## MANDATORY STATUS CONFERENCE

## BEFORE THE

# CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

DOCKET 08-AFC- 13C DATE UN 3 8 2011 RECUM 2 7 2011

In the Matter of:

Application for Certification for the Calico Solar Project Amendment

Docket No. 08-AFC-13C

CALIFORNIA ENERGY COMMISSION

HEARING ROOM B

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

THURSDAY, JUNE 23, 2011 3:30 p.m.



Reported by: John Cota

Contract No. 170-09-002

# COMMITTEE MEMBERS

Karen Douglas, Commissioner and Presiding Member
Robert B. Weisenmiller, Chairman and Associate Member

# HEARING OFFICER, ADVISORS

Kourtney Vaccaro, Hearing Officer

Eileen Allen, Advisor to Commissioner Weisenmiller

Galen Lemei, Advisor to Commissioner Douglas

# STAFF, CONSULTANTS AND STAFF WITNESSES

Stephen Adams, Senior Staff Counsel

Dr. Alvin Greenberg (via telephone)

Craig Hoffman, Project Manager

Caryn Holmes, Senior Staff Counsel (via telephone)

Kerry Willis, Senior Staff Counsel

#### OFFICE OF THE PUBLIC ADVISER

Jennifer Jennings, Public Adviser

Lynn Sadler, Deputy Public Adviser (via telephone)

#### APPLICANT

Ella Foley Gannon, Attorney Bingham McCuthen LLP

Sean Gallagher Daniel O'Shea (via telephone) Calico Solar, LLC

Bob Therkelsen, Consultant (via telephone)

## **INTERVENORS**

Cynthia Lea Burch (via telephone)
Katten Muchin Rosenman LLP
representing BNSF Railroad

Tanya A. Gulesserian (via telephone) Adams Broadwell Joseph and Cardozo representing California Unions for Reliable Energy (CURE)

Bart W. Brizzee (via telephone) County of San Bernardino

Jeff Aardahl (via telephone) Defenders of Wildlife

Patrick C. Jackson (via telephone)

Bob Burke (via telephone) Society for the Conservation of Bighorn Sheep

## ALSO PRESENT

Governmental Agencies

None

Members of the Public

None

iv

# I N D E X

	<u>Page</u>
Proceedings	1
Call to Order and Introductions	1
Opening Remarks by Hearing Officer Vaccaro	4
Parties' Questions and Concerns	4
Opportunity for Public Comment	22
Closing Remarks	22
Adjournment	22
Reporter's Certificate	23

### **PROCEEDINGS**

3:34 p.m.

PRESIDING MEMBER DOUGLAS: The Hearing Officer has just read through and identified or had the parties identify themselves and the people on the phone who wish to identify themselves.

My name is Karen Douglas; I am the Presiding

Member of this Committee. To my immediate left, Galen

Lemei, my advisor. To my immediate right is our Hearing

Officer, Kourtney Vaccaro. To her right, Chairman

Weisenmiller, the Associate Member on this committee. And

to his right, the far right, is Eileen Allen, Chairman

Weisenmiller's advisor.

I would like to welcome all of you to this status conference for the Calico Solar Project Amendment.

Hearing Officer Vaccaro, have you already asked if there are any members of government agencies? Are there any members of local, state or federal agencies in the room or on the phone?

(No response).

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

PRESIDING MEMBER DOUGLAS: All right. Applicant, have you already introduced yourselves or would you introduce yourselves.

MS. FOLEY GANNON: This is Ella Foley Gannon, counsel to the applicant and to my left is Sean Gallagher

from Calico Solar.

8

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

PRESIDING MEMBER DOUGLAS: All right. And staff.

MR. HOFFMAN: I'm Craig Hoffman, the compliance project manager and with me is staff counsel Kerry Willis as well as Steve Adams.

PRESIDING MEMBER DOUGLAS: Very good. Are there any other parties? Are there any intervenors in the room?

(No response).

PRESIDING MEMBER DOUGLAS: All right, what about on the phone? Have you already gotten those on the phone?

HEARING OFFICER VACCARO: You know, we have but we should have everyone state their appearances for the record anyhow.

PRESIDING MEMBER DOUGLAS: Excellent. So is anybody on the phone from Sierra Club?

(No response).

PRESIDING MEMBER DOUGLAS: I think they had told us that they were not going to be participating, I was just checking.

What about California Unions for Reliable Energy?

MS. GULESSERIAN: Good afternoon, Tanya

Gulesserian with CURE is on the phone.

PRESIDING MEMBER DOUGLAS: Thank you,

Ms. Gulesserian. Basin and Range Watch?

(No response).

PRESIDING MEMBER DOUGLAS: Okay, not yet. Patrick Jackson, are you participating? MR. JACKSON: Yes I am, thank you. PRESIDING MEMBER DOUGLAS: Thank you for being here. Newberry Community Services District? (No response). PRESIDING MEMBER DOUGLAS: Society for the 8 Conservation of Bighorn Sheep? MR. BURKE: I'm here, Bob Burke. 10 PRESIDING MEMBER DOUGLAS: Thank you. Defenders 11 of Wildlife? MR. AARDAHL: Yes, Jeff Aardahl is here. 12 13 PRESIDING MEMBER DOUGLAS: Thank you, Mr. Aardahl. 14 San Bernardino County? 15 MR. BRIZZEE: Bart Brizzee with County Counsel. PRESIDING MEMBER DOUGLAS: Thank you. And is 16 17 anyone here from BNSF? 18 MS. BURCH: Cynthia Burch for BNSF. 19 PRESIDING MEMBER DOUGLAS: Great, thank you. 20 I have already asked for local state and federal 21 agencies. 22 Public Adviser, could you introduce yourself. 23 Jennifer Jennings is here from the, she is far away from the microphone, from the Public Adviser's Office. 24 25 All right, so I'll turn this over to Hearing

Officer Vaccaro.

HEARING OFFICER VACCARO: Thank you. I think all of you might recall in the Issues Identification Report submitted by staff some time ago the staff asked for status conferences at a regular interval. The Committee in the scheduling order accommodated that request by building in time for regular status conferences.

We are slightly off schedule due to the fact that we did have oral arguments earlier in the month on a number of legal issues. So we are here today just to continue to move forward with understanding what milestones were being met. In particular the Committee invited all parties to submit a written statement just apprising us and all of the other parties of any questions or concerns they might have that could be addressed or at least surfaced today.

It appears that three parties did accept that invitation, Calico, staff and BNSF. So I think what we will do is we will first hear from those parties who gave us written statements. That doesn't preclude any other party from making a comment during this proceeding. But we are going to first start with the written statement and I think we will start with the applicant's statement. So, Ms. Foley Gannon.

MS. FOLEY GANNON: Thank you. We would like to take this opportunity to update you on the status of the

deliverables that we believe are outstanding from the applicant.

We had provided a schedule earlier in May. That schedule has been required to be pushed back slightly. And this is largely due to the first thing that we needed to do for the Soil and Water deliverables is we needed to take some additional soil borings. And in order to be able to do that we needed to get a temporary permit from BLM to be able to go on the site and actually do ground disturbance.

We have finished processing that, that permit and anticipate to have it in hand today or tomorrow. And so we will be actually on site the first week of July to -- July 1st is a Friday so it's the following week. And we will be doing the soil borings then and then that information will be flowing into the other studies that are being done.

As a result of that, again, the studies have been pushed back. In our Issue Statement we provided an exhibit which had those proposed dates. I can go over them if you would like but I think all the parties have them. What the net result of this is, that we believe our final deliverable will be submitted on September 1st, which obviously pushed back the whole schedule.

You know, with that we would anticipate that the 45 days, and the staff can confirm this, is still an accurate estimate that we would be anticipating a staff

assessment on October 15th.

HEARING OFFICER VACCARO: Okay. Was that the only topic? Did you want to hear from staff on that right now or do you just want to run through your issues and then get responses?

MS. FOLEY GANNON: We can do it either way. I can go through the other -- the only other issues we had is we would like to hear from the staff their views on whether the universe of items that we identified as being outstanding is consistent with their views on what is outstanding in order to respond to the data requests that they have propounded upon us.

And, you know, if they have any response to the schedule or questions about the schedule we are happy to answer those.

And just get a further update on where the staff's analysis is on the other areas where there are not outstanding data requests.

And then the final point that we raised in our Issues Statement relates to the soil testing, which is being done, related to the potential for Valley Fever to be on the site. We had earlier anticipated that we would be able to get testing done by early August.

We have been having difficulty finding a lab who is capable of doing the testing. We are continuing to

proceed and try to identify a lab who can do the testing.

And we have been also coordinating with Dr. Greenberg to help identify what the tests should be and who could possibly do it. But because we haven't been able to find a lab who can tell us if they can do and how long it will take and how much it would cost we just don't know when we will get the results of that.

HEARING OFFICER VACCARO: Okay. And that is specifically relating to the Valley Fever issue, correct?

MR. FOLEY GANNON: That is correct. And that was in response to a data request from Mr. Jackson.

HEARING OFFICER VACCARO: Okay. And I think you did have a question. You said you wanted to hear from the staff, the Committee and parties whether or not the testing is necessary. You know, of course I'll speak and then of course the Committee members will correct me.

But my sense is that is a substantive issue and there is an upcoming workshop. And the ability to really flesh that out I think with the staff and the other parties, including Mr. Jackson, I think that will be a good place and a good forum for that. And based on the outcome of those discussions I think the Committee might then be better informed to weigh in on this issue.

MR. FOLEY GANNON: And I think that makes sense from our perspective. As I said, we are actively still

trying to proceed with this. We are trying to, you know. We are not saying we can't do this, we are just trying to see if it can be done. And this is information that is reasonably obtainable by us. We had thought that it was going to be an easier exercise than it turned out to be but we are still actively pursuing it.

HEARING OFFICER VACCARO: I think you had a related question, if I recall, having to do with the motion to compel that was submitted by Mr. Jackson and you were asking about timing, I think. Did you clarify? There is the general rule under our regs that give you 15 days to respond to a motion. Were you asking whether or not that applies or were you trying to get at something else by asking about the timing on that?

MR. FOLEY GANNON: We just wanted clarity that there was -- that's just what is applying. So it's 15 days from the day it was filed that we should be responding to that?

HEARING OFFICER VACCARO: Yes, from the date it was served, yes.

MR. FOLEY GANNON: Okay.

HEARING OFFICER VACCARO: Which I think in this case you received electronic service, correct?

MR. FOLEY GANNON: That is correct, yes.

HEARING OFFICER VACCARO: On Friday, last Friday.

MR. FOLEY GANNON: That is correct.

HEARING OFFICER VACCARO: So 15 calendar days from last Friday.

MR. FOLEY GANNON: Okay. Thank you for that clarification.

HEARING OFFICER VACCARO: Okay. So I think it is probably an appropriate time for the staff to respond to some of those questions and then we'll hear from the staff on its statement and then after that we'll hear from BNSF.

MR. HOFFMAN: This is Craig Hoffman on the line. Why don't we start off with those first three questions. The first was, if the last piece of information is submitted on September 1st could we expect a staff assessment on October 15th. And that's what we would be looking to.

The second question was in regard to the status of a number of the other technical sections that either have all their data requests in or even a number of the sections that don't have all the data requests in. Staff is actively working on this project. They're doing the analysis where they can and where they need additional information there's more holding places. But they are actively working on this project and just waiting for those items.

I guess the third question was in regard to Exhibit 1. Is this all the information that the staff is looking for as outstanding?

There is only one piece of information that I didn't see on this outstanding deliverables and it is in regard to this new roadway. There is some type of work product that is being done on the new roadway that was never analyzed as part of the original Calico project. I believe that is being done by LSA.

MR. FOLEY GANNON: That's correct. And you're right, that should have been included. And we haven't provided you with a deliverable date for that but it will certainly be before September 1st. And we can provide a date for that. But there is, there is the area where they were doing the botanical analysis and the cultural resource. And that was, that's my mistake for not having that included.

MR. HOFFMAN: Okay. That is kind of a big piece of information. That helps me finish up my project description that I like to get to staff so they know the bounds of what we are doing. And it also helps with a majority of these technical sections that don't have any outstanding data requests. It allows them to start wrapping up their sections. So that's a big piece of information that we are still looking for.

MR. FOLEY GANNON: And if it's helpful we can -- I just need to check with the various experts who are doing the analysis. But we can provide a date by when we think

all of that information will be gathered, the various pieces, and submit that to docket it for all.

MR. HOFFMAN: Okay, perfect. And you'd like me to go through our issues I need?

HEARING OFFICER VACCARO: Well, pertinent parts. I mean, it was pretty explanatory but I think for the benefit maybe of members of the public or those who might not have been able to read it if you just sort of hit the high points of what you are addressing.

MR. HOFFMAN: We focused a little bit on the staff analysis. Again, staff is currently working on our technical analysis of the project. We have reviewed the May 25th and then the most recent, June 21st, identification of the project schedule and project deliverables and we are just looking forward to getting those pieces so we can finish up our analysis.

Again, aside from that piece of information that I had identified, the information in Exhibit 1 is the outstanding information. Staff, through our Issues Identification Report and our data requests, identified the scope of the work that we still needed.

Staff has taken a look at the glint and glare scope of work proposed, the hydrology scope of work proposed. We are satisfied with the -- the technical staff that are going to be undertaking those studies as well as we

are satisfied with the scopes of work for those studies. They meet our needs and reflect the data requests that we have asked for.

We are going to be having a staff workshop next week. This is an opportunity for the various parties as well as the public to ask questions about the glint and glare study and the hydrology study and associated work. And so we'll have that discussion next week.

I think as I just indicated, the staff is satisfied with the scopes of work that you provided. We also understand that there's other parties involved in this case and they may have some questions on the scopes of work. They may or may not look for additional information as far as how they are proceeding in this case as well.

And other than that, that really answers our staff issues as far as when we are going to be getting the submittal for the road information and the applicant's schedule. Thank you.

HEARING OFFICER VACCARO: Thank you. Ms. Burch, are you still on the line?

MS. BURCH: I am, thank you.

HEARING OFFICER VACCARO: Okay. And if you would go ahead and please cover the topics that were in your written statement.

MS. BURCH: The first item we would like to check

in on is we had submitted data requests that go to many of the issues that we were waiting to be reviewing in order to comment on this project. We haven't had a response from the Commission and they were submitted on May 27th.

HEARING OFFICER VACCARO: Yes.

MS. BURCH: We'd like to know when you will be responding.

HEARING OFFICER VACCARO: The short answer is that the response from the Committee will be coming out as soon as it's possible and my hope is that it will be within the next week to week and a half. I think if you do recall there were over 100 requests and the Committee is actually giving them the careful consideration that they deserve. And the goal is that in very short order you will be getting the full response back from the Committee so that you can continue to move forward.

MS. BURCH: Okay, thank you. You do realize many of these requests relate to the glare and glint study and the hydrology report. We are also asking for information, and this goes to the project description issue, of having the applicant identify other ways to reach their property north of the railroad tracks. And we would like to add that to the project description as an element to be determined. And we would like to get the information as soon as possible so that staff can add that to the project description. So I

just -- to help you understand that the urgency we feel that this be handled as soon as possible.

The second item is raised is the Soil and Water conditions 1 through 15. And I am not sure whether or not this was a status conference issue or a workshop issue but I think it's a status conference issue, at least on one level. And that is that it is our belief that the Soil and Water conditions need to be dealt with through the application process here.

And we have submitted charts that show things that need to be completed before we think the staff can do its analysis. And there are many deliverables that rely on prior deliverables being reviewed and approved, in our opinion, because otherwise everyone is going to spend a lot of time and money independently creating these tests.

And so we would like to have our requests responded to. We brought this up at the informational hearing way back in April. And we would like to know how the Commission would like to proceed to understand -- hear our concerns and respond.

HEARING OFFICER VACCARO: I think I am going to let both applicant and staff respond to your inquiry. But my preliminary comments would be, if you recall from the last status conference there was discussion where the committee was making clear that there is a distinction,

although some overlap, between the post-certification compliance requirement and what's required for the analysis and evaluation of this petition to amend.

And I think the data requests that have been propounded by staff, the ones that you are looking to propound as well as those that have been approved and allowed by Mr. Jackson, are intended, I think, to focus on the petition to amend.

The post-certification compliance process is not directly a part of this proceeding. That said, the Committee, and I think all parties, understood your concerns as articulated at the informational hearing and we are understanding them as BNSF is continuing to articulate them as we move forward.

I think the workshop is an appropriate forum--I think the data requests, again, the Committee is still vetting them--is an appropriate forum for you to raise your concerns. And as we move forward the Committee is still considering, as you know, whether or not evidentiary hearings will be held in this proceeding.

So I believe I would just encourage you to keep raising your concerns, putting them in writing and raising them at these different junctures. I think with that I will let the applicant respond and then allow staff to respond.

MR. FOLEY GANNON: Thank you. I would concur

there is a distinction, I think when we keep trying to go back to these conditions of Soil and Water 1 through 15 and the way that the staff asked that these issues be addressed and the way that they are being handled in this amendment process.

As we had talked about in the informational hearing, we had thought that there was a possibility you could handle these issues the same way as if it was a performance standard and there were these compliance conditions.

Staff has asked and we have concurred that the process of saying we are doing the studies now and the analysis will be before the Committee and ultimately the Commission before the project is amended -- it's ruled upon.

So to the extent that these are compliance conditions that were meant to address how to get to that performance standard so we don't think that they will be applicable to the amended project because the studies will have been done, whatever mitigation is necessary will have been identified. And we would assume that that mitigation would be incorporated into the project and the Commission will make a decision about the amendment and the project as it is as a whole.

So we have proposed a scope of work about how we are intending to address the glint and glare issues and the

hydrology issues. The staff has reviewed it, and as we heard just a few minutes ago, they believe it is an acceptable way of approaching the problems. That's what we have proposed and that's how we are intending to address these issues.

MR. HOFFMAN: This is Craig Hoffman. In regard to 2A, the applicant is not currently working on the original Calico Solar Project. There was a great deal of work that was done on that, a number of these deliverables, but the original Calico Solar Project for the most part is on hold.

We are currently working on the Calico Solar

Project Amendment. A number of these conditions are going
to be modified. I don't know how at this point in time but
staff will review the amendment and see how this project
relates to the existing project and see what conditions 1
through 15 look like.

As far as the length of the review periods for BNSF and CEC. The staff has taken a look at Attachment 1 and understands that this is -- and when I say "Attachment 1," Attachment 1 from the June 21st submittal that understand that these are when we are going to receive information. We will review the information and report back to the applicant whether or not it meets the needs of what we are looking for and if we have any additional requests.

And then as far as CEC approval of deliverables.

I don't know if that's a question in regards to the original conditions where it identified that 90 days prior to something taking place or 60 days prior to something taking place or 30 days.

That was the original construction approval. The applicant has identified that they are looking to construct sometime towards the first part of mid part of 2012 so I think those are something that will be handled down the road. And I don't know how those conditions, again, are going to modify because the staff is currently working on the amendment and we haven't got there yet.

HEARING OFFICER VACCARO: Thank you. Ms. Burch, did you have any follow-up questions in light of the responses?

MS. BURCH: Yes. You know, for the record let me reiterate our position that the performance standards are what they have the original project approved on. So those should be the basis for evaluating this project as it moves forward.

The issue of the reports. The infiltration report, for instance, is the first report after they come up with their basic design. We believe that the infiltration report needs to be reviewed and approved by staff before they move on to many other deliverables so that the conclusions that they move forward on are consistent with

the staff's determination.

And we are very concerned that the schedule they put forth has the deliverables essentially delivered all together. Which means that there will basically be an information dump, if you will, that we will have to unwind to understand and we will all be looking at things, unfortunately potentially from different perspectives because we won't have seen this process evolve.

We think it is a wiser way to go to understand the problem and to move forward. So we reiterate our requests.

We think that the Soil and Water conditions are in place.

They have not been -- there has been no request to be released from them and we think they should be bound by them.

HEARING OFFICER VACCARO: Okay, thank you, Ms. Burch.

MS. BURCH: You're welcome.

HEARING OFFICER VACCARO: I think now that we have covered the items in the written statements I will give the other parties who are on the telephone line an opportunity to make a comment or ask a question if you have any. I think we will first start with Tanya Gulesserian on behalf of CURE. Is there anything you would like to add?

MS. GULESSERIAN: I don't have anything to add at this time, thank you.

HEARING OFFICER VACCARO: Thank you. Mr. Jackson? MR. JACKSON: I have a question regarding the current status of the parties to access across the railroad tracks of the northern portion. Is that still an issue or has that been resolved? HEARING OFFICER VACCARO: Mr. Hoffman, do you have an answer to that question or Ms. Foley Gannon? MR. HOFFMAN: As was indicated in the last status conference, the staff is available to access at public access points along the railroad. MR. JACKSON: Okay, I don't quite understand that. MS. FOLEY GANNON: And we are accessing -- we are accessing for doing like the soil borings, they're using public access by going -- you know, it's some distance they are having to travel from the public access points to the northern part of the site. MR. JACKSON: I understand it. So all the parties are using the public access route, I assume from Newberry Springs, is that correct? MR. JACKSON: This is Craig Hoffman, yes. MR. JACKSON: Thank you very much. HEARING OFFICER VACCARO: Thank you, Mr. Jackson. Mr. Burke, on behalf of the Society for the Conservation of Bighorn Sheep?

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

No questions. I will say that we are

MR. BURKE:

doing another camera survey, searching a crossover point at the northeastern end of the boundary. We got some cameras that we put up there the other day. So we'll see if the sheep are crossing through the site. And other than that I have not -- and I'll get off the phone so this humming will quit.

HEARING OFFICER VACCARO: Thank you for participation.

MR. BURKE: All right.

HEARING OFFICER VACCARO: Mr. Aardahl on behalf of Defenders of Wildlife?

MR. AARDAHL: Yes, thank you We don't have any specific issues to be resolved at this time during this status conference. But consistent with what we mentioned during our last call, Defenders looks forward to an opportunity to discuss the adequacy of the staff assessment as the basis to support a decision for the proposed modifications for the project.

HEARING OFFICER VACCARO: Thank you. Mr. Brizzee on behalf of the County of San Bernardino?

MR. BRIZZEE: Nothing at this time from the County, thank you.

HEARING OFFICER VACCARO: Okay, thank you. And I will make one more pass through to find out whether or not we have been joined by anyone from Basin and Range Watch.

(No response).

HEARING OFFICER VACCARO: Hearing no response.

Anyone on behalf of Newberry Community Services District?

(No response).

HEARING OFFICER VACCARO: Okay, I hear no response. I think unless there are any questions from the Committee Members I think this is a good time to move to public comment.

Okay, so that's what we'll do. It doesn't appear that we have any members of the public in the room.

However, if there are any members of the public on the telephone who wish to make a comment, this is an appropriate time to do that.

(No response).

HEARING OFFICER VACCARO: And hearing no responses. So unless there is anything else that we need to cover today in the status conference I will turn it back over to Commissioner Douglas.

PRESIDING MEMBER DOUGLAS: Thank you. I appreciate everybody's participation in the status conference and we will look forward to the next steps in this proceeding. So with that we're adjourned.

(Whereupon, at 4:03 p.m. the Mandatory Status Conference was adjourned.)

--000--

#### CERTIFICATE OF REPORTER

I, JOHN COTA, an Electronic Reporter and
Transcriber, do hereby certify that I am a disinterested
person herein; that I recorded the foregoing California
Energy Commission Mandatory 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 the outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of June, 2011.

JOHN COTA