later. Because the longer you wait to be an intervenor the more likely it is that the Committee will limit your participation in terms of things like discovery. And so you want to get in that as early as you can because we don't want to prejudice the other parties by your taking your time on that.
The way we are going to proceed now folks is first the applicant, which is NCPA, they are going to describe the project to you and explain their plans for developing the site. After that the California Energy Commission staff will provide an overview of the Commission's licensing process and its role in reviewing the proposed Lodi Energy Center.

After that we are going to discuss scheduling and issues identification, which the staff has already submitted and conducted essentially a status conference so that the parties can inform the Committee as to the progress of this AFC as they perceive it.

And then upon completion of these presentations you, the public, will be able to come forward and speak at the podium and make comments into the record. And as I said, this is all being taken down, there will be a transcript.

So with that, applicant, please.

MR. WARNER: Good evening, I'll introduce myself again. My name is Ed Warner; I am the project manager for Northern California Power Agency for this project. And the first thing I would like to do is introduce two key
people from NCPA that are here, Ken Speer, the assistant general manager for generation services at NCPA, and then the project engineer, Mike DeBartoli. Mike is the project engineer on this facility for NCPA.

What we are here to talk about tonight is the Lodi Energy Center. It is a proposed project out at the White Slough treatment facility owned and operated by the City of Lodi. I would like to start off a little bit by telling you about NCPA.

NCPA is headquartered in Roseville, California. We are a not-for-profit power agency. We represent 17 member communities and districts in Northern and Central California. NCPA was founded in 1968 to support community-owned utilities to prevent costly market abuses employed by private utilities at that time.

NCPA helps its members make investments to ensure an affordable, reliable, clean, future energy supply for the electrical ratepayers that the serve and that NCPA serves.

NCPA has a longstanding commitment to the generation of electricity from environmentally responsible sources. NCPA owns and operates
several power plants that together comprise a 96
percent emission-free generation portfolio.

Members collectively reflect a 50 percent carbon-
free resource portfolio, thanks in part to the
collection of our own resources mix of
greenhouse, hydroelectric and natural gas
facilities and two small solar projects, one
megawatt solar projects, that are under
development and construction right now in Lake
County.

NCPA continues to advance its ethic of
environmental leadership with the recent addition
of new wind, geothermal and solar resources to the
resource mix to power the Northern California
communities that are members.

These are the members of NCPA. As you
can see we are based in Northern California. We
do have Lompoc, that's down here on the Central
Coast.

Here is a list of the project
participants in the Lodi Energy Center. And
you'll see the ones with asterisks. They are
public entities but they are not members of NCPA.
Asuza, BART, Biggs, California Department of Water
Resources, a non-member, Asuza is a non-member.
Gridley, Healdsburg, the City of Lodi, the City of Lompoc, Modesto Irrigation District, Plumas-Sierra, Port of Oakland, Power and Water Producers, Silicon Valley Power, which is Santa Clara, and Ukiah. And you can see the capacity share of the facility and the percentage share of the facility each one of these entities own in the proposed project.

A quick description of the Lodi Energy Center. It will be producing electricity using state-of-the-art, combined-cycle technology, integrating one combustion turbine and one steam turbine. The combustion turbine will be fueled by natural gas and works very similar to the jet engine that you will see on an airliner.

Heat from the combustion turbine is captured and recycled in a separate process to create steam to turn -- in turn drives the steam turbine.

The combined-cycle process results in a highly efficient, low emission plant that directly benefits the region and the state by ensuring reliable and affordable electricity while relying on proven, state-of-the-art, environmentally friendly technology.
The Lodi Energy Center will be a combined-cycle, nominal 255 megawatt plant. It will comprise of a combustion turbine, a steam turbine with duct -- HRC with duct firing and wet cooling using Title 22 water from the City of Lodi's treatment facility.

The heat rate is right at the state-of-the-art technology, 6,553 BTUs per kilowatt, higher heating value in the combined-cycle mode.

One of the benefits of this facility, locating it, is it is adjacent to an existing NCPA power facility so we can hedge off the economies of scale from that existing unit for manpower.

It is using recycled water from the City of Lodi treatment plant. It is actually located as we saw earlier right on the City's property, right next to the treatment facility.

The transmission interconnect to the Cal-ISO/PG&E is right there. The transmission lines are within feet of the property line.

And the natural gas supplied from the existing PG&E gas line easement to the existing NCPA plant out there. This is the only off-site linear that this facility has is that natural gas line.
This is just a quick schematic of how a combined-cycle power plant works. At the front end you have a gas turbine where you mix air and natural gas. That drives a turbine section. That drives a generator. That goes through a transformer and on into the system.

The hot exhaust gases from the gas turbine go over to what they call a heat recovery steam generator, which is a boiler. That heat recovery steam generator produces steam that drives a steam turbine that drives a generator and then out into the transmission system.

And then the hot exhaust gases leave the plant through the stack. And the steam from the steam turbine is condensed after it is used to drive the turbine in a condenser. That's where the use of the Title 22 comes from. And then that condensate is returned back to the heat recovery steam generator and just recycled over again.

This is the conceptual drawing of the Energy Center. This area right here is the existing facility. When we went on the site tour we came in this road right here. Came in this direction into the facility with a cooling tower. This is the steam turbine. The heat recovery
steam generator, the gas turbine, the transformer.

I can't see them but maybe you can.

There's one tower and then a second tower here for the transmission line, or excuse me, the gen-tie line. So you come off the main transformer you have one, two towers. You make a 90 degree turn right into the existing NCPA switchyard.

The natural gas line will enter the plant through this area right through here. The water treatment building is located right here. A very compact, tight, neat site. That's all I have, Commissioner.

HEARING OFFICER CELLI: Thank you. Next we will hear the staff's presentation. Mr. Jones.

MR. JONES: Thank you. I'll just need the clicker. Thank you.

Good evening. My name is Rod Jones and I am the California Energy Commission's project manager for the Lodi Energy Center project. This presentation is to provide you with an overview of the Energy Commission's siting process.

The Energy Commission has sole permitting authority in California over all thermal power plants 50 megawatts and greater. So essentially if a project is proposed for 49
megawatts it will actually fall upon the jurisdiction of that proposed area.

The Commission has the authority to also extend to linear facilities, related facilities such as electric transmission lines, water supply pipelines, natural gas pipelines, waste disposal facilities, access roads.

The Commission also is the lead state agency for the California Environmental Quality Act. The California Environmental Quality Act, CEQA, has been around since 1970. And its purpose really is to ensure that state and local agencies consider the environmental impact of their decisions when providing a public or private project. Or essentially approving a project.

An overview. The licensing process really consists of three phases. There is a data adequacy phase, staff discovery and analysis phase, Committee evidentiary hearing and decision phase.

During the data adequacy phase the staff reviews the application to determine if it meets the minimum requirements for our technical review. When the application is accepted as complete the clock starts. This is the beginning of the review...
process.

During the discovery and analysis phase staff develops data requests to obtain further information or to more fully understand the project. Staff also creates an Issues Identification Report, which I will talk more about later in this presentation. Essentially, really two reports are created, the Data Request Report and the Issues Identification Report.

The first round of the, actually the staff Data Request Report was presented to the applicant on January 8. And essentially these are requests for additional information on the project. Staff is essentially seeking clarification on the project.

There are also workshops during the staff discovery and analysis phase. This is where staff meets with the applicant. These workshops are really open to the public and to agencies to provide comment on the project and input.

From the workshops are created Preliminary and Final Staff Assessments. These are two environmental documents. And really these documents are crucial because it provides the information to the Committee in terms of
determining which appropriate measure or action to take regarding the project.

It happens essentially with the Final Staff Assessment. After the Final Staff Assessment is published the Committee will begin evidentiary hearings. That's the third phase. It is essentially receiving formal testimony from staff, from the applicant, from the interested parties, agencies, even intervenors.

This slide here really just points out the discovery and analysis phase in more detail. As you can the Public Affairs Office is really crucial in this process. You have the intervenors involved, you also have the public involved. As well as the applicant's input, local, state and federal agencies.

This slide is the discovery and analysis process. Staff's discovery and analysis process examines the Application for Certification to determine if the proposal complies with all laws, ordinances, regulations and standards, or LORS. Staff conducts independent engineering and environmental analyses of the project. This includes identifying issues. Staff also recommends the conditions of certification that
will govern operation of the power plant.

During this process the staff will facilitate public and agency participation in workshops, complete their analysis, produce their documents and make a recommendation to the Committee.

The evidentiary hearing and decision process is formulated here in this particular slide. It takes place after the Final Staff Assessment is published, of course. During this process the public, intervenors, agencies and the applicant have additional opportunity to participate in the Committee and Commission's Decision. Staff is essentially no longer at the center of the process but continues to provide input to the Committee and to the Commission's final decision.

Once again the evidentiary hearing and decision process. The Committee conducts hearings on all the information. And once again, this takes place after the Final Staff Assessment is released.

This process really allows for the development of what is called a PMPD. And it is really the consensus of the four or five member
Commission to decide whether or not to grant a license for the proposed project. So up to this point before the Final Staff Assessment we are dealing primarily with two members of the Energy Commission.

Okay. Local, state and federal agencies are, of course, allowed to participate in the process. Their input is welcomed. Listed here, for example, the City of Lodi Health and Public Works Department, the San Joaquin County Health and Public Works, San Joaquin Council of Governments. We also will receive input from the California Department of Fish and Game, the Central Valley Regional Water Quality Control Board. And also from the federal level the US Fish and Wildlife Service, the US Army Corps of Engineers.

This slide speaks to the public participation information. Essentially the process, of course, is open to the public process. Workshops are noticed at least ten days in advance. Just to let you know that as we go forward and we hold workshops we will bring actually the workshops to the community. And that is typically the process.
You may also obtain information through the mailing lists of the Energy Commission. Staff maintains the project mailing list. If you would like to receive information and notices we send out you can ask to be placed on the list. The Commission's list server, which was discussed earlier, is also available.

And you also will find the application at the local libraries, Lodi, Thornton and Stockton. You may also find it at the Energy Commission library in Sacramento. Which is a very actually impressive library which has about 22,000 titles of various energy-related topics.

You also will find information on the Energy Commission's website. The documents essentially will be filed and docketed in the siting case. You may also contact our docket unit about document availability.

This slide speaks to project contacts. Essentially it lists the Commissioners, the California Energy Commission staff and the applicant, Northern California Power Agency. It is anticipated that the majority of inquiry regarding the project will come through the CEC staff and the applicant.
Now moving on to the Issues Identification Report, which I spoke about earlier. The purpose of the Issues Identification Report really is to develop issues that may impact the timely delivery of the project.

The criteria used for determining whether something is identified as an issue include the potential for any significant impact that might be difficult to mitigate, non-compliance with laws, ordinances, regulations and standards, or if there is a conflict that could affect the schedule.

Staff has identified potential issues that may impact the project, or essentially the schedule of the project. Biological Resources, Land Use, Transmission System Design. These are potential concerns.

The potential issue, Biological Resource. This at the start was essentially identified by staff as a possible concern. A wetland perhaps might be located at the southwest edge of the proposed project site. However, we have learned that this particular area is perhaps not a wetland based on information that we have received from the applicant's biologist. So
essentially we will discuss this a little bit further and make a final determination.

The other issue that staff identified was Land Use. Applicant will file a request for a consistency determination with the San Joaquin Airport Land Use Commission to determine what findings would be necessary to enable construction of a natural gas pipeline that would be buried in the transition runway zone for the Kingdon Airport. The project's proposed natural gas pipeline would require an amendment to the current land use plan to allow a pipeline through the runway protection zone.

The next potential issue, Transmission System Design. The California Energy Commission staff is awaiting the Interconnection Facility Study from the applicant. If the Lodi Energy Center would cause any transmission line overloads, which might require transmission line reconductoring. Essentially a need for upgrading or significant downstream upgrades.

A general CEQA analysis will be required for the reconductoring as it is a downstream indirect input. So essentially if it is determined that through the Interconnection...
Facility Study that there will be a need for a transmission reconductoring then there is a potential that there will need to be some type of CEQA analysis prepared for this aspect of the project.

Now moving on to staff's proposed schedule. And this schedule really is a tentative schedule. It is based on where we think we will be with the project assuming things go according to plan. Just to look at the first line. It's probably hard to read from probably where you are sitting. But it lists the Informational Hearing. It also lists the Data Response and Issue Resolution Workshop, which would take place next month. And also various other aspects of the project.

The bottom part of the proposed schedule where it says TBD, to be determined, essentially is based on input from the Committee. Staff's proposed schedule really is based on a lot of factors. Applicant's timely response to the staff's data requests. Determinations by other local, state and federal agencies. Resolution of the Biological Resources, Land use and Transmission System Design issues.
Also the Siting, Transmission, Environmental Protection division has currently 25 projects in-house, which is about four times the historical workload and may make achieving the 12 month schedule process problematic. The Energy Commission staff will do its best to review the Lodi Energy Center project in as timely a manner as possible.

Post-licensing project compliance oversight. The commission is involved with the project from start to finish. Once the project has been approved, assuming it is approved by the full Commission, there is a monitoring and compliance process which will take effect. The compliance phase will apply during construction, operation and decommissioning. Essentially closure of the facility. The purpose is to assure compliance with all conditions of certification and applicable law, LORS.

The compliance project manager would have responsibility for oversight of the construction operation to include possible amendments. And this concludes my presentation on the process.

HEARING OFFICER CELLI: Thank you,
Mr. Jones.

MR. JONES: Thank you.

HEARING OFFICER CELLI: Applicant, please respond, if you would to the Issues Identification and then we can talk about scheduling.

MR. GALATI: You bet, thank you. Scott Galati representing NCPA. Before I respond to the Issues Identification Report I wanted to say some brief words for the public. This is a pretty complex process. Some of the words that we use sometimes are hard to translate.

We want you to know that you can contact NCPA at any time. Anybody at this table. We'll wait after this if you need a business card. If you have any questions about the project we are proposing or the process. If you have any questions about the process direct it to staff. If you have issues we want to reach out. We are a public agency. We would like to work with you and resolve and have any dialogue that you are willing to have.

That being said, with the Issues Identification Report we agree that these are issues in the case that need to be looked at. Let
me give you an update on all of them.

As Mr. Jones says, the biological issue with a potential wetland. we have submitted a report. We believe that it is not a wetland. We understand that staff is reviewing that. We look forward to having additional discussions about that. We think that issue, whether it is a wetland or not a wetland, is easily resolvable.

The second issue on land use. Again, I just wanted to remind the Commission that there is an existing gas line that runs through the same area. We are going to be -- PG&E will be building a gas line right along that in the same easement. We have talked with San Joaquin County. They are amenable to amending the plan. We are going to continue to work with them and we will certainly work as diligently as we can to get that taken care of.

On the Transmission System Engineering. I think Mr. Jones is correct that the Final System Impact Study and Facility Study are not available at this time. But I do want to say some good news, okay. And the good news is that this is one of the few projects that is not in the cluster at the process at the kipper.
This process, we already have a draft study. The draft study did not show any downstream reconductoring. We expect the final, which we were told in December. I think maybe due to the holidays it has been delayed. It may be as early as tomorrow. This project is far ahead of other projects at its stage of getting a final study. We should have that done fairly soon. Certainly before we think the Preliminary Determination of Compliance comes out. So we think staff will have ample time to review that document and we are quite pleased with that.

The last thing I wanted to tell you was that the project also enjoys a favorable position when it comes to air quality. And that is NCPA took the proactive stance to purchase all of its credits before it filed. So it has all of its emission reduction credits in hand. The district knows that. That has enabled the district, we believe, to work very quickly on the PDOC. And that brings me to why we have proposed a schedule that is dependant upon the PDOC.

We see the Preliminary Determination of Compliance, and I apologize for the public. That is an acronym that is a draft permit that the Air
District issues. It basically is an analysis to ensure that the project would comply with all of the District air quality rules, both the federal Clean Air Act, the state Clean Air Act, and anything that is any local rules. The Energy Commission then uses that in its own analysis.

So that PDOC is a step which the staff is going to need to do their Preliminary Staff Assessment. My experience has been that that is the number one thing that delays projects and we think that we are favorably, and we have a nice position. In working closely with the Air District our air quality consultant did a fantastic job. She's hear and that's Nancy Matthews.

So I think with that we proposed a schedule that allows the staff's trigger dates to be dependant upon the Preliminary Determination of Compliance and the Final Determination of Compliance. Now we proposed a 30 day schedule. And I know staff has a lot of work. And I would just urge the Committee to adopt the 30 day schedule for the PDOC and the FDOC.

I think that, quite frankly, NCPA has earned the right to get it because I think we have
designed a very environmentally friendly project on an existing site with extremely few issues. This is a project with one of the fewest data requests I have received in the first round and I think it has largely to do with the selection of the site and the design of the project. So certainly understanding the staff's workload but we are hoping this project is easier than some of the ones they have had to work on.

HEARING OFFICER CELLI: So with regard to the schedule. When I look at your schedule and I look at staff's proposed schedule. Looking first at staff's, do you have any adjustments that you would make to staff's proposed schedule, Mr. Galati?

MR. GALATI: If you were to use staff's proposed schedule the one thing that I would do is I would not put a hard date on the local, state and federal determinations. And the reason being is one largely of not having to petition to change the schedule. If the district comes out with their Preliminary Determination of Compliance let's say in March, then the schedule needs to be revised. So I would put just a placeholder for that date.
The second thing is I think that it might be important to have monthly status reports. I know I have had trouble when they are not on a recurring monthly date, keeping track of when to do a status report. I also think that if you are having to do a status report on a monthly date you might get busy and working on what you need to get done if you have to report to the Committee what you have done since last month.

The PSA workshop. Again, some of these hard dates are dates that should be dependant upon when the actual Preliminary Staff Assessment comes out. So those are the things.

The other is the Preliminary Staff Assessment looks like it is closer to six weeks after the Preliminary Determination of Compliance and we had asked for 30 days. The same thing with the Final Staff Assessment. It looks like it is -- No, the Final Staff Assessment is 6/1, it looks like it's about 30 days.

HEARING OFFICER CELLI: So the PSA workshop on 4/24/09 is six weeks after what you are calling local, state and federal agency draft determinations. The PDOC would be in there on that 2/19 date?
MR. GALATI: Yes.

HEARING OFFICER CELLI: Okay. So you would like to see that shortened up to 30 days. You know, typically what happens is we draft a hearing order and a schedule. And it says, it pretty much follows what the parties put together at the Informational Hearing. And inevitably it will break down. There is always a delay here or there, whatever.

So of course we want the parties to do their best to do what they can. But by the same token NCPA needs to be cognizant of the fact that staff is just so over-burdened right now and there is the new furloughs and such. They're doing their best and I know that they are working really hard. But whenever I put a schedule together, and I will build in the monthly status reports because I like that. We do our best to stick with it.

So having said that. If we slip in some certain dates certain things will remain the same. I am loath to put out a new scheduling order until after we are ready to go with evidentiary hearings and so forth, pre-hearing statement conferences and so forth, because, you know, typically things just happen at the pace, when we get the PDOC
things will happen and so forth. So what I am
saying is I am going to adopt the dates that you
have put forth here and I will try to integrate
the two.

And staff, how do you feel about
shortening the PSA date there on 4/15?

MR. JONES: Well once again, staff has a
very heavy workload and sometimes you may not be
able to deliver when you want to deliver a
particular item. So, you know, we are willing to
live with it but can't necessarily make any
guarantees that we can be consistent in that
respect.

So we ask that the applicant understand
our situation with the extremely heavy number of
projects in-house. And also as the Commissioner
mentioned, the inactive -- the furlough program
which will start next month for state employees as
enacted by the Governor. So you lose time there
as well so please, you know, keep those things in
consideration.

HEARING OFFICER CELLI: Mr. Worl, did
you want to come up to the podium, please, so you
can be on the record?

MR. WORL: My name is Robert Worl, I am
the siting program manager for the Energy
Commission. And I just wanted to reassure
everyone that we don't work towards that six
weeks, we certainly try to beat it given the
opportunity. Our efforts are always aimed at
shortening the time frame for documents and for
moving forward with the schedule.

But at this point in time we have found
that it is prudent to make sure that everybody is
aware that the potential for delay is there. When
we say six weeks instead of four it doesn't mean
that we are going to actively work to take the six
weeks. It means that it may happen and you want
everyone to be aware of that.

HEARING OFFICER CELLI: And I appreciate
that, thank you for the comment. So what is going
to happen is the Committee will meet and confer as
to the scheduling order and the scheduling order
will come out before January 30. And ladies and
gentlemen of the public, all of this information
will be on the website, the California Energy
Commission's website.

Before we get to questions from the
public I just want to ask Commissioner Douglas
whether you have any questions for either staff or
the applicant?

PRESIDING MEMBER DOUGLAS: I do not.

HEARING OFFICER CELLI: Okay.

Commissioner Byron?

ASSOCIATE MEMBER BYRON: I really don't have any questions but I would just like to take just a minute to add, if I may, my perspective, having sat through a number of these already.

You met all the applicants, the staff and the Commission here. If you wouldn't just mind for our benefit by a show of hands, we have a number of other participants from our staff and the applicant in the audience. But if you wouldn't mind a show of hands, how many of you are members of the public that are here today that are interested in this project?

(Show of hands)

ASSOCIATE MEMBER BYRON: Okay. And of course the reason all these people are here and the reason we are conducting this is for your benefit. We are very early in the stages of all of this, and as you can hear, we are discussing schedules as to how we are going to, how we plan to proceed.

And those of you that went on the site

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visit, you may have noticed that one of the Commissioners is pregnant and so there's two of us. But there's always two. We take this very seriously. But as the staff also indicated their workload is pretty heavy. We have over 20 siting cases before this Commission and siting is not all that we do.

But we always assign two Commissioners so we can always cover for each other and stay on top of things. And that's the normal procedure. And as was indicated, it will go eventually to the full Commission for a vote, which is all five Commissioners.

I just wanted to take a second and add something else that I thought might be helpful to you. We have looked at how other parts of the country do this same kind of siting. And I think that you will find -- well we think very highly of it because it is a very participatory process and I think it is maybe one of the best that exists in the country.

We look at everything, everything will be considered and evaluated by this Commission, and everything has to be addressed or mitigated in some way that is a potential problem.
As I said, this is not all that the Commission does. We do not originate these projects. These projects come to us and we must decide them. And so that is why we need a schedule so that we can help move these things forward.

I'll just stop there. I don't have any particular questions at this time. It was a good set of presentations by the applicant and the staff and you will, of course, have your opportunity to comment. But this might have been my only opportunity to comment so I thank you very much.

HEARING OFFICER CELLI: Thank you, Commissioner. I actually have a few questions. And I want to make a point that I am working on a decision right now where a question was asked at the Informational Hearing. And we got to the Evidentiary Hearing, it was never dealt with.

And so the reason I am asking these questions now is because I am asking that the parties do deal with these so that the answers to these questions show up in the analyses by the time we get to the Prehearing Conference.

My first question had to do with the
anhydrous ammonia truck trips. I read in the AFC
that the anhydrous ammonia is going to be
servicing both power plants using the existing
storage tank. So the first thought that came to
my mind is that you are going to be doubling the
number of truck trips, or more. I don't really
know how much the use will be. But there is going
to be an increase in truck trips.

And I wanted to know whether there's --
Or I'd like the parties to at least look at
whether there is the possibility of having
increased storage to prevent the need for the
truck trips. Or at least address the fact that
there will be these truck trips and what kind of
mitigation, if any, is necessary for that. And I
don't need an answer right now unless you have
one.

MR. GALATI: We have one. And yes, in
the Traffic and Transportation section of the AFC
we evaluated what the increased truck trips are.
We have placed them in there. I know staff is
evaluating. And I think they have asked us a
question or we will discuss it at the workshop.
But I have it here and we'll make sure that it is
addressed in some evidentiary piece of exhibit.
HEARING OFFICER CELLI: Great, thank you. Also I had a question about the injection well for the wastewater on site, in light of the fact that the project is situated right next door to the water treatment plant. And I read that there was going to be an injection well for wastewater on the site.

And I note when I look at the map the site is relatively close to the Delta and some waterways. I didn't understand that but I hope that the parties will be able to address the need for that. Oftentimes there's zero liquid discharge projects that come through. So that was another question that came up.

The other thing -- And Mr. Galati, when you get a chance, when you are at the Energy Commission if you wouldn't mind dropping by just so I can show you how, you know, so we can talk about the way that exhibits are presented.

Because just so you know, folks, the largest number of exhibits come from the applicants and so the way that we get them really makes a difference in terms of the efficiency of getting the decision out.

MR. GALATI: I appreciate knowing now
because then I can keep the exhibits this way.

HEARING OFFICER CELLI: Yes.

MR. GALATI: Because putting them together in the last five days before a hearing is not that fun.

HEARING OFFICER CELLI: Thank you, that's great. Those were all the questions I had in my reading of the AFC.

Ladies and gentlemen, it is now time for the public comment. I only saw like three hands go up. Mr. Bartsch is going to come forward with the blue cards so we can call out the names. But I thought that since we have the Mayor here we would give you an opportunity to speak first if you wanted to address the Committee. Please come forward and state your name on the record.

MAYOR HANSEN: My name is Larry Hansen. I am kind of in a unique situation. I am the Mayor of the City of Lodi, I am the Chair of NCPA, and I am the Vice Chair of San Joaquin CARB. So I get an opportunity to hear about this from all points of view.

Very briefly, the City of Lodi is very excited about this project. It has received unanimous support from the City Council. We have
received, to my knowledge, no, at this point, concerns, negative concerns from the citizens of Lodi.

I have tried to give updates to the Council in my role as the Chair of NCPA about this project. We have had to vote on issues about funding, potential equipment issues and those type of things. And we are just pleased that this is being considered. As NCPA staff has pointed out it seems to us to be in many ways just an ideal site for something like this.

To be honest, I am not quite sure I understand your question about the injection well. But I will tell you one of the things that excites the City Council about this project is that it is next to our water treatment plant. We have that water that is discharged that we have to find a use for. This seemed like just an absolute perfect fit for that.

So representing the City Council tonight I just wanted to confirm that we are very much in support of this and will be anxiously watching the process. Thank you.

HEARING OFFICER CELLI: Thank you. I just had a question. I just -- As you were
speaking. I note that really the project is closer to Stockton than it is to Lodi and I just wondered if you had heard from anyone from Stockton?

MAYOR HANSEN: I have not. You know, when we have our water treatment plant and looked at issues about future annexations, you know, in the city of Stockton, there was a buffer zone that was put in just to deal with the water treatment plant between that and the city of Stockton. But I have received no comments thus far from them regarding this project.

HEARING OFFICER CELLI: Well thank you, Mr. Mayor.

MAYOR HANSEN: Thank you.

MR. GALATI: Mr. Celli, could I add something that would bear up on your last question?

HEARING OFFICER CELLI: Please.

MR. GALATI: NCPA took the proactive role of doing a public outreach before this project was filed, including outreach to Stockton. We had our own open house in this very building and there were very few people that seemed interested. So I just wanted to let you know that
that took place on October 2.

HEARING OFFICER CELLI: Very good, thank you very much. Nicole Goehring. If you wouldn't mind coming forward, thank you.

MS. GOEHRING: Good evening Commissioners of the California Energy Commission and NCPA. My name is Nicole Goehring and I work for the Golden Gate Chapter of the Associated Builders and Contractors, which represents more than 590 predominately non-union contractors who build major commercial, industrial and public works projects in the Central Valley. The organization also operates state-approved apprenticeship programs in several trades in the Central Valley.

Most local districts want to maximize the number of responsible and capable bidders and construction in the Central Valley is done by both union and non-union general contractors and with both union and non-union subcontractors.

You are seeking approval from the California Energy Commission for a power plant and you are concerned that California Unions for Reliable Energy and its lawyers at Adam Broadwell Joseph and Cardozo will possibly delay power plant
construction unless you sign a project labor
agreement with the construction unions.

When power plant applicants don't give
the unions a monopoly on the construction and
maintenance of the proposed plants CURE does
intervene in the permitting process and files data
requests and oftentimes phony environmental
objections in attempts to delay the project.

Many power plant developers have
responded to this nuisance by agreeing to sign a
union-only project labor agreement, thus cutting
bid competition and subcontractor choice and
increasing the costs in order to get CURE off
their backs.

I want you to know that the City of
Victorville did not succumb to CURE's extortion
and they didn't approve a project labor agreement.
Their determination to preserve fair and open
bidding competition paid off. On July 16 the
California Energy Commission voted five-nothing to
approve a license to build their 563 megawatt
Victorville II hybrid power project in San
Bernardino County, despite CURE's continuing,
ineffectual objections based on no evidence
argument and based entirely upon speculation.
Also on August 26 the Riverside City Council unanimously approved a compromise for seeking bids to build the second phase of their power plant project.

If your agency works with the California Energy Commission to scrutinize your documents and make sure your proposal is sound, CURE will have nothing legitimate as a basis to attack your project. You can resist CURE and win, saving ratepayers millions of dollars through greater bid competition among general contractors and subcontractors. Please don't give in to CURE's extortion. Thank you.

HEARING OFFICER CELLI: Thank you, Ms. Goehring. Any other members of the public who would like to address the Committee? I will for the record state that it is a Thursday night. People are probably, you know, home having dinner.

We probably, when I say we, the Committee will probably not have any interaction with the public until we get to the point where we are ready to have a prehearing conference and evidentiary hearings. This is the best chance really to speak to the Commissioners and tell them what your thoughts are about this project. So I
personally wish there was more public participation.

I know the Public Adviser's Office did a great job of putting it out there and publicizing the event but sometimes loads of people show up, sometimes a couple of people show up. We never know what we are going to get until we get here.

So with that I am going to hand back this Informational Hearing to Commissioner Douglas who will adjourn. Commissioner.

PRESIDING MEMBER DOUGLAS: Very well. Thank you to everybody, applicant, staff, members of the public, and at least plural members of the public. One last opportunity for public comment.

And seeing none we are adjourned, thank you.

(Whereupon, at 6:20 p.m., the Informational Hearing was adjourned.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of January, 2009.

John Cota

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