

MANDATORY STATUS CONFERENCE BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	
Application for Certification the Rice Solar Energy Power Plant Project	for		Docket No. 09-AFC-10

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 29, 2010 2:00 p.m.

ORIGINAL

Reported by: Peter Petty Contract No. 170-09-002

COMMITTEE MEMBERS PRESENT

Robert B. Weisenmiller, Presiding Member

Karen Douglas, Chairman and Associate Member

HEARING OFFICER, ADVISORS PRESENT

Kourtney Vaccaro, Hearing Officer

Eileen Allen, Advisor to Commissioner Weisenmiller

Galen Lemei, Advisor to Commissioner Douglas

STAFF AND CONSULTANTS PRESENT

Kevin Bell, Staff Counsel

Deborah Dyer, Staff Counsel (via telephone)

John Kessler, Project Manager

Robert Worl

APPLICANT

Scott Galati, Attorney Robert Gladden, Attorney Galati and Blek

Jeff Benoit (via telephone) Matt Held (via telephone) Solar Reserve

Andrea Grenier (via telephone) Grenier and Associates

ALSO PRESENT

Dale Evenson, Deputy Fire Marshal Riverside County Fire Department

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PROCEEDINGS

2:22 p.m.

HEARING OFFICER VACCARO: Particularly those of you on the phone who have been on the line since two o'clock, we are ready to convene at this point the Mandatory Status Conference for the Rice Project.

I'll let Commissioner Weisenmiller do opening comments and then we'll take introductions.

PRESIDING MEMBER WEISENMILLER: I'd like to thank the parties for attending today. This is our status conference. I think what we hope to do is walk through where we are procedurally and sort of next steps.

I'm here. To my right, who has just stepped out, is Eileen Allen, my advisor. To my left is the hearing officer, Kourtney Vaccaro. And to her left is the Chair, Karen Douglas, and to her left is Galen Lemei.

And with that I'll turn it back to the hearing officer.

HEARING OFFICER VACCARO: Thank you. Typically our public advisor would be present but she is not here today. But for those of you on the phone who might be listening, her name is Jennifer Jennings and she can assist you in any way with getting information about the project or methods of participation.

I did go ahead and get a sense of who is on the

line. But more particularly, do we have anyone from the Bureau of Land Management or the Western Area Power Administration on the line today?

(No response.)

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HEARING OFFICER VACCARO: Okay, it doesn't sound like it. Any other member of a local, federal or state agency that is on the telephone line?

(No response.)

HEARING OFFICER VACCARO: Okay, I don't hear any.

I am aware, however, that we do have a representative from Riverside County here in person. I don't have your name. If you wouldn't mind just letting us know who you are so we can acknowledge your presence.

MR. EVENSON: Dale Evenson, Deputy Fire Marshal, Riverside County Fire.

HEARING OFFICER VACCARO: Thank you for being here today.

Well, I think Commissioner Weisenmiller said it succinctly. Really what we are aiming to accomplish today is to figure out how we are going to accomplish the goals that have already been set for this project.

We're looking at an end of the year decision from this Commission, that's the ideal scenario. In order to get there we need to have a hearing. In order to have a hearing we need to have a Staff Assessment published. I think what we need to talk about is the timing of the expectation as we sit here today of the publication of the SA/DEIS and what that means to the existing schedule that we have.

As all of you know, October 11th and 12th are currently reserved for the prehearing conference and evidentiary hearing in this matter. I think maybe with a little bit of adjustment we can still preserve at least one of those dates. And the Committee has already looked at its calendar and has been able to identify a backup date, which is Friday October 22, to conduct a hearing. So I think what we're proposing is that we move forward with an October 11 prehearing conference and look more realistically towards an October 22 hearing.

I'd certainly like to hear from the parties on that proposal. And when we hear from you, if you could also give us a sense of what success you might have had with the workshop. What you anticipate in terms of being the uncontested issues. What we can expect to accomplish within the next few weeks so that this project can stay on the schedule or close to it.

So with that I think we'll start with the applicant. Mr. Galati, if you would go ahead and introduce yourself, I'm sorry, I should have done that earlier, as well as the members of the Rice team that are on the

telephone. Mr. Galati.

MR. GALATI: Scott Galati representing Solar
Reserve in the Rice Solar Energy Project. And I believe on
the phone that we have Andrea Grenier who is our team leader
on the environmental side. And our project director from
Solar Reserve is Jeff Benoit, he is on the phone, and his
colleague. I apologize for your title, Matt. Matt Held, I
think he is director of development for Solar Reserve. And
to my right is the smart guy in our firm, Bob Gladden. I
decided to bring him with me.

Is there anyone I missed on the phone from Solar Reserve's team?

(No response.)

MR. GALATI: Bull's eye.

HEARING OFFICER VACCARO: Okay, so if you would go ahead and respond to the Committee's proposal for the dates, how we move forward with the schedule and what your sense is of the successes, if there were any, from day one of the workshop.

MR. GALATI: First of all, this would be rare for you so hang on a second. The Staff Assessment has slipped and I'm not going to scream. We understand the Staff Assessment has slipped. Staff has been good enough to share with us draft sections. Our team turned around and reviewed the draft sections in less than a week and some of them came

out even a couple of days before the workshop. We were able to be very, very productive at the workshop.

I think that there's a -- there are some sections we have not talked about yet but we have seen and reviewed and those we are going to talk about tomorrow in the continuation of our workshop. And we hope that's as productive as it was yesterday.

If I could give you my perspective as we sit here today. It's probably easier for me to list the number of areas that I think that are not -- that might be contested versus the ones, the number that are uncontested, since there's only a few that might be contested. And I'm only saying that they might be contested, some we have not yet spoken, so I am just reserving the right that we might need a hearing. And that would be on Biological Resources. And from our perspective we're talking about four or five conditions, not wholesale topic areas, but some condition languages.

Cultural Resources. There might be, again there's some condition language that we'd like to see. And there is only one topic area and it has to do with the project applicants providing a cultural area to be preserved. And it's the extent that that cultural area needs to be preserved and what that looks like. We're going to have further conversations about that on Thursday. We again

remain hopeful.

Land Use we haven't yet discussed, although there was one thing I'd like to inform the Committee.

And I guess this -- I take the opportunity, it piggybacks on what you heard today in the, in the Commission Hearing. And I'd like to tell the Commissioners that I actually very much defend the Energy Commission's CEQA process because it encourages design changes. And while that might be difficult for people to follow, that's exactly what CEQA intended when it was adopted. It's exactly what all the environmental leadership leaders, especially if you look at the environmental leadership that Mark Reisner set out when he started much of the movement, he wanted companies to be able to talk to environmental constituencies and actually make design changes. That happens here at the Commission.

And unfortunately when it happens sometimes it's hard to keep track of the design change. But it's absolutely what should happen and should continue to happen. Maybe we can report it a little differently but I don't want to discourage it. I very much defend the process because that is how we are able to come to hearings and not take your valuable time up and have a lot of issues taken off the table with applicants that are willing to change.

So one of those design changes was we had designed

a person camp where the workers could be housed. At the time we designed the person camp it was because we thought there might be a Traffic and Transportation commute problem to this particular location. So we intended to solve one problem and what it did is open up a can of worms on several other problems that the staff after evaluation identified.

So we have now removed the person camp. The staff had already evaluated the Traffic and Transportation in a worst case scenario. We actually presented information both ways. And so that, I think, is going to go a long way to solving some of the problems we had with Land Use. And in Socioeconomic there was a possible impact on the Sheriff's Department about managing that camp. So we have removed that; we think that that's very helpful. So we're pretty hopeful that Land Use will also be uncontested and we're going to talk about that more tomorrow.

Soil and Water Resources. We had a lot of technical changes. It was a highly technical conversation yesterday. And it looked like we had agreement on just about everything so I think that we're probably going to be, from a Soil and Water Resources perspective, an uncontested matter as well.

Traffic and Transportation has a couple of conditions that are unique to a solar tower site. It has to do with managing the luminescence or monitoring the

luminescence of the tower. It also has to do with heliostat positioning.

And we had very, very productive conversations yesterday about things, the way the conditions were written, that we would like to see different. And we've come up with some joint language and we're also proposing some language. We may not get it all right ourselves but if we do take the Committee time I actually see it just being pretty minor if there is anything that is not quite disputed -- not quite resolved.

And lastly, Visual Resources. There is a -- there is an issue that we're working on right now that has to do with how much with a project that has a significant impact that needs an override according to staff, how much additional painting and blending is necessary. And specifically, some of the areas that are difficult for us to treat and paint. We're continuing to work through those issues. We're continuing to work through the transmission tower issues. And I actually think that we have a good chance of getting there.

So my prediction is that if we go to hearing the most topic areas that might be contested would be four and everything else would be uncontested. And that is if we are not productive on Thursday. That's my best guess.

And then because of that I think that I would ask

the Committee to waive the 14 day rule for purposes of going to evidentiary hearing on the 11th or 12th for purposes of taking into the record the uncontested matters so that you can continue to work on the Presiding Member's Proposed Decision on those matters.

If there were comments from the public on those matters one idea would be to leave the record open until the 22nd just for comment, public comment on those areas, and then go to evidentiary hearing on the 22nd for those areas that weren't taken in on the 11th or 12th. And then that way it's possible to keep moving forward and minimize the effect of the Staff Assessment not being published this week.

HEARING OFFICER VACCARO: Okay, thank you. How about discussing sort of the briefing schedule. That was another aspect.

You are expected to get us some opening testimony and a prehearing conference statement in advance of the October 11 date. Knowing that there isn't an SA/DEIS right now but let's say we're anticipating that it will come out this week --

MR. GALATI: Yes.

HEARING OFFICER VACCARO: What does that mean?

Are these dates still viable? And if not, do they need to be changed? Do you need more time? Can you get your work

done in a reduced amount of time? And does it help at all for me to suggest that what we do is focus the opening testimony and prehearing conference statement primarily on those issues that are uncontested and use the secondary hearing date, the October 22nd date, to brief and to get all the remaining testimony in with respect to what looked like the contested issues?

MR. GALATI: Yes, thank you for reminding me of that because we would -- currently right now we have to file our testimony on the 5th. And I believe our prehearing conference is -- is our prehearing conference on the 5th or the 7th?

HEARING OFFICER VACCARO: The 7th.

MR. GALATI: Okay. I think as long as the Staff
Assessment comes out this week we can continue to file our
testimony on the 5th and the prehearing conference on the
7th. What I would ask is that we be given until the 10th to
be able to file the contested issues.

So what we can still do is meet the 5th with all of our exhibits and our uncontested matters and then prehearing conference statement on the 7th outlining for you the areas that we may still have disputes. And file our testimony on contested areas on the 10th for the ability to go to evidentiary hearing on the 22nd on those contested matters. So we'd appreciate another five days or so on the

contested matter testimony. I think that's the only thing that would need to change.

Now if the Staff Assessment, heaven forbid, did not come out this week, and the Staff Assessment moved to next week, I think that would be problematic. But I'm hoping the Staff Assessment comes out this week.

HEARING OFFICER VACCARO: Okay, thank you. And we'll hear from the staff in just a moment.

It is my understanding, I think, that Deborah Dyer, are you on the telephone?

(No response.)

HEARING OFFICER VACCARO: Okay, not quite yet.

It's my understanding that she might be joining us by way of the telephone.

Mr. Kessler, if you would go ahead and do introductions from staff that would be appreciated. And then if you could also address the initial questions that were posed and any response that you might have to what Mr. Galati has stated.

MR. KESSLER: Okay. I'm John Kessler, project manager. To my left is Kevin Bell, our stand-in counsel. Thank you for being spontaneous. And Robert Worl is behind me, he's our senior in the project management group for siting.

In terms of schedule I guess the most interest

that I'll get right to, what is our publication date. I was advised yesterday afternoon by my counterpart at Western Area Power Administration that their legal team was not able to turn around as quickly as they had hoped and needed a few more days. So his best guess as of yesterday afternoon, which is the latest information I have, is that they could give us a green light on either Friday of this week or Monday of next week.

With regard to the schedule that has been discussed and Mr. Galati was suggesting. We did have a chance with Deborah Dyer and myself to discuss that yesterday at the close of the workshop and staff agrees with the concepts that Mr. Galati has indicated. And we might add that for the prehearing conference on the 11th, should we be done early after going through, if the Committee were to consider discussing the non-contested issues at that time. Should there be additional remaining time in the day that we would also encourage that we leave open the option to have a workshop to continue any discussions that we need for outstanding issues.

As far as the productivity of the workshop yesterday. I would say it was highly productive. We touched on -- not just touched but went through in detail the topics of Air Quality and Worker Safety, Fire Protection, Soil and Water, Visual Resources, General

Conditions, Socioeconomics and Traffic. If I missed anything, Scott or Bob, let me know. Soil and Water, okay.

And I think I agree with Mr. Galati's characterization as to where we think we have closure of those issues.

We do have some -- and we're trying to make updates to the section since we do have a couple of extra days to reflect that so that we will not require additional updates in the future.

HEARING OFFICER VACCARO: I apologize for that, I did hear you. But I'm sorry that I diverted my attention.

MR. KESSLER: No, that's okay. I just wanted to give you the chance to hear it.

With regard to the -- we have the second, another development yesterday besides working through conditions of certification. We're actually getting edits to our assessment or the way we describe certain features of the project. We also learned that there was no longer going to be a construction RV camp and so we're trying to reflect that throughout the assessment. So it's not only the topics we discussed yesterday but it has some other carryover effect. So we're trying to capture those the best we can.

We have another workshop scheduled tomorrow and those will be more environmental issues. We are -- certainly Bio and Cultural will be included. And we expect it to be as productive as yesterday's was.

So if there's any questions I can answer beyond that I'd be glad to.

HEARING OFFICER VACCARO: Well actually, yes.

Let's just go back to the Friday or Monday green light.

What does that mean in real terms though from getting the green light and actually publishing the document? So if you heard from the federal reviewers by a certain time on Friday, what is that time so that that document could still be published by Friday?

MR. KESSLER: Somewhere in the time frame of one or two o'clock to still get everything posted on the web and get it -- make sure there's no final edits based on their feedback, as long as they're minor. And to, you know, have the document docketed and so on.

HEARING OFFICER VACCARO: Okay. So is it fair to say probably within a matter of hours you could get it published, depending on the nature of the comments that you receive. But do you anticipate any comments that would delay publication by more than a number of hours?

MR. KESSLER: Not at this time.

HEARING OFFICER VACCARO: Okay. And so you could get something anywhere from Friday through the end of the day Monday, which means that conservatively we could be looking at a Tuesday publication?

MR. KESSLER: Well, I'm assuming that that's

possible.

HEARING OFFICER VACCARO: Okay. So, Mr. Galati, you were mentioning a few moments ago in response to my questions about the timing and the briefing and how quickly you could put together opening testimony and a prehearing conference statement with respect to the uncontested matters. What does a Monday or Tuesday publication do to your ability to meet the current schedule and what would you propose as an alternative in terms of dates? Because we still do need those documents in advance of the prehearing conference.

MR. GALATI: Here is what I would propose. First of all to let the Committee know, we are about three-quarters done with our uncontested testimony based on the kinds of things we talked about yesterday. So what ends up happening is, when the Staff Assessment comes out we'll check to see that the changes were made the way we thought about them and the way we discussed them. And if they are okay then I leave the testimony as is, it says we agree with the conditions of certification and none of our exhibits change, none of that.

If there's -- if it didn't quite get captured the way we thought or we were talking past each other, I might need to make some changes. So in order to have that flexibility I would ask the Committee to indulge us until

the 7th and we'll file our prehearing conference statement and our uncontested topics on the 7th.

And then if we could have until the 12th on our contested topics since I lose a day on the 11th because we'll be here. It also might be helpful for me to have the 12th for contested topics if we have a workshop on the 11th because we might be able to turn it into uncontested for our testimony on the 12th.

So I would ask for prehearing conference on the 7th, to the end of the day instead of the three o'clock or noon time line. Uncontested topic testimony, the end of the day on the 7th. We'd come to evidentiary hearing, present. We'll bring our boxes and our evidence, submit that into the record on the 11th. Workshop the rest of the day. And then on the 12th by the end of the day we could have time to finish up our contested testimony in time for a 22nd hearing.

So I could accommodate a Monday, Tuesday publication date if I had until Thursday the 7th.

HEARING OFFICER VACCARO: Okay.

MS. DYER: I --

HEARING OFFICER VACCARO: Thank you.

MS. DYER: I'm sorry to interrupt.

HEARING OFFICER VACCARO: We'll address the contested, the briefing for contested matters separately.

The Committee will go ahead and probably issue an order that sort of takes into consideration where we are at that point in time and gets us better prepared for the October 22nd.

I do want to move backwards though because I think what you suggested presupposes that the Committee might very well waive that 14 day time period so that the evidentiary hearing could commence. And I think that is an invitation that is made really looking, I think, to assist the Committee and the Hearing Advisor's Office in preparing the PMPD, and we certainly appreciate that.

At this point though, given the timing of the publication of the SA/DEIS, what the Committee is more inclined to do is to move forward on the 11th with the prehearing conference and to have the hearing on October 22nd, at which time we will take in the evidence. It certainly doesn't preclude you from providing the Hearing Advisor's Office and the parties with the exhibits earlier and doing all that you can to be poised to move swiftly on the 22nd. But we are not inclined at this point to waive that 14 day period between the publication of the Staff Assessment and the conduct of the evidentiary hearing.

MS. DYER: Excuse me. Can you hear me?
HEARING OFFICER VACCARO: Yes we can.

MS. DYER: I'm sorry, this is Deborah Dyer, I hesitated to interrupt. I apologize for not being on at the

beginning of the hearing, I didn't have it on my calendar.

HEARING OFFICER VACCARO: Okay. Well thank you for joining us now. We do have staff counsel here in the room as well so we have two of you.

Mr. Bell, it looked as though that you wanted to say something at some point so why don't you go ahead and give us your thoughts.

MR. BELL: I'm sorry, Ms. Vaccaro, yes. Kevin
Bell, staff counsel. I'm somewhat peripherally
knowledgeable of the situation with Rice. Ms. Dyer is now
on the line. I was just going to bring that to your
attention. I heard her trying to interrupt there. So if
I'm not needed here I'll let Ms. Dyer take it.

HEARING OFFICER VACCARO: Okay, thank you and thank you for your willingness to be present to help move this along.

MS. DYER: Thank you, Mr. Bell.

HEARING OFFICER VACCARO: Okay and --

MR. GALATI: I hesitate to ask. Because as I moved through my calendar here -- and again, it's more important if the Committee were available. On the 22nd I was actually scheduled to speak at the Environmental Law Conference on Renewable Energy. I was the only applicants' attorney invited to speak. Otherwise there would be a very skewed view. So if there was another date like the 21st

that was available to the Committee -- And again, I give it a one because I will be here, that's a ten. so it's a one on my scale. Only if it was easy for the Committee to accommodate. They could easily get another speaker.

PRESIDING MEMBER WEISENMILLER: I'm afraid -- we really struggled to find a date that worked. So maybe your associate will have to take your place at the conference.

MR. GALATI: Yes, that's why I said it was a one. So okay, but I thought I would at least ask.

PRESIDING MEMBER WEISENMILLER: Please, please, please, please check. But as you can imagine -- always ask. But I must confess, the scheduling -- particularly when we saw that we were likely to need another date, we were scrambling.

MR. GALATI: No problem. We'll be here on the 22nd. And I understand that that will take all the evidence in and that's fine. And again, I think that Ms. Vaccaro hit it right on the head. Our goal to get evidence in the record on the 11th was to help the Hearing Officer. And if the Hearing Officer does not need that help -- to waive the 14 -- there's no reason to waive the 14 day. Our job was to try to get the Hearing Officer to see the evidence.

I know that she would see the evidence because I would have filed it. So whether or not it's been taken in, she certainly can start reviewing. We can certainly have

the boxes of our exhibits. Since it's us and staff and it's uncontested matters and there are no other parties in the proceeding I think that it's probably prudent not to waive the 14 day. And if the Committee is fine with that we certainly are.

And we'll be here on the 22nd and we hope that there are no contested items on the 22nd. But to the extent there are we'll, we'll get in and out very quickly.

HEARING OFFICER VACCARO: Okay, thank you. I think at this point we have heard everything from the applicant and staff. Is there anything to add from either party? Okay.

MS. GRENIER: Kourtney, this is Andrea, I just have a quick question.

Would that be a morning scheduled hearing on the 22nd? Do you know yet?

HEARING OFFICER VACCARO: Yes I do. I know that it's scheduled for the entire day.

MS. GRENIER: Okay, great.

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HEARING OFFICER VACCARO: We're planning to start at about nine o'clock.

MS. GRENIER: Okay, thank you.

HEARING OFFICER VACCARO: So, Mr. Kessler, just in follow-up to your suggestion that we use October 12 as a workshop day. Then I will put on your plate the task of

ensuring that we get that noticed, timely notice of a possible continuation of the public workshops for this matter. And I think we've got plenty of time to get that notice out.

MR. KESSLER: I'd be glad to do so, thank you.

HEARING OFFICER VACCARO: Okay, thank you.

MR. GALATI: Can I have clarification on that? Would that mean that we continue to have the prehearing conference on the 11th?

HEARING OFFICER VACCARO: Yes.

MR. GALATI: And then we would have a workshop on the 12th?

HEARING OFFICER VACCARO: If need be, yes.

MR. GALATI: Okay, could I ask the Committee to also notice the workshop starting on the 11th immediately after the prehearing conference. Because we might be able to -- while we're all gathered it might be easier just to do that. I think it's scheduled now at ten. And so once we're done. I would prefer that either after lunch or something we could continue to stay here. Because I know I have -- my people travel and it might not be necessary for them to be here for the second day.

HEARING OFFICER VACCARO: Okay. I think that's a good idea. Mr. Kessler, you could include that in your notice?

MR. KESSLER: Yes, we agree with that, thank you.

HEARING OFFICER VACCARO: Okay, thank you.

Okay, I think with that why don't we go ahead and move to any public -- Mr. Gladden, did you have something that you wanted to add?

MR. GALATI: Actually he -- I know exactly what he wants to add because we don't have enough time to notice that through staff, I believe. So I'd ask the Committee to order that workshop and order us to go be productive on the 11th after the prehearing conference. That way -- because I'm worried about you being able to get a notice out within ten days.

MS. DYER: We could also -- this is Deborah Dyer. We could also have a continuation of tomorrow's workshop.

MR. GALATI: Great.

HEARING OFFICER VACCARO: Yes. That's exactly, I think, what we had in mind.

MR. GALATI: That's why we have Deb with us. Good, thank you, Deb.

HEARING OFFICER VACCARO: Okay, thank you.

So I think with that why don't we move to public comment since we have a representative of Riverside County here. I don't know if you have a comment that you would like to make or if you are just here to sort of witness the proceedings.

MR. EVENSON: I was here for an earlier proceeding and I stayed.

HEARING OFFICER VACCARO: Okay, well thank you for being here. Is there anyone on the telephone who would like to make public comment?

(No response.)

HEARING OFFICER VACCARO: Okay, hearing none I think we all understand what the next steps are in this process so I'll leave any closing comments to the Committee Members if they might have any.

PRESIDING MEMBER WEISENMILLER: I certainly want to thank the staff and the applicant for -- as you know, we have obviously been dealing with a crush of other competing projects. Appreciate the activity now to try to move this one along. I certainly encourage people to have more productive workshops in terms of trying to narrow the issues so when we go into the hearings we can take in the evidence and resolve those. Certainly thanks for your time and effort on this.

ASSOCIATE MEMBER DOUGLAS: Thank you,

Commissioner. And I have very little to add. We'll look

forward to seeing you on the 22nd.

MR. GALATI: Thank you.

(Whereupon, at 2:53 p.m. the

Status Conference was adjourned.)

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Status Conference; 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 conference, nor in any way interested in outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of October, 2010.

PETER PETTY, CER**D-493

CERTIFICATE OF TRANSCRIBER

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.

RAMONA COTA, CERT**478

October 4, 2010