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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the Matter of: )
Petition to Amend the ) Docket No. 12-AFC-02C
Huntington Beach Energy Project )

HILTON WATERFRONT BEACH RESORT
21100 PACIFIC COAST HIGHWAY
HUNTINGTON BEACH, CALIFORNIA

TUESDAY, DECEMBER 8, 2015

5:00 P.M.

Reported by:
Martha Nelson
APPEARANCES

COMMISSIONERS AND ADVISERS

Andrew McAllister, Lead Commissioner

Patrick Saxton, Adviser to Commissioner McAllister
Jennifer Nelson, Adviser to Commissioner Douglas

Kristy Chew, Commissioners’ Technical Adviser on Siting Matters

PUBLIC ADVISER

Alana Matthews

HEARING OFFICER

Susan Cochran
Raj Dixit

APPLICANT

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Melissa A. Foster, Stoel Rives LLP
Robert Mason, CH2M Hill

ENERGY COMMISSION STAFF

Kevin Bell, Senior Staff Counsel
John Heiser, Project Manager

PUBLIC COMMENT
Jane James, City of Huntington Beach Planning Manager
John Lee, South Coast Air Quality Management District
Cheryl Hapgood
Tamara Zeier
HUNTINGTON BEACH, CALIFORNIA, TUESDAY, DECEMBER 8, 2015

(The meeting commenced at 4:58 p.m.)

COMMISSIONER MCALLISTER: Welcome everyone. We’re going to get started if everybody could take their rightful positions. We all right here at the Informational Hearing, Environmental Scoping, Issues Identification and Scheduling Conference conducted by a Committee of -- a Committee of the California Energy Commission regarding amendments to the proposed Huntington Beach Energy Project.

I am Andrew McAllister, the Lead on the Committee. And Commissioner Karen Douglas, Presiding Member, rather, I believe is the proper term, Commissioner Karen Douglas is the Associate Member. She’s not here today. Her Adviser Jennifer Nelson is here two people over to my right. Her -- Karen Douglas’ schedule precluded her being here.

So before we begin let me finish introducing people. Patrick Saxton is my Adviser to my left. Then Jennifer Nelson over there. Susan Cochran is to my immediate right and she is the hearing officer, and she’ll be running much of the proceedings today as we go forward.

And Kristy Chew on Jennifer Nelson’s right, as well, is the
Technical Adviser to the Commission on Siting Matters. And then finally Roy Dixit --

HEARING OFFICER COCHRAN: Raj.

COMMISSIONER MCALLISTER: Oh, Raj, I’m sorry.

HEARING OFFICER COCHRAN: He’s in the back.

COMMISSIONER MCALLISTER: Oh, great, he’s over there. So Raj is back in the back helping us today, as well.

Also I wanted to call out Alana Matthews who is the Public Adviser who is over there with her hand up right now. And she makes sure that all members of the public and anyone else who wants access to the proceeding and to participate knows exactly what they want to do to do so.

So let me know ask the parties to please introduce themselves and their representatives at this time, starting with the Petitioner.

MR. O’KANE: Thank you. I’m Stephen O’Kane with AES Southland Development. We have Robert Mason, the Project Manager of CH2M Hill who’s doing out environmental assessment work and (inaudible) Petition of Amend. And to my left is my Counsel Melissa Foster with Stoel Rives.

Also, I if may, in the audience I’ve got from AES our Operations Manager for California, Mr. Wade Warda (phonetic), President of AES Southland and our Market Business Leader and my boss, she was here, Jennifer Didlo,
and our Director of Engineering Ruben Soroeta.

COMMISSIONER MCALLISTER: Thank you. Now go to Staff.

MR. HEISER: John Heiser from the California Energy Commission. I’m the Project Manager on the Petition to Amend in our Siting Division.

MR. BELL: And with Mr. Heiser here today is Senior Staff Counsel Kevin Bell.

COMMISSIONER MCALLISTER: Thank you. Do we have any public agencies with us today, and I guess federal agencies, we’ll start with. I saw a couple hands go up, so we’ll get to you.

Federal government agencies? It looks like not. Officials representing Native American tribes or nations, do we have any of those here? Elected or appointed officials from state, county or local jurisdictions? Would you like to say anything? No? Okay.

And then we have one, I think, maybe -- oh, we have somebody -- somebody raised their hand.


COMMISSIONER MCALLISTER: Oh, great. Okay. That’s -- that’s terrific.

So I’m wondering, Coastal Commission, nobody here
from the Coastal Commission, either, I guess, do we have live anybody online here?

HEARING OFFICER COCHRAN: I don’t believe so.

Raj, if you could not share the screen so we can see what the WebEx looks like?

This meeting is also being carried on WebEx. Actually, you need to -- at the very top, see the green bar, press the green bar. And then it says “stop sharing” to the far left. That’s it. And it doesn’t look like anybody has called in.

COMMISSIONER MCALLISTER: Okay. So we have only the Energy Commission on this. Okay.

HEARING OFFICER COCHRAN: Yes.

COMMISSIONER MCALLISTER: Is there anybody from South Coast? Mr. Lee, we just heard, that’s you. Okay. Great.

City of Huntington Beach? Okay. Okay. So you -- you are representing the city. Great.

Are there other nearby cities or towns represented? Okay.

So welcome. And, obviously, if you want to make comments in your official capacity you’re more than welcome during the course of the proceedings and then as public, as you desire.

So did I miss any representative of an agency or a

So at this time I will hand over the conduct of
the hearing to Susan Cochran.

HEARING OFFICER COCHRAN: Thank you, Commissioner
McAllister.

Raj, if you could share our screen again and start
the PowerPoint presentation please? Thank you so much. So
start slide show.

I’m going to talk while they start the slide show.

This Informational Hearing, Environmental Scoping Meeting
and Site Visit is designed to inform members of the public
about the proposed project and the Energy Commission’s
siting amendment process.

Because this is meeting -- this meeting is being
broadcast and is being recorded, please be sure to speak
into the microphones. Apparently that was an issue earlier
today.

We have already completed the site visit portion
of the event. And during the site visit the Applicant had a
map that was handed out to those participants.

If the Applicant could please docket that map,
that would be kindly appreciated as part of the record.

Thank you so much.

So on September 10, 2015, AES Southland LLC
(phonetic), who I’m going to refer to as either AES or the
Petitioner, submitted a Petition to Amend, that I’m going to call the Petition, to the California Energy Commission, that I’m going to call the Commission, seeking permission to amend the previous license granted to AES for the Huntington Beach Energy Project. The petition proposes to reduce the nominal generation capacity of the project from 930 megawatts that was approved on October 29th, 2014 to 844 megawatts. That -- those 844 megawatts are made up of two different technologies; 644 megawatts generated from combined-cycle technology, and an additional 200 megawatts from simple-cycle technologies. That’s what I’m going to refer to as the amended project for the rest of the evening.

The amended project site is located in the City of Huntington Beach, just north of the intersection of the Pacific Coast Highway and Newland Street (phonetic). The project would be located entirely within the footprint of the existing Huntington Beach Generating Station and Operating Power Plant.

If you could advance two slides please.

What you see on the screen today is today’s agenda. And we already -- already did the site visit. And this shows the rest of the order. The purpose of today’s hearing is to provide information about the proposed amendment to the power plant project that was approved last year, to describe the Commission’s process in reviewing the
Petition to Amend, to provide information on opportunities for the public to participate in this process, and to comment on any aspect of the proposed amendment, to inform the Committee, the parties and the community about the project, its progress to date in the amendment process, and perceived issues that need resolution, and finally to meet and confer about the project’s schedules.

Notice of today’s Site Visit, Environmental Scoping Meeting and Informational Hearing was mailed to all parties, adjoining landowners, interested governmental agencies and other individuals. It was also posted on the Energy Commission’s website on November 23rd, 2015. The Public Adviser’s Office will explain in a moment how you can follow these proceedings on the internet.

This is today’s agenda. We’ve already had the site visit and the Commissioner’s opening remarks. I will describe the Commission’s role, the ex parte rules, and the way the Committee and the Commission will review the petition.

Next, the Petitioner will describe the proposed amendment.

After that the Energy Commission staff will explain the environmental review process and the issues they have identified at this juncture.

Next, the Public Adviser will describe the
services available from her office to support public participation in our process.

After that the Committee will discuss proposed schedules from Staff and the Petitioner, as well as any issues that the Committee has identified so far in the amendment proceeding.

Finally, we will take any questions or comments from the public and/or agencies present here this evening, and who may have also -- well, which at this point we don’t have anybody.

Next slide please.

The California Energy Commission, a state agency, has exclusive jurisdiction to license or certify new power plants that generate 50 megawatts of electricity or more, and also to handle amendments of this nature because they are -- because this project has an existing license.

The Commission considers the project’s compliance with three broad categories, engineering, environmental and applicable laws, ordinances, regulations and standards, what we refer to as LORS. As it relates to the environmental part of the analysis, the Commission is considered the lead agency under the California Environmental Quality Act which most people know as CEQA.

Today’s hearing is the first in a series of formal Committee events that will extend over the next year-ish. I
can’t tell you exactly how long, sometime in the next 6 to 12 months. This Committee will eventually hold evidentiary hearings and issues a Presiding Member’s Proposed Decision containing recommendations for the full five-member Energy Commission to either approve, deny or modify the proposed project.

To be clear, the Huntington Beach Energy Project Amendment’s Committee is made up of two Commissioners, Commissioners McAllister and Douglas, and includes by extension their advisers and me, the Hearing Adviser -- Officer.

Next slide please.

It is important to emphasize that the law requires that the PMPD be based solely on the evidence contained in the public record. To ensure that this happens and to preserve the integrity and impartiality of the Commission’s power plant siting process, the Commission’s regulations and the California Administrative Procedures Act expressly prohibit off-the-record contacts concerning substantive matters between the participants in this proceeding and the Commissioners, the Committee, their advisers, and me.

Next slide please.

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

You’ll note that I said substantive matter. There will be times that you may have procedural questions. Those should be directed to me. And you may always direct additional substantive questions to the project manager.

Next slide please.

The Energy Commission staff is a party to these proceedings in the same way that the Petitioner or any Intervener is a party. Even though the staff and the Committee members are both part of the California Energy Commission, we are completely separate entities for purposes of these proceedings. The ex parte rule is binding on the Energy Commission staff in the same way that it is binding on the Petitioner or Interveners.

Additional opportunities for the parties and governmental agencies to discuss substantive issues with the public will occur in public workshops to be help by the Commission staff. Those workshops may be held either here in Huntington Beach or at the Energy Commission in
Sacramento. Most of the time we utilize WebEx for those so that people don’t necessarily have to fly from Huntington Beach to Sacramento in order to participate.

The Committee will not attend staff workshops.

There was a staff workshop earlier today that none of the Committee members attended.

Information regarding other communications between the parties and governmental agencies is contained in written reports or letters that summarize such communications. These reports and letters are posted on the website and made available to the public. Information regarding hearing dates and other events in these proceedings will also be posted on the Commission’s website.

Next slide please.

The process of amending a power plant certified by the California Energy Commission 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 project. The Committee is interested in hearing from the community on any aspect of this project.

Members of the public are also eligible to intervene in the proceeding. And if there are potential interveners we encourage you to file Petitions to Intervene as soon as possible to allow for full participation.
Generally a Petition to Intervene will be granted by the Committee if the grounds for intervening meet the requirements set forth in the Commission’s regulations, specifically section 1207.

The Committee’s scheduling order that will follow this proceeding will establish the deadline for filing a Petition to Intervene. By and large, that is also set by our regulation as being 30 days before the date that an evidentiary hearing is scheduled. The Public Adviser will assist members of the public who would like to become interveners in the amendment proceedings.

In the original proceedings leading up to the 2014 decision there were two interveners. However, intervener status does not carry over to an amendment, so that prior interveners will need to reapply to be interveners in this amendment proceeding.

Next slide please.

The Energy Commission is the lead agency under CEQA and must consider the potential adverse impacts to the environment before the amendment can be approved. CEQA consists of statutes found in the Public Resources Code and Regulations, referred to as the CEQA Guidelines, found in the California Code of Regulations in Title 14. There are a number of court decisions that explain and apply CEQA.

Next slide please.
Under CEQA, specifically guidelines -- next slide.

That’s the one. Thank you. Under CEQA, specifically
Guidelines section 15162, additional environmental review to
supplement the 2014 Huntington Beach decision is required
only where the Committee can find one of three things, that
there have been substantial changes in the project,
substantial changes in the circumstances surrounding its
undertaking, or new information previously unknown which
would result in new significant environmental effects or a
substantial increase in previously identified significant
effects, mitigation measures or alternatives previously
found to be infeasible which are now feasible.

The Committee directs that for each of the topics
that contains the CEQA analysis, staff must include a
discussion on whether or not supplementation of the previous
EIR is necessary under section 15162 and describe the
substantial changes or new information, the resulting new or
increasing effects, and new or newly feasible mitigation
measures or alternatives.

Next slide please.

Although we may not revisit the environmental
analysis for some topics, the LORS, the laws, ordinances,
regulations and standards I referred to previously, analysis
is not subject to section 15162 and must be updated to the
extent necessary to analyze the compliance of the amended
project with LORS.

The City of Huntington Beach has already provided a comprehensive list of LORS from its ordinances that it believes are applicable, but there be others. The City of Huntington Beach’s letter has been published in the docket and can be found at TN206752.

Are there any questions about any of what I have just gone over with all of you? Don’t rush the podium. Okay.

Seeing none, next slide please.

We will now ask the parties to make their presentations in the following order. First, the Petitioner, AES Southland LLC, will describe the proposed Huntington Beach Project Amendment and explain its plan of developing the project site.

Commission staff will then provide an overview of the Commission’s amendment permitting process and its role in reviewing the proposed Huntington Energy Project Amendment.

After that we’ll hear from the Public Adviser explaining her office’s role in supporting public participation and outreach.

Finally, we will discuss issues addressed in Staff’s Issue Identification Report and the parties’ proposed schedules.
Upon completion of these presentations we invite interested agencies and members of the public to offer comments and ask questions. This will be a somewhat informal process.

So before we get -- begin, are there any questions about today’s agenda? You see now that the magic screen tells us to pause for Petitioner’s presentation, so Petitioner’s presentation please.

MR. O’KANE: Thank you. Okay. Are these mikes on? Okay.

HEARING OFFICER COCHRAN: It doesn’t sound like it.

MR. O’KANE: No microphone?

THE REPORTER: No.

MR. O’KANE: Are there’s mikes on?

THE REPORTER: Nope.

MR. O’KANE: Okay.

COMMISSIONER MCALLISTER: Just grab -- those are mobile, so just grab one.

MR. O’KANE: How’s this? I prefer to do it this way anyway. Okay.

Have you got my presentation queued up?

I would like to briefly go over and explain to the members of the public and everybody attending here who exactly AES is. Some of you may not know who AES is. You
don’t receive an electric bill from us (inaudible). Explain
to you why we want to modernize and upgrade the Huntington
Beach Generating Station in the first place. And then get
into the changes in the project design which has
necessitated this amendment for our project.

Could we go to slide -- no, there we go. Let’s
see, they said this would work remotely. It does. Okay.

AES. The AES Corporation. We are a local power
company, Fortune 200 local power company operating in 18
countries around the world. We are a generator and we are
the utility. If you lived in a place like Indiana or Ohio,
you will get a bill from AES Company, or -- or Brazil.

We have about 35 gigawatts of generation in our
global portfolio, serving millions -- 11 million customers
and a workforce of about 18,500. We have a diverse
generation mix, including natural gas as the Huntington
Beach Energy Project is, as well as a significant renewable
portfolio, as well as coal and other fuels. We -- one
generation technology we do not participate in or use is
nuclear.

Oh, there we go. Uh-ho. Okay.

Well, the next slide is AES in California. Who is
AES here in California? We’ve been in California since our
very early years. Our first plant that we ever developed
was in Newhall, California, Placerita Generation Plant which
has since -- since been sold and now retired.

In 1998, after the deregulation of the electrical sector and the divestiture of the Southern California Edison assets, AES bought the Huntington Beach Generating Station, along with the Alamitos Generating Station and Redondo Beach Generating Station. In total that’s over 3,700 megawatts capacity that serves Western Los Angeles liability area, a very critically important, very critically located power plants that can share electrical reliability for this part of the grid in this very transmission-constrained area.

In California we also have about 153 megawatts of renewable energy. If you go out to Palm Springs you’ll see our wind farms. And whoever is the -- the CEC staffer with the wallpaper there, the windmills, those are actually ours by chance.

We supply about 15 percent to Southern California Edison’s peak demand. So if you receive a bill from Southern California Edison you rely on AES every day to ensure the lights are on.

So why build a new modern plant here at the Huntington Beach Generating Station? First and foremost is for reliability. It is critically located in an aging infrastructure that’s necessary to maintain grid reliability. We have a significant population here. There’s nothing to the west of us, obviously, we have an
ocean, so there’s no transmission lines coming from that direction. So if we’re going to serve the people that live here we -- we either have to wheel that power in through transmission lines from distant areas or have -- and/or have facilities that can supply the demand locally.

Huntington Beach is four times more effective than other inland locations to serve this coastal demand. What does that mean? Well, if you have 100 megawatts here in Huntington Beach, well, you’d need 400 megawatts if you had it east of here, say in the City of Industry, to serve the same demand.

There was also something that happened during, basically, during the original licensing proceeding that was the permanent -- permanent retirement and closure of the San Onofre Nuclear Generating Station just south of here, 2,300 megawatts of baseload generation which unpredictably was permanently retired. It made the Huntington Beach location that much more critical.

Secondly, what’s changing is electrical characteristics. And modern efficient technology reduces the amount of fuel we use, reduces our greenhouse gasses while also operating flexible operating characteristics is what we need for the changing grid and the future of California.

California has a lot of ambitious goals. We have
renewable energy portfolio standards, a 33 percent by 2020, pushing that to 50 percent by 2030. Renewable energy is intermittent. It -- we only get the power from Mother Nature when she allows, when the sun shines, when the wind blows, when -- when geothermal is working properly, when hydroelectricity is -- demand is there, when we don’t have droughts. We want to reduce our greenhouse gasses in this state significantly.

You know, the ultimate goal is 80 percent below the 1990 levels by 2050. That means reducing systemwide impacts from -- from the electrical sector. Part of that means eliminating our reliance on coal in the state. The state, it still relies significantly on coal, out-of-state coal to keep our lights on. As we go forward utilities are not -- will not be allowed to sign long-term contracts with any out-of-state coal facilities. So as those existing contracts start to taper off, they will not be replaced.

We also have new limits on once-through cooling. The coastal plants use a cooling system for their -- for the steam. A once-through cooling uses ocean water for cooling. The way we can use ocean water has significantly changed, there are new rules on that, and the Huntington Beach Generating Station is facing a 2020 deadline for changing its once-through cooling, its OTC system.

Nuclear, I left some question marks there. I
already mentioned San Onofre. We’ve lost that -- that, one
of only two nuclear generating stations in the state. And
the future of the Diablo Canyon, I won’t speculate on.
You’re the Energy Commission.

All those -- all those items I talked about are
how the sources of energy are changing. On the other side
is how we use electricity is changing. We’re using it now
for different purposes. Already our -- our peak demand is
not driven by industrial, manufacturing, commercial uses,
middle of the day. Our peak demands in California are
driven by residential. And we’re now moving to other --
other uses, using -- wanting to significantly change our
energy mix in the transportation sector. That’s a change in
how we use and put that demand on the system. It also makes
it more difficult to control -- difficult to serve, not
control, sorry.

There’s an entire system evolution going on, the
things we call the demand-side management where you sign up
to have your power turned off, basically. Smart meters so
we can better control our own uses. And more consumer
choices. So we have a hugely changing system. The sources
of electricity are changing. The way we use electricity is
changing. The means the technology we need to employ to
get -- to make all these -- make all these goals has to
change. We cannot rely on the old steam-generated
technology we have today at Huntington Beach.

So current project status, the Hearing Officer briefly talked about where we’re -- where we are. We have submitted an application for certification to the Energy Commission in June 2012. And that, after significant review, discussion, the -- all of the environmental attributes of the project, that was -- the license was approved, the project license, in October 2014.

In a parallel -- parallel to that, another parallel-type proceedings, there is a California Public Utility Commission long-term procurement and planning process where they’re looking -- providing the authority for the utilities to procure new generation in the state. That -- that was -- this is a parallel process that went -- went along. Basically, our customers were figuring out how much they could buy of what and when.

In 2012 the CPUC, the Public Utilities Commission, authorized the utilities -- or Southern California Edison to procure new energy sources. And through that request for offer, AES was awarded -- awarded a contract to supply energy for the Huntington Beach Generating Station for -- for 20 years. In that process the utility gets to choose what kind of equipment they would like -- how much they want to spend, using what type of technology from which -- which places.
So AES submitted multiple -- multiple bids to Southern California Edison, including the licensed project, the technology that was it the licensed project. However, Southern California Edison chose a different type of technology and instead awarded a contract to us for 644 megawatts from a combined-cycle power plant of a different design than the one that was licensed.

So we had an approved project for 939 megawatts combined-cycle natural gas turbine project, but we won a PPA with Southern California Edison to supply power from a combined-cycle natural gas turbine power project, but it’s not the same one. It’s not exactly the same technology.

And while we are PPA for generation that’s decidedly less than what the amendment is for, we -- we see, and I think other entities see, additional need for capacity in Orange County is likely in future years. So we are submitting a Petition to Amend our license for a revised project to meet the current needs of Southern California Edison and some potential future need. So a revised project of 844 megawatts will satisfy the local area with reliability requirements and is -- and it will be consistent with the original project objectives, and fit within the Commission’s certification already approved by this Committee and basically fit within that same environmental envelope.
What exactly is it? Well, I’ll show you some pictures which will help explain it, because a lot of this is a lot of -- a lot of technical discussion that I’m sure a lot of you are having a hard time following.

So it’s two three-on-one combined-cycle gas turbine power blocks have now being changed to one two-on-one combined-cycle gas turbine power blocks, plus two advanced technology aeroderviative simple-cycle gas turbines for -- for extra peaking power. With the revised project there will only be one air-cooled condenser needed, as opposed to two in the original project.

With this change in technology we are actually driving the efficiency. It will be -- it will be a more efficient project. It means less greenhouse gasses per megawatt produced. And it will also use less water than we had originally approved.

Basically, in this -- exactly the same location. There’s a slight change and I’ll point that out, but it’s all within the same fence line of the Huntington Beach Generating Station.

One of the things we’ve also done, while redesigning the project to meet the specific needs of the utilities, is got into the details of how do we actually handle the logistics of construction in such a tight confined space. One of the things we have to do here at
Huntington Beach is maintain generation at all times. We have to keep the existing generator going while we would construct the new one, which means we don’t have a lot of space. And so as we walk through a lot of the details of construction we realize we’re going to need additional temporary space for construction of combined -- a new combined-cycle plant.

Because it’s a different technology it’s going to look different, which means the design that we worked so hard at with -- with our partners in the city, the aesthetic design, we’re going to have to redo. And we’re in the process with the city of coming up with a new design that fits this new project.

I’ve already mentioned that we -- we don’t propose any significant changes to our existing conditions of certification. There will be some minor adjustments as to the tables and numbers. But basically all of the commitments we made to the community, we’ve kept. All of the limits that we -- we discussed and analyzed and came up to ensure that the project would have not significant environmental effects after any mitigation, those -- all of those can be kept and met. And the new project will fit within that approved environmental envelope of the -- of the previously approved project.

So let’s get to some pictures which makes it much
easier to explain the differences. Here is the existing AES Huntington Beach Generating Station. And the blue outlines the area we have, you know, for development of the new power project plant.

Now I said the -- the project would be essentially in the same footprint. One very, very small slight change, this little piece, this little triangle right here, we recently acquired that from Southern California Edison. In fact, we -- from our perspective and -- and constructability and design standard was a significant change to -- to our project to be able to put -- fit our project in here. We now own this little piece of asphalt here, which is within the boundaries and fence line of the existing station. So from a public perspective there’s not much real change in the footprint.

And even in our originally reviewed and approved project, we always looked at using this piece of land, at least for construction but weren’t going to actually physically put anything on it permanently. We will now.

So this is the existing station. There’s the boundaries. The next picture I’ll show you here is the previously approved and licensed Huntington Beach Energy Project. There it is. It was two three-on-one -- there’s -- there’s one, two, three -- three-on-one, one there, one there, combined-cycle air cooled, there’s the air
coolers, combined-cycle gas turbine projects totaling 939 megawatts not on -- not on conditions, set in this location, and then over here. The idea would have been to build this first block while the existing units were still in operation, tear down one, build this one, then finally tear down the -- the last set of units.

I’m going to switch from -- from this to the newly proposed amended project, and there it is. Now we’ve -- what we’ve really done here is concentrated the generation over in this part of the site, now 644 megawatts right here, and then two small peaking aeroderivative advanced technology gas turbines over on this side of the facility. So it’s significantly different. We’ve really moved a lot of the big equipment that used to be over here. It’s now been concentrated here. I’ll let everybody let that sink in a little bit because I think this is the best way to explain the changes. Okay.

I’ve got a few shots now. I will show you the existing site, then I’ll show you the previously approved project, and then -- from that same angle, and then the newly proposed amendment.

So there it is today from the beach. This is a picture of the previously approved project, two three-on-ones. And this is the amended project with the two-on-one in the back and the two simple-cycle peakers in the front.
This is -- this is a view from Magnolia looking north -- north -- northwest -- northwest on this view. There is the previously reviewed and approved project. And there’s the new one. You can see that all this generation has really been moved back off of PCH, which is over here.

This is a view from Newland. This one is quite striking. This is from basically the other side of the property. This is the previously approved project. You see a very large air cooled condenser. The combined-cycle unit is right there along Newland. Significantly different from this view with the revised project.

This might be our last shot. Here we are, another oblique angle from the -- from the beach. This one is a bit misleading from the -- on the right part because this one’s -- this one unit’s hiding -- sort of hiding the other unit behind it. And there’s the amended project. Okay.

So that -- that explains the design difference and why we need to come for amendment.

The other -- the other part that’s probably important to the city and our -- and our local residents is how are we actually going to construct it, particularly the first part when we’re building that larger two-on-one project right here. A significant workforce, a fair amount of land needed for storage of material, parking for the contractors. And while we had always contemplated using a
piece of land here, using some land over here for parking, and even some parking within this Plains All American property, we need more space.

And so part of this amendment, we propose to use essentially all of this tank farm area. The tanks -- these tanks here could be removed. We could park our people here. We can store materials here. And as part of the -- part of our proposal is to walk our employees across this existing footbridge, across the road/pathway heading into the construction site. It’s good for logistics reasons, it’s good for safety reasons. It keeps our operating -- our operating units separate from our construction site. It keeps control and the security of the site. And it reduces traffic in the neighborhood. We had originally proposed to park people here and then drive them around like into -- into our construction site. By using this footprint we can eliminate all of that bussing of people back and forth, back and forth.

As we look at -- we looked at the use of this site, we also realized that the existing Plains All American site is a single -- a very narrow cart track almost on a blind corner, and very close to residents here. We proposed to reconfigure the vanning ability of the intersection and build an entire new entrance through here. This keeps it -- this keeps all of our -- our vehicle traffic out of the
residential area. We’ve got buffers on both sides of the road. There’s actually -- the houses that are not up against, right up against, they are in this area, there’s -- there’s a buffer on either side. We have a controlled intersection, great line of sight for the vehicles turning, signalized intersection, et cetera. And we find -- feel that will be a safe, efficient way for us to park -- park our contractors and store material here.

This will -- this will require cooperation with the city, meeting design requirements on the reconfiguration of this intersection, turning lanes, signalization, et cetera. Currently on this site there already exists a Coast Development, approved Coast Development for the -- for the removal of these three tanks and the associated equipment with that.

COMMISSIONER MCALLISTER: Mr. O’Kane --

MR. O’KANE: Go ahead.

COMMISSIONER MCALLISTER: -- can I ask a question? So -- so you talked about parking your people over there and walking across the footbridge. What about sort of big pieces of equipment, heavy equipment, construction equipment, are you going to park that there and have to drive it around, or are you going to life it over the canal or what?

MR. O’KANE: Material that we would store here we
would drive around. Equipment? Equipment would be generally kept onsite. We do have space here. We have the space in -- this -- all this space would be cleared out with the removal of this tank, this tank, this old peaker building, this maintenance shop. We’d keep -- generally keep the equipment, I’m thinking you’re talking about cranes, welders --

COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: -- those are the things that would be onsite. And generally we would be keeping material over here; right?

COMMISSIONER MCALLISTER: Okay. Material would be driven in?

MR. O’KANE: But we do have to drive the material around. So in the previous approved project we did have designated vehicle routes that would extend from Magnolia and back around into the site this way. Delivery routes from PCH to Newland into our main gate. Down -- down Beach Boulevard to PCH would be a designated heavy haul routes. Down PCH from -- from the Port of Long Beach and the rail -- the rail sidings there, that’s the other designated heavy haul routes. We do not propose to have traffic, truck deliveries use any of these roads to the north on Newland or to the north on Magnolia, and can really control traffic and keep it outside of the residential areas.
We also propose on this footprint here fenced, gated security, not only just for security but protection of the wetlands here.

Looking -- looking at my colleagues here to see if I missed anything? Okay. All right.

So the next step, you’ve heard from the Hearing Officer what the next step of the Petition to Amend process was. We’ve already filed -- AES has already filed some detailed project descriptions and accompanying environmental analysis drawings, specifications, new air quality modeling, water balances, heat balances. All of that technical data has been submitted to the staff and they are diligently reviewing that and analyzing all that information.

There will be very minor revisions proposed to the Condition of Certification. No new or additional mitigation necessary, but there will be -- because it’s like a different design time areas, there will be some small changes to those Conditions of Certification. For example, say the water -- the water, we took the limit in our condition not to use -- to not use more than 130 --

MS. FOSTER: One hundred and thirty-four.

MR. O’KANE: -- 134 acre feet of fresh water a year. We’re going to change that and reduce it down to only 120 acre feet. So it’s changes like that, and that’s what I mean by staying within the established environmental
envelope of the existing project.

So emissions were smaller. Capacity has gone from 939 megawatts to 844 megawatts and increased efficiency overall. So therefore our -- our emissions are reduced.

Plus we are voluntarily taking a lower cap on emissions for the site. Previously we had limited all maximum PMs for the site to 100 tons. Now it will be limited to 70 tons potential to emit. So we’re reducing our total emissions, reducing our water.

The CEC piece of it, you’ve heard already.

We’re -- we’ve already -- this petition starts, like the discovery period, we’ve got public meeting, Staff analysis to see, eventually a recommendation by this Committee and -- and the whole Commission.

In parallel, we are preparing our technical treatments for the revised project. That was a -- we don’t propose any changes to the Conditions of Certification for visual resources, which included a condition for us to design and build an aesthetic treatment consistent with the city resolution. We still intend to do that. Obviously, the design will be different. And we -- we intend to ask the city to amend that resolution to incorporate the new design. So we’re in consultation with the city and we’ll work through that design process, getting their input, and eventually get the city council to approve our aesthetic
treatment revisions. We expect that in -- in about March --
March or April time.

I think that really concludes my presentation.
I’m willing to take questions now or later. But that gives
you a good idea of what the amendments we have submitted
are.

HEARING OFFICER COCHRAN: We’ll let people make
public comments so we can keep moving along.

Also, again, I would ask that this PowerPoint
presentation be docked so that the public can have access
to it.

So if we can switch back now to the other
PowerPoint presentation. And we will now turn to Staff’s
presentation.

Before we do that, though, I want to let the
public know that if you wish to speak, the Public Adviser
has blue cards to fill out. You do have the ability to
speak to us anonymously if you’d like. But the blue cards
help us follow up and make sure that you’re -- you have been
able to speak.

So without much further ado, Staff’s presentation.

MR. HEISER: Okay. Thank you, Susan.

John Heiser again, Project Manager. I noticed
there was an area that discussed the amendment process, but
I think you pretty well covered that, Susan. Staff did
conduct an Issues Identification and Scoping Report. And I believe you have the outline or the items on your presentation, Susan?

HEARING OFFICER COCHRAN: Yes.

MR. HEISER: Do you want me to start going through that maybe?

HEARING OFFICER COCHRAN: So you’ll need to go forward about two or three slides, I believe. Keep going. Go a little further. This is agency coordination.

MR. HEISER: Again, yes, we do work with other governmental agencies, for example, the City of Huntington Beach, the Water Steward (phonetic), the South Coast Air Quality Management District, California Department of Transportation, Santa Ana Region 8 of the Water Quality Control Board, California Department of Fish and Wildlife, California Coastal Commission, along with Native American tribes to solicit their input on the project as we go through the analysis phase and to meet the requirements of CEQA, et cetera.


UNIDENTIFIED MALE: (Off mike.) Is your microphone on?

HEARING OFFICER COCHRAN: Yes.

UNIDENTIFIED MALE: Okay.
MR. HEISER: Okay. The purpose of the Issues Identification Report is to inform the participants and parties to the proceedings, Committee, Interveners, Applicant, agency representatives or potential issues that may require extra analysis and mitigation or could maybe totally impact the project schedule. We like to have an early focus on important topics requiring Committee direction and agency collaboration.

Next slide please.

Staff’s potential issue areas, in this particular Issues Identification Report, that has been docketed on our Energy Commission’s website under the project for Huntington Beach compliance is air quality and environmental justice population.

Next slide please.

The potential issues on air quality, schedule and timing is the Preliminary Determination of Compliance or the PDOC anticipated in mid-July 2016, and a Final Determination of Compliance, FDOC, anticipated in October of 2016. This is in response to the Air District saying that the Applicant, the Petitioner, has been requested to provide additional information for the Air District to continue their analysis. We also use that information as part of our analysis in the documentation process.

The Energy Commission staff will utilize the PDOC
and FDOC in their air quality analysis and Conditions of Certification, the timing of which will impact the proposed schedule from the Applicant, as well as our draft schedule for producing Staff’s Preliminary Staff Assessment and our Final Staff Assessment, and ultimately reaching an Energy Commission final decision. The PSA and FSA are, for example, are equivalent to an EIR, Environmental Impact Report. We have a preliminary which would be like a draft which includes the public, interveners, agencies, comments and how those are addressed. And the FSA would be the Final Staff Assessment based on all the information we requested and all the workshop information and agency input, and as well as the public’s.

Next slide please.

So based on the potential issues under environmental justice population, the 2010 census data shows 39 percent of the total population living within the six-mile buffer of the project site constitutes and environmental justice population. We have Staff working on that issue to review that information and to provide their analysis and the PSA and the FSA. Staff will then, again, review the impacts resulting from the construction and operation of the proposed project to determine impacts and necessary mitigation.

Next slide.
Staff will work with the Hearing Officer and Public Adviser on public outreach regarding the project and its impacts.

Next slide.

Post-licensing project-to-plant oversight. The purpose of the project as approved, if the project is approved, is to assure compliance with all Conditions of Certification, applicable LORS which were laws, ordinances, regulations and standards, and building codes. We have a Compliance Project Manager, a CPM, who provides compliance oversight of construction, operation and ultimately closure, so there’s still coordination efforts between our staff, the CPM and the Applicant, and the construction phase, as well as the deconstruction or the demolition part of — component of this project.

Next slide please.

MR. HEISER: Therefore, the Petition to Amend document was also mailed to the following libraries, so there’s hard copies. And as you see up there, we also have copies, the hard copies available at the Energy Commission library. We brought one of the hard copies in the binder down here at the Public Adviser’s Office. We also have ten CD-ROMs of the document if you’d like to take one home. The Application for Amendment is also available online under the project on the Commission’s website if you would like to
look at the .pdf and all the other docketed items.

There’s also a process that if you want to provide your comments on the project, you can submit those through the docket, and they’re also available.

Next slide please. All right.

HEARING OFFICER COCHRAN: Thank you very much.

And now we’ll turn to the Public Adviser who will discuss the public’s participation in this project.

THE REPORTER: Wait just a second. You’re going to need this.

MS. MATTHEWS: Thank you. Good evening. My name is Alana Matthews and I’m the Public Adviser for the California Energy Commission.

Can I just see a show of hands, how many members of the public or anyone who is not affiliated with either the Applicant or the Staff, can you just raise your hand so I can get an idea? Okay. Thank you.

Just very briefly -- next slide please.

The Public Adviser is an individually appointed attorney who helps the public understand the processes -- these are the three main objectives -- recommend the best way to be involved, there’s a formal way and an informal way to participate, and assist in successful participation. So if you decide you want to participate formally you have to file a Petition to Intervene, so we can give guidance.
Next slide please.

So another option or another responsibility for the Public Adviser’s Office is to have outreach or an informational hearing and site visit. So who we reach out to is listed up there, and how do it through newspaper articles. If there’s a particular segment of the community that doesn’t speak English or they have special needs, then we’ll try to research that and develop that.

I should also say that one thing the Public Adviser is not is an attorney for any particular party. So independent of the Commission, but also independent of any other participant or party. We really focus on the procedures so that it’s just not this big bureaucratic mystery in how to participate.

Next slide please.

So one thing I like to stress is the importance of public participation for public comment. As I mentioned earlier, there are two ways to participate, formally and informally. The informal way is through public comment.

You can hit enter. I believe there’s -- next slide or -- yeah. And you can just hit -- maybe hit enter to or three times. Normally I have a clicker so I can do this myself.

Public comment is very important because it’s considered by the Commissioners -- oh, yeah, it’s considered
by the Commissioners, the decision makers. They help inform
the Commissioners and Staff. Sometimes Staff may not be
aware of particular issues or concerns that effect the
community and the residents. They’re necessary to
understand those concerns. And they are not considered
evidence but are a part of the official record.

Next slide.

The first level, again, the informal participation
is public comment. So how do you do that? You can do that
by making verbal comments in public meetings. These blue
cards that our Hearing Officer just mentioned, you just come
to the back and complete one of those and they’ll call you
up. Again, if you don’t want your name, if you want to do
it anonymously, you can just say Person Number One, but just
realize when they say Person Number One that you need to get
up and speak.

We also have an opportunity to provide -- for you
to provide electronic comments through the Energy
Commission’s e-filing system, but it’s actually an e-
commenting system. So when you go through the website there
is a part that says submit e-comment, and you can do that.
If you have any questions, you can always call the Public
Adviser’s Office.

And then written comments, the third way you can
give your comments, you can hand deliver that to me or any
representative from my office, or you can mail it to the Dockets Unit.

Next slide please.

The second level is formal participation, and it’s formal, not because it’s more important but just because there’s a little bit more responsibility that’s required with that. As an intervener you’re a party to the proceeding. It means you have to file a Petition to Intervene. And all of the responsibilities that the parties, either Staff or the Applicant have, you have as well. So that includes submitting status reports or other formal documents, responding to motions.

You do not have to be an attorney to intervene. You don’t necessarily have to have an attorney, but that’s part of my job sometimes. I can make a recommendation as to whether or not you may need that. We can provide -- my office can provide a sample of a Petition to Intervene. Not many people have that in their repertoire. So the petition is considered by the assigned Committee and you get a determination within 30 days.

And one thing that’s important to note if you are thinking about petitioning to intervene is that to keep the proceedings efficient the Committee has the ability to -- they have the ability to focus your intervention into one area so that if you have expertise in one particular field
such as biology or air quality, then that’s where your input will be most helpful to the decision makers. And so it doesn’t mean that you can’t submit other comments during public comment to share your views and thoughts, but that’s important to know so that when you petition to intervene it may be focused on just one particular area and not every other area or all areas that are considered.

Next slide please.

So how can you participate? Well, anything that you want to know what’s going on, you would go to the Energy Commission’s website, www.energy.ca.gov, and then you see those tabs where it says “Home, About, Efficiency, Power Plants?” If you mouse over “Power Plants” and then drop -- there’s a drop-down menu, and you’ll get an alphabetical list of the power plant projects. It’s pretty simple enough. I usually -- sometimes I’ll go through it and demonstrate, but I don’t think I have to. Unless someone really wants me to demonstrate that I’ll skip that.

But we also have this sheet right here that’s back on my table that you can complete and it signs you up for our building list. So you fill this out and then my staff will go ahead and add you. So any document that’s filed, any meeting, any notice that goes out, you will automatically get it, but it’s a two-step process. So once you sign up and we enter you to the Listserv, you’ll get an
email to confirm that subscription. So if you don’t confirm it then you won’t get the notices, so just know that.

Next slide.

Oh, that’s just showing what I’ve explained.

So the things that you can do is sign up for the Huntington Beach Energy Project Amendment Listserv by signing this form. Or I have a laptop if you want to just sign yourself up, you can do that. You can submit written comments, provide comments. We’re going to open it up for public comment shortly. And then attend all public-private events. Because without your input the Committee, the Staff and the Applicant won’t know all of the concerns.

And then again, if there are any special accommodations or for people with disabilities or non-English speakers, you can always call my office and we can help facilitate that.

Next slide.

I think that’s it. I have one more slide with my information, so if you want to take down those numbers. I also have cards in the back if you would like to take that with you. Thank you.

HEARING OFFICER COCHRAN: Thank you very much.

If we could move to the next slide please.

So at this point the Committee is going to talk about issues identification that it has -- has seen, as well
as we’ll talk about the schedule which appears to be a large issue given what we received from the Applicant and the Staff.

Turning first to the -- to some of the issues that will inform the schedule, at this point there is no rule about discovery. Usually in an AFC there is 100-day limit on discovery. Is -- is there much more discovery that the parties are anticipating at this point? I know you had a workshop today. Are there going to be an additional round of data requests?

MR. HEISER: There may be. I know that the data responses came in. The Applicant has suggested that -- or indicated they will provide additional information by the 14th --

HEARING OFFICER COCHRAN: Okay.

MR. HEISER: -- of this month. So, yeah.

HEARING OFFICER COCHRAN: Generally -- if you could go to the next slide please.

Data -- discovery requests would close 100 days after the petition is filed. By my calculations that’s December 18th. So if there’s something that the parties want that’s different than that, you might want to let us know. Because -- because -- because the specific regulation doesn’t apply to an amendment there are some Presiding Member discretion on how much discovery time you would like
to allot the parties.

Could you go to the next slide please? Thank you.

MR. BELL: Before you move on there’s --

HEARING OFFICER COCHRAN: Sure.

MR. BELL: -- there’s one -- one item that I think we can address here, and it is visual treatment plan for the facility.

HEARING OFFICER COCHRAN: Yeah.

MR. BELL: Of course, we discussed that in the underlying proceeding earlier today. I can tell the Committee, we had some discussions on that, as well. And I don’t know if Mr. O’Kane knows a date that the city council will be reviewing their proposed treatment plan?

MR. O’KANE: We don’t have a date scheduled yet. I can only give you the general timeline I gave before. And I guess we have to think about how -- how that effects discovery and Staff analysis. Do they really need that to finish their staff analysis or is just merely part of the conditions for the project? I think that -- I figure that’s where the discussion should be is that does the staff see a need for anything beyond what the city would like to see for aesthetic treatment on the -- on the plans.

MR. BELL: You know, I can’t answer that question right now without actually seeing what -- what’s proposed, and without having our staff analyze what’s proposed. I
couldn’t say.

Instead of the substantive issue of what it’s going to be I’m just more concerned with the timing of getting it. It’s conceivable that it could be beyond our 100-day discovery window. But at some point, if the Committee would entertain, you know, an agreement by the parties to get that information to us before we have to conduct our analysis, that -- that would be fine with us. We don’t have to have a date certain for that. But when it comes in we -- we need to see it.

COMMISSIONER MCALLISTER: Well, there’s a party that’s important here that’s either of you, it’s the city. So there’s a counter-party issue here where we need to get to some point where we have enough information so that we can close that loop.

COMMISSIONER MCALLISTER: Right. So this will be one item that will sort of be pending after this meeting?

MR. BELL: That’s out of our control. And to some extent it’s out of the Applicant’s control, as well, on how fast the city moves on that and what they get back from the city, so we understand that.

HEARING OFFICER COCHRAN: I believe Ms. Foster --

MS. FOSTER: Thank you. It’s also -- is this on?

HEARING OFFICER COCHRAN: It didn’t sound like.

COMMISSIONER MCALLISTER: It didn’t sound like it,
yeah.

MS. FOSTER: Thank you. It’s also our position that Staff does not need the architectural design treatment to do their analysis. Looking at the simulations of the amended project compared to the licensed project, Staff is able to their analysis, the requirement for the architectural design mitigation measure that’s incorporated into BIZ-1 (phonetic). And so it’s always been our position that that’s something that’s separate from the analysis of the proposed project, it’s above and beyond.

And the amended project is an improvement over the licensed project from a visual resources perspective. So we would recommend and request that visual resources staff conduct their analysis with the information that they’re provided of the amended project. And then we will docket when it’s available, and it sounds like it’s going to be towards the end of the first quarter of ‘16, information that the city has related to architectural design.

MR. BELL: And then, of course, you know, speaking for Staff, I know that -- and you’ll recall, I’m sure, Ms. Foster, that there was some strong disagreement between Staff and Applicant on the issue of visual resources. And I can state on behalf of our staff, it is their strong preference and their opinion that they do need to see the visual treatment plan prior to doing their analysis. Now
that’s not to say that they won’t conduct an analysis on the project as -- as is proposed, but they may be much farther away from where they need to be without the visual treatment plan.

So, you know, I think it’s premature to -- you know, for the -- the Committee, you know, to start getting into the substantive issue of actually what is required and let’s just -- you know, let’s -- I would like to keep the discussion limited to schedule and when -- when we’re going to see a treatment plan. Because it sounds like that’s something that you’re working on with the city, in any event. So -- and if so, if we are going to see something at some time in the future, then we may be arguing over nothing.

MR. O’KANE: Well, the -- right. We’re going to see it. I don’t want to see the discovery extended to the point where we’re finished with the review process and input process from the city. And I don’t think we’re talking about substantive issues. I think we are talking about something procedural here. We’re asking that the staff conduct their analysis of the project, not for the staff to conduct an analysis of the mitigation they propose.

In what other discipline do you ask -- do you impose a condition and then -- and then wait for the -- say we need to continue and wait to see if the mitigation is
going to be appropriate or not?

MR. BELL: I completely understand Applicant’s position, and I hope you understand Staff’s. This is one where we have to simply agree to disagree on that substantive issue. The timing, however, we’re not proposing that discovery be extended out past the date, except on if we have a pinpoint issue where we know that there’s going to be some information that we may need at some time in the future that we not be precluded from receiving that information in a timely manner because the discovery period has lapsed.

HEARING OFFICER COCHRAN: Well, and either party can always bring a motion for -- to reopen discovery on -- on limited issues, as well. So that -- that’s another option available to the parties.

I know that the City of Huntington Beach, as I mentioned, did submit a rather large comment letter that is available on the docket. And I know --

COMMISSIONER MCALLISTER: Let’s see, I kind of -- I want to defer, actually, to the representative from the city, Jane James, the Planning Manager. And, you know, this issue may be something you want to comment on. But I want to basically thank the city for -- for the really substantive letter on the issues and giving -- giving us a sort of roadmap for many of those issues. So if you wanted
to comment generally or on this issue, you’re welcome to do that now.

(Colloquy)

MS. JAMES: Can you hear me?

HEARING OFFICER COCHRAN: You need to --

COMMISSIONER MCALLISTER: Maybe move it a little bit --

HEARING OFFICER COCHRAN: When you --

COMMISSIONER MCALLISTER: -- towards you a little bit.

HEARING OFFICER COCHRAN: You need to --

COMMISSIONER MCALLISTER: Yeah.

HEARING OFFICER COCHRAN: You need to speak really clearly. We’ve got this feedback from the few folks online, one of whom is my boss, saying that he can’t hear us. So the more we talk right into the microphone the better it will be. Thank you.

MS. JAMES: I did prepare some general comments on the overall Petition to Amend, but I’m happy to cover all of them now. Or you prefer that I help you with the discussion on the visual resources, I’m happy to limit my comments to that.

COMMISSIONER MCALLISTER: Yeah. Why don’t -- if you can help on the visual resources now, and then we’ll sort of slot you in on the more general comment when we have
further discussion. I don’t want to sort of -- I want to
give you the benefit of now seeing what we talk about, and
other issues as well.

MS. JAMES: Great. So my name is Jane James. I’m
the Planning Manager with the City of Huntington Beach. And
I can confirm that we’ve been working with AES on an
alternative visual resources plan. They have shared their
plan with us. We’re currently reviewing it. We anticipate
providing comments back to AES within the next two weeks or
so. And then we do anticipate scheduling a review by our
Design Review Board for feedback in early 2016, and then
ultimately taking it to the city council for feedback at a
study session, probably in March of 2016. So we believe
that we can provide the feedback to AES and the Energy
Commission with concrete identifying of whether or not
there’s additional issues or whether or not we’re
recommending approval of it.

HEARING OFFICER COCHRAN: Okay.

COMMISSIONER MCALLISTER: And then you would need
to bring that to the city council at some point?

MS. JAMES: We would like to bring it to the city
council to get their feedback.

COMMISSIONER MCALLISTER: Oh.

MS. JAMES: The city council reviewed the previous
visual screening plan. And so we anticipate following the
same review by the Design Review Board and Council that we
did at the last go around.

COMMISSIONER MCALLISTER: Okay. Well, I mean, I
think we can work out a process where it will -- it’s new
information, it’s one little piece, and we can deal with it
when it comes in.

HEARING OFFICER COCHRAN: Right.

MS. JAMES: The second part of it that I would
mention is that the city council did take formal action on a
resolution regarding variants for height. This is actually
a higher, a taller proposal than the previous resolution
identified. So we would anticipate taking that resolution
and revising it. As well, if the recommendations are for
approval, we would ask the council to take action on that.

HEARING OFFICER COCHRAN: And do you think that
that would happen at about the same time as you’re looking
at the visual enhancements?

MS. JAMES: Yes. It makes sense to do it
together.

COMMISSIONER MCALLISTER: Okay. Great. Thank you
very much.

HEARING OFFICER COCHRAN: Thank you very much.

That takes care of one of my issues.

One lingering issue out there, too, that we sort
of glossed over is during the last proceedings we received
some comments from the California Coastal Commission that
we’ll just, for shorthand purposes, refer to as the 30413(d)
report. I’m not foreclosing anyone from arguing whether
there is one necessary in this proceeding by that statement.

My question though is do -- has anyone had any
contact with the Coastal Commission? You’ll recall last
time that that report came in while we were having
evidentiary hearings, I believe, or shortly before. Do we
know if the Coastal Commission is going to be participating
this time, submitting anything in writing, what their timing
is? Do we have any idea at all?

MR. HEISER: I know that our biological staff has
been in communication with the Coastal Commission. And I
can follow up with their findings to date. (Inaudible.)

HEARING OFFICER COCHRAN: Okay. Because,

obviously, that will affect the schedule, as well.

MR. HEISER: And I also wanted to mention the air
quality modeling files have not been coming in as recently
as yesterday. So our staff needs to go through those. It’s
quite a bit of information.

HEARING OFFICER COCHRAN: Okay. And that -- it’s
almost as though you’re looking at my outline up here,
because that was the next thing, obviously, and what you can
see on the screen is South Coast Air Quality Management
District, the applicable AQMD, issuing the PDOC. Now in
Staff’s proposed report -- or Staff’s proposed schedule it
discusses mid-July of 2016 for the PDOC, with the FDOC in
October of 2016.

And I believe someone from the Air District is
here. If you would be willing do you know if that’s still
the schedule? Has there been a change? Are we looking at
anything? I don’t think Mr. Lee wants to come talk to me.
Okay. I won’t -- this is not a commitment on your part.
And I understand that you, you know -- just roughly.

MR. LEE: Good evening. John Lee with the South
Coast AQMD.

As far as the schedule goes, we are -- well, I’ll
just put it this way, what we are -- we’re in the process
right now. We did receive the applications in early
September, similar to your amendment. And we have reviewed
that or what we determined as what we call completeness,
which is probably similar to your data adequacy. We did
provide the Application with comments and -- on our first go
around, and they did supply some additional information. We
also -- we did a second round, and they just submitted some
additional information to us last week, Friday, which we are
reviewing. At this point in time we haven’t yet made our
determination on completeness, but we hope to, in working
with the Applicant, to come up with an answer soon.

HEARING OFFICER COCHRAN: Okay.
MR. LEE: But once we do come up with that, then our clock starts as far as when we’re going -- when we’re required to complete these for our analysis. Mid-July is -- I haven’t seen the date, but it’s certainly a date which we will bear in mind while we do our process.

HEARING OFFICER COCHRAN: Okay.

COMMISSIONER MCALLISTER: What’s your requirement time frame for finishing?

MR. LEE: Our required time typically is 180 days past the time that we deem the applications complete. And -- and also it’s -- there also is a provision for a time frame which occurs after the CEQA documents are approved.

HEARING OFFICER COCHRAN: Okay.

COMMISSIONER MCALLISTER: Then that gets you to the FDOC or that’s just the PDOC, the six months or the 180 days?

MR. LEE: That generally is to the FDOC.


Thank you very much.

HEARING OFFICER COCHRAN: Thank you very much.

MR. LEE: You’re welcome.

HEARING OFFICER COCHRAN: Did you want to talk about --

COMMISSIONER MCALLISTER: Are there any other issues? I guess, so we have visual and we have air that are
going to have information coming in, in the future
(inaudible) so that we may have to make accommodations. I
guess are there any other -- well, at least we need to keep
that discussion going here.

Are there any other issues that might be in that bucket?

MR. HEISER: Yeah. I think -- I know that our
socioeconomic staff member had some concerns over the
construction schedule and demolition schedule timing and
then to analyze that, and it wasn’t very clear in the
amended document. But I’m not sure if that information was
derived recently.

MS. FOSTER: Yeah. And there was information in
the (inaudible) responses that were provided late Friday
afternoon in response to those questions.

MR. HEISER: Okay.

MS. FOSTER: And I know your staffer wasn’t able
to come to the workshop today. So --

MR. HEISER: Right.

MS. FOSTER: -- have her let Robert -- let Robert
know --

MR. HEISER: Okay.

MS. FOSTER: -- if she needs the visual
information.

MR. HEISER: Okay.
COMMISSIONER MCALLISTER: Should I jump in with some questions? Okay.

So I have a question for Staff. Actually, you mentioned the EJ issue and your calculation on that. I guess has anything changed between the original project and this one? Did you use updated census data or are you just -- you’re looking, you’re just actualizing that?

MR. HEISER: Just looking at those, the previous information. So I know that know that our staff is updating it.

COMMISSIONER MCALLISTER: Okay. But it’s not that you have reached a different conclusion where you’re just kind of updating the analysis?

MR. HEISER: Yeah.

COMMISSIONER MCALLISTER: Okay. Let’s see here --

MR. O’KANE: May I ask a question?

COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: I guess related to schedule then, we do continue to talk very much like an AFC. And we talk -- we haven’t specifically said anything about a staff assessment, whether it be a Preliminary Staff Assessment and a Final Staff Assessment. We did mention it in terms of the determination of compliance from the AQMD. But is it the intention of this Committee to do both types of documents or just a single Staff Assessment?
HEARING OFFICER COCHRAN: That has not been
determined yet. Part of what is driving our thinking,
though, is that it -- it may be something where we might
wish to bifurcate the document so that we can get some of
the work done ahead of time if the air quality issues are --
are longer term than some of the other things that we’re
looking at.

But as a general proposition we usually like to
have both the PSA and an FSA. I know that the proposed
schedule that the Applicant filed had only a single Staff
Assessment document. And so that’s -- in other amendment
proceedings we’re still looking at the PSA, Preliminary
Staff Assessment, and a Final Staff Assessment, as opposed
to just one document.

COMMISSIONER MCALLISTER: Well, I guess -- I guess
the -- the -- functionally having -- if the schedule gets
stretched out anyway, then why not get to a point with the
rest of the analysis, you know, with a preliminary and then
incorporate everything and make it a final. So that may --
that may be the right path in any case. Yeah.

HEARING OFFICER COCHRAN: So then did you want to
talk about substantive issues?

Raj, if you could pull up the -- the letter that
was docketed from the --

COMMISSIONER MCALLISTER: From the ISO?
HEARING OFFICER COCHRAN: -- California Integrated System Operator to the CPUC regarding clutches. That’s it.

COMMISSIONER MCALLISTER: So the Independent System Operator?

HEARING OFFICER COCHRAN: Yeah.

COMMISSIONER MCALLISTER: So actually I have one other question. I guess, can you -- so -- so, you know, you said it’s smaller and it’s more efficient, and I think that’s great. And technology has, you know, incrementally improved and, you know, your equipment selection is different this time, I guess.

Could you put, for a number of the combined cycles, 56 percent efficient at the anticipated capacity factor? Those include running, you know, running at a relatively high capacity much of the time, I guess. Could you sort of place that in context for us in terms of your equipment selection and the relative efficiencies that you are achieving in your reading the market out there?

MR. O’KANE: Okay. Well, relatively, where it goes quantitatively. Okay.

COMMISSIONER MCALLISTER: Uh-huh.

MR. O’KANE: I guess the -- well, I’ll start this with every piece of equipment, generation equipment, needs to be specified for the specific objective that it has.

It’s not -- you know, you can’t gloss over these things very
easy with a certain capacity factor, the number of -- is how
that capacity is spread out over the year, the number of
hours per start we need to -- we need to do really moves you
from one technology choice to another.

So the new combined cycle, we’re anticipate it to
have more hours per starts and then if we need it longer,
every time you start it up than we previously proposed
project. That’s what sort of what kicked us into that --
that design phase.

COMMISSIONER MCALLISTER: That was based on --
that was based on the procurement --

MR. O’KANE: (Inaudible.)

COMMISSIONER MCALLISTER: -- (inaudible)?

MR. O’KANE: That’s right. We have a market view
as an innovative generator. But ultimately our customer,
the utility, is the one that really knows exactly how it
plans -- predicts the dispatch of that unit over the next 20
years. So we provide them with a number of options and they
say, you know what, this is the one the depicts our view of
the future.

So we took our best guess at it but they didn’t --
they didn’t like three-on-one. They wanted the two-on-one;
right? And in a different situation they might have said,
well, we don’t either one of those, we want -- we simply
want peakers that have a very short amount of hours per
start in a completely different application, and that’s the
life. And so how you -- it’s not just how the unit is
designed that makes it efficient but how that unit is used
in what makes it efficient.

I always make the analogy of stop-and-go traffic
versus highway; right? Your -- your efficiencies drop
significantly when you’re in stop-and-go as opposed to
highway. So if you -- if you’re a delivery guy doing long
hauls, you get a big long haul, 18-wheel truck, that’s the
best way and most efficient way to do it. If you’re -- if
you’re a UPS driver you need a different kind of truck to
make all those stops and goes in the city. So that’s the
one thing I have to say about efficiency and those
equipment.

And a relatively -- how efficient is the -- the
new GE 7FA.05 in combined cycle? It is almost the most
efficient thermal product we can put online. There are
slightly larger ones. This is what we call an F -- F rated
machine. There are Gs and Hs which are even bigger which
are -- which would, again, be for a slightly different use.
Those would be for pure baseload applications, we’d go to
the next level up. But this is the most efficient for the
application in hand.

And putting it in perspective, it’s -- it’s going
to be about 3,000 points, heat rate points, BTUs per
kilowatt hour better than the existing units at its -- at their most efficient state. So it's -- it's a significant step forward in efficiencies. And we are -- we are proposing the most efficient equipment for the project at hand.

I don't know if you want me to keep going, because you did mention the letter on the project.

COMMISSIONER MCALLISTER: Yeah. No. This was sort of a previous question to that, but, you know --

MR. O’KANE: Okay.

COMMISSIONER MCALLISTER: -- they’re not -- they’re not linked. I not --

MR. O’KANE: They’re not linked? Okay.

COMMISSIONER MCALLISTER: (Inaudible.)

MR. O’KANE: Okay. Then I’ll stop here. I’ll stop here on efficiency. And I’ll -- I’ll lean over to my left to see if my Director of Engineering has anything to add?

COMMISSIONER MCALLISTER: I guess the point -- the point you’re making is that by stepping up to bigger machines you’re getting some efficiency right there--

MR. O’KANE: Right.

COMMISSIONER MCALLISTER: -- with the two-on-one?

MR. O’KANE: You’re getting more efficiency and you -- and you are fitting the project to the -- to the
right -- to the objective at hand.

COMMISSIONER MCALLISTER: Is that -- so --

MR. O’KANE: This machine -- this same machine could be inefficient if it was -- if it was constantly run at its minimum load all the time.

COMMISSIONER MCALLISTER: But if it’s asked to do a lot of ramping, then that might change; right?

MR. O’KANE: Ramping is okay. It’s where -- where it ends up sitting --

COMMISSIONER MCALLISTER: Sitting, yeah.

MR. O’KANE: -- for that period most of its time.

COMMISSIONER MCALLISTER: Yes. Okay. Great.

Okay. Thanks.

So I wanted to -- I definitely want to delve into this issue of synchronous condensers and clutches. And I guess, you know, if we have a synchronous condenser at this facility already, you know, I’m wondering -- well, first of all, let’s just talk about, you know, so we have this letter from the ISO. And you know, we have, in various contexts, we have discussion of providing sort of ancillary services to the grid independent of that generation itself. And so we have these, you know, generators sitting that could provide those services without actually, you know, being part of a power plant.

So I guess the -- the ISO, in its letter, you
know, is recommending that -- to the PUC, not to the Energy Commission, but it’s recommending that the PUC really look heavily at -- at clutches for potential future use of a power plant as a synchronous condenser. So I guess what is your view on that and its implications, if that were to be the case at this point what would be its implications to the site and sort of the, you know, the overall project?

MR. O’KANE: Sure. Okay. A couple of things, since you know a little something about synchronous condensers, there’s one in operation at that site right now. So the letter is a bit strange in that it’s a bit of a blanket statement.

COMMISSIONER MCALLISTER: Uh-huh.

MR. O’KANE: And they are recommending we look at it in procurement. I think most synchronous condensers have been very location specific. It wouldn’t -- it wouldn’t be wise policy to mandate synchronous condensers and clutches on every single project because it would be completely useless in some locations. They’re just not needed. So that wouldn’t be a wise deployment of capital.

For this specific project installment, on the combined-cycle units the -- the 7FAs, the -- the gas turbines, you’re only looking -- you’d be looking at -- you’d be looking at putting the clutches on those gas turbines. That commercial --
COMMISSIONER MCALLISTER: You would not -- you
would not put it on -- on the --

MR. O’KANE: But it could be put on --

COMMISSIONER MCALLISTER: -- the steam generator?

MR. O’KANE: -- potentially on the steam turbine, as well. But, you know, we’d be looking at the gas turbines there, one of the -- one of the bigger units. But there is -- our vendor, General Electric, does not have the product, does not offer that product, does not warrant a gas turbine and rotor that is detachable and things, so that it doesn’t exist for those units, those combined-cycle units. And we’ve had some discussions. They’ve been resistant to look at that for these frame engines, as we call them.

A bit different on the aeroderivative, peaker units that we’re looking at. We were proposing almost LMS100 GE aeroderivative units. There’s more of a potential there. And it would make more sense, too. On the unit that’s going to have high dispatch capacity, why would you be putting a clutch on it because you’re going to be needing it all the time; right? However, on a peaking unit there’s more of a potential -- potential for it there.

So you know, there really has to be a very close look at the location. Does it make -- even make sense to have synchronous condensers there and having reactive power supply to the grid when -- when no generation is online?
When -- when the actual generator is online they’re supplying that same reactive power even more.

And then secondly, can it -- is it actually feasible to fit it to the type of equipment -- equipment there? So I think it’s wise to look at those options. I think going forward in the electrical system the one thing we cannot do is mandate a one-size-fits-all.

COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: Everything is available and we should be looking at that. So --

COMMISSIONER MCALLISTER: So on --

MR. O’KANE: So I wouldn’t -- what I’m saying, I wouldn’t exclude it from the aeroderivative side. There’s still potential for that. And certainly in our timeline of development we might -- you know, could we work with a venue over the time -- by the time we get to that phase of the project? But on the -- the combined-cycle 7FA and gas -- steam turbine side, that is not commercially feasible at this -- at this stage.

COMMISSIONER MCALLISTER: Okay. So I want to talk a little bit about the one that’s in. So you know, obviously, the one that’s here now. And what’s important at the time, at the moment, given the San Onofre events, et cetera, and you know, I think it was a big roll up your sleeves effort to get that done, you know, including with,
you know, many people outside California. So how is that
being used now? I guess, are you selling ancillary -- is
there -- is it deriving value in terms of its operation and
is there a need for it? Are you getting called? All right
you providing -- are you providing reactive power? How is
it getting used today?

MR. O’KANE: Yes, it is being dispatched. It is
currently on contract through the CAISO (inaudible). And it
is considered a transmission resource --

COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: -- to the -- to the grid. And it
is -- it is being dispatched, particularly in the high-low
days. And it’s assisting a lot with the north-south
distribution of power in the San Diego County, L.A. County.
That’s where -- that’s where they react in the substations
from which the lines connect, that’s where -- that’s where
it’s needed.

Curiously, we did talk about that a little bit
today. And I asked the question, have the synchronous
condensers ever been dispatched when the thermal generation
of the actual -- the generating units are not online?

COMMISSIONER MCALLISTER: Are not online? Okay.

MR. O’KANE: And we couldn’t -- we couldn’t
definitively say, no, but nobody could remember a time when
that ever has happened in the couple of years that we’ve had
it in service.

    COMMISSIONER MCALLISTER: So you’re using it alongside the generation --
    MR. O’KANE: Yeah.
    COMMISSIONER MCALLISTER: -- is that what you’re saying?
    MR. O’KANE: So it’s being used alongside with the generation, right, for the most part. I --
    COMMISSIONER MCALLISTER: Is that just because it’s there or is there some technical reason?
    MR. O’KANE: We don’t dispatch it. It’s dispatched at -- by the CAISO, and they’re calling it; right?
    COMMISSIONER MCALLISTER: Oh. Okay.
    MR. O’KANE: We don’t -- we don’t dispatch any of our units, and nor would we in our -- our future use. We -- we build to capacity and are made available to be dispatched by the utility in the event that --
    COMMISSIONER MCALLISTER: So the ISO is also -- let’s see. So they’re -- they’re dispatched independently?
    MR. O’KANE: Yes.
    COMMISSIONER MCALLISTER: Completely independently?
    MR. O’KANE: Yes.
    COMMISSIONER MCALLISTER: Okay. So in spite of
the fact that you could actually get the same bundle of resources out of the generators themselves without the synchronous condensers?

MR. O’KANE: Well, they just need a little bit more -- on those high impact days they just need a little bit more --

COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: -- reactive power.

Now the indication we’ve had from the CAISO is that there are other -- there are -- a synchronous condenser isn’t the only way that -- to fix it. You -- capacitors and there’s other upgrades that can be done to use it. And the indication we’ve seen so far is that those synchronous condensers that are in -- in service now won’t be needed once -- once the new units are operating, or even before the new units are fully commercially available.

COMMISSIONER MCALLISTER: Okay. And that’s based on the --

MR. O’KANE: That’s based on their --

COMMISSIONER MCALLISTER: -- the ISO transmission planning?

MR. O’KANE: -- their planning --

COMMISSIONER MCALLISTER: Okay.

MR. O’KANE: -- their -- right. There’s only so much we have on the inside of the -- of the system; right?
COMMISSIONER MCALLISTER: Yeah.

MR. O’KANE: They -- they hold all the cards, and so --

COMMISSIONER MCALLISTER: Not all the cards, but, yeah. So what -- what’s the time frame for pulling out the synchronous condenser? Is that just with the demo of one and two or what’s the --

MR. O’KANE: Well, they’re -- the synchronous condensers are on Unit 5 --

COMMISSIONER MCALLISTER: Okay. I’m sorry.

MR. O’KANE: -- I mean, 4, 3 and 4.

COMMISSIONER MCALLISTER: Yeah. That’s right.

So --

MR. O’KANE: Well, currently the -- the forecast is that they -- we don’t -- we -- the indications are that it wouldn’t be needed, actually, beyond 2017.

COMMISSIONER MCALLISTER: Okay.

MR. O’KANE: That’s -- that’s the indication for the day. You know, there’s a lot of -- the indications today are that we -- we don’t need other procurement. But a lot of things, a lot of pieces have to -- to come to play, have to happen before we can definitively say things can be retired permanently. So I don’t want to sound like I’m weaseling out of anything.

But answering your question, what we know today is
that it does look like beyond 2017 the synchronous 
condensers will be needed. However, that date is contingent 
on a number of other system upgrades that are -- that are 
occurring.

COMMISSIONER MCALLISTER: So when -- in your, just 
remind us, in your construction timeline when are you 
anticipating pulling that out of service, that one -- that 
one unit?

MR. O’KANE: Oh, you mean like physically pulling 
them out? That -- we would do that in the 2020 time frame.


(Inaudible.)

MR. O’KANE: So you got the same thing. Yeah, 
absolutely.

COMMISSIONER MCALLISTER: Okay.

MR. O’KANE: They’d be available still; right?

COMMISSIONER MCALLISTER: Okay. Okay. So I think 
I got my itch scratched here, so thanks very much.

HEARING OFFICER COCHRAN: And I would just look at 
Staff and think that this might be something for an 
alternatives analysis or something of that nature to make 
sure that -- that the Committee and the public has the 
information on this.

MR. HEISER: Correct.

COMMISSIONER MCALLISTER: Yeah. Let’s see, do
we -- is there anybody else who -- do you have any other questions on your last note? No other questions? Okay.

did you want to ask --

HEARING OFFICER COCHRAN: Oh, did you -- do we want to talk about schedules more? I think, at this point, I think we know the parties respective positions.

Are -- given what’s looking -- I’m looking at Applicant. Given what’s looking like the time frame to get at least some feedback from the city, are you -- are you still looking at a decision being made on the project as a whole?

MS. FOSTER: To reiterate the point I made earlier about -- we think that visual resources staff can do their analysis without the architectural design. We also believe that air quality staff on the CEC side can do their CEQA analysis and look at the project with the modeling that we’ve provided and the information we’ve provided. And when the District issues their determination, that can be added to the record and supplemented into the information that’s in the evidentiary record. So we would like this to proceed with the schedule proposed.

HEARING OFFICER COCHRAN: But, obviously, we can’t adopt a final decision until members of the public have been allowed to comment on the information that was put into the record from the Air District.
MS. FOSTER: Right.

HEARING OFFICER COCHRAN: So --

MS. FOSTER: And we -- none of us have a crystal ball to determine when the Air District does its thing. We do know that we need the Air District to issue a determination before this PTA can be approved.

HEARING OFFICER COCHRAN: Correct. Okay.

MS. FOSTER: However, we do not believe that Staff needs to wait to do their either air quality analysis or visual resources analysis for the --

HEARING OFFICER COCHRAN: Okay.

MS. FOSTER: -- information from the District or information on the architectural design.

COMMISSIONER MCALLISTER: And we know what Staff thinks about that issue, as well, which we heard a little while ago.

MR. BELL: Yes.

COMMISSIONER MCALLISTER: Okay.

MR. BELL: I don’t need to restate it --

COMMISSIONER MCALLISTER: Yeah.

MR. BELL: -- unless you’d like me to.

COMMISSIONER MCALLISTER: No, no, no. That’s fine.

HEARING OFFICER COCHRAN: Thank you.

COMMISSIONER MCALLISTER: That’s fine. I mean, I
guess I’m trying to be pragmatic here and just, you know, acknowledge the fact that it looks like we have some issues that -- that we’re going to need to treat down the road. And, you know, if -- if our processes improve and it doesn’t when our -- it doesn’t force our timeline, it’s not a matter of forcing our timeline out further because we already have these issues that we have to wait for. And, you know, I think the process -- process enhancement and having two stages might be the way to go, but I think we’ll talk about that a little bit more.

MR. BELL: And these aren’t -- these aren’t -- we don’t see these as fatal flaw issues.

COMMISSIONER MCALLISTER: Yeah.

MR. BELL: These aren’t show stoppers. It’s just something that we need to get done so that our CEQA equivalent document is complete.

COMMISSIONER MCALLISTER: So anyway, I’m not going to, you know, make a decision now. The Committee has to get together (inaudible) put out an order on the schedule. And there are other issues on the schedule we need to talk about, now or should we do public --

HEARING OFFICER COCHRAN: I think that at this point the schedule. I think that what we will probably do, given some of the still open issues, is that we’ll have status reports monthly and we’ll probably schedule status
conferences every other month so that that way we can all
check in with one another, including any agencies who would
like to participate, as they’ve been known to do. So -- and
I would think that those status reports would begin probably
February 1st, given the timing of this and -- and things
that are still happening quickly.

So -- so with that, we will put the PowerPoint
presentation that we used this evening into the docket,
which the Public Adviser talked about.

And I think now is the time for public comment.

COMMISSIONER McALLISTER: Great. So I’m going
to -- we only have Jane James again as our only public
official, I believe, who’s -- who’s lined up to talk. And
then the other only blue card we have is from Cheryl --

MS. HAPGOOD: Had good.

COMMISSIONER McALLISTER: What’s that?


COMMISSIONER McALLISTER: Hapgood?

MS. HAPGOOD: Hapgood.

COMMISSIONER McALLISTER: Okay. Great. So you
can -- you’ll be next.

MS. HAPGOOD: Okay.

COMMISSIONER McALLISTER: Thank you.

So Jane -- Jane James first.

MS. JAMES: Good evening. Thank you again. My
name is Jane James, the Planning Manager with the City of Huntington Beach. Other staff members that were here earlier in the evening with me were Antonio Graham (phonetic) from our city manager’s office, and Steve Arrows (phonetic) from our fire department.

Thank you for holding the workshop in Huntington Beach and providing the opportunity to comment on AES’s petition to amend their project. And the City of Huntington Beach reviewed the petition and provided comments in our letter dated November 20th, 2015, as was stated earlier.

We have one request that we would like to schedule a conversation with the CEC regarding offsite improvements and an explanation of the permitting authority and permitting process for the offsite improvements that are now proposed with the Petition to Amend. From your description earlier it sounds like my best contact is Mr. Heiser to go over the permitting process when the proposal included improvements outside of the boundary of the AES property. So that’s something that I would intend to follow up on with Mr. Heiser, unless I receive different instruction.

HEARING OFFICER COCHRAN: As a general proposition, yes, because the Energy Commission can usually issue permits. We’re supposed to be not necessarily a one-stop shop, but we are supposed to be able to issue all permits. However, my understanding is that this relates to
the reuse of the American Tank Farm site, I’m messing up the
name, I know, that is already the subject of an approval
from the city. Am I understanding that correctly?

MS. JAMES: There is an approved Coastal
Development Permit and Mitigated Negative Declaration for
the removal of the tank farms, yes.

HEARING OFFICER COCHRAN: And does that include
the -- I’ll speak into the microphone. Does that include
the roadway improvements that were talked about during the
applicant’s presentation?

MS. JAMES: It does not.

HEARING OFFICER COCHRAN: Okay. I don’t -- I
don’t know if -- I don’t know if Staff has scoped that yet,
if that’s going to be part of perhaps traffic and
transportation discussion in the staff analysis?

MR. HEISER: Yes. The intersection discussed, to
the tank farm, has -- is being looked at. And there are
five technical staff on the transportation issue.

HEARING OFFICER COCHRAN: Okay.

COMMISSIONER MCALLISTER: Are there other offsite?
Is that the main -- that’s the main one offsite?

MS. JAMES: That the main, yes.

COMMISSIONER MCALLISTER: Okay. So that is
correct, right, that --

MR. HEISER: Yeah.
COMMISSIONER MCALLISTER: -- Mr. Heiser, you’re the contact?

MR. HEISER: I’m the Project Manager and I can submit that information over to the appropriate staff member for status updates.

COMMISSIONER MCALLISTER: Okay.

MR. HEISER: And we can do that.

HEARING OFFICER COCHRAN: The difficulty in answering this, obviously, is that when the city -- when work is being done near a public right of way the city is acting both as a regulator and as the property owner. So it -- it complicates our analysis but we still need it. So talk to Mr. Heiser.

MS. JAMES: Thank you. The city’s comment letter identified code requirements and conditions that would apply to the project if the city did have permitting -- permitting jurisdiction and authority over the project instead of the California Energy Commission.

In summary, our letter identified a few issues, and this is a very general summary over the letter. The planning division identified that the tank removal and temporary use of the Plains All American site should comply with the previously approved Coastal Development Permit and Mitigated Negative -- Negative Declaration. The issuance of the actual grading permits, the demo permits,
the street improvement plans, intersection modification, all of those types of permits is what I’m discussing with the -- the discussion about who has the actual permitting authority over those types of improvements.

And the fire department in general commented regarding fire access roads, turning radius, abandonment of oil wells, and other typical standards, and also where the proposal appears to lack compliance with our local regulations regarding those items.

The public works identified typical grading, water quality, street improvement requirements that would apply to the project. And additionally, the public works department identified the need to provide a traffic impact analysis of the proposed signalized intersection modification at Magnolia and Banning Avenue (phonetic).

Finally, city staff did describe in our letter the recommendation that the Petition to Amend should address cumulative impacts of demolition, construction, access, the new intersection modification, traffic plan, and the grading, hauling and construction activities associated with nearby projects, in particular the remediation currently planned at the Ascon site and potentially the Poseidon Project. There are a number of large projects that are converging all at the same time, and we’ve had some feedback from our community that the cumulative impacts of all of
those construction activities to the street system, to the neighborhood should be analyzed. And at this time, since the project is becoming -- coming a little bit closer to the adjacent neighborhood and the adjacent projects, we feel that a cumulative analysis of those impacts should be made.

Thank you for the opportunity to provide comments.

COMMISSIONER MCALLISTER: Thank you very much for being here.

So Cheryl Hapgood.

MS. HAPGOOD: Good evening. Thank you for letting me speak.

THE REPORTER: (Inaudible.)

COMMISSIONER MCALLISTER: Yeah. Sorry.


Thank you for listening to me. You don’t need to answer me, but I just wanted to say a few things. I have a little bit of ridiculous history with trucking. So my questions are pretty much for AES.

You mentioned that you were going to truck from, you know, basically the plant or the system down to Long Beach via PCH. And my question to you is the impact that will have on our tourist industry and many main streets for many communities, conventions, Long Beach, Huntington Beach, Seal Beach? Why aren’t we going either up Magnolia or Beach to the 405 to the 710 out of town?
MR. O’KANE: Do you want to do a bunch of questions or answer this one now?

MS. HAPGOOD: I don’t know.

MR. O’KANE: Okay. I don’t mind. If it’s not too many, I don’t mind doing it this way.

HEARING OFFICER COCHRAN: Actually, it would be best if you just sort of put all -- put all of your comments and, you know --

MS. HAPGOOD: Okay.

HEARING OFFICER COCHRAN: -- concerns in. And then continue to watch the process to see how it unfolds.

MS. HAPGOOD: That would be great.

HEARING OFFICER COCHRAN: You might want to look at the original decision because there was a lot of discussion about this, and that is still available online in the docket.

MS. HAPGOOD: Okay.

HEARING OFFICER COCHRAN: So that might answer some of your questions.

MS. HAPGOOD: Okay.

HEARING OFFICER COCHRAN: But please stay involved.

COMMISSIONER MCALLISTER: So a couple things. So Alana can help you locate those -- those --

MS. HAPGOOD: Okay.
COMMISSIONER MCALLISTER: -- those passages and where that’s discussed previously.

And then so, you know, by speaking here you’re going on the record, and those questions then go on the record.

MS. HAPGOOD: Good.

COMMISSIONER MCALLISTER: And then there -- there must be answers. So --

MS. HAPGOOD: Good.

COMMISSIONER MCALLISTER: So maybe not immediately, but that’s the process.

MS. HAPGOOD: As long as we have -- we have --

COMMISSIONER MCALLISTER: So -- so thanks.

MS. HAPGOOD: (Inaudible.) I just happen to know a lot about trucking.

So another question I would have is you’re from New York? Is that close to New York, AES?

MR. O’KANE: No.

MS. HAPGOOD: Or --

MR. O’KANE: No. I’m not from New York, no.

MS. HAPGOOD: It doesn’t matter.

MR. O’KANE: Long Beach. AES’s corporation headquarters is Arlington, Virginia. And our U.S. headquarters for the U.S. portion of the business is in Indianapolis.
MS. HAPGOOD: Okay. Well, in New York, I think --

I’m pretty sure it’s New York, anyway, they’re starting --

and I don’t want to say a deregulation of trucking, but it’s

the Uber style of trucking. And be it I’m a local resident,

and when the light load or the light trucks come down they

use Newland. And they are, in my opinion, going too fast,

and they’re not evenly spaced for the local traffic. So

you’ll get two and three, you know, either righting and

lefting. It is just too many at a time. So if we could

just look at that factor, it would be great.

And when the trucks come in light, is that the

permit process, as well, as opposed to heavy going out? In

other words, if they’re all going to be -- if we get a lot

of independent trucks and Uber gets their way, the trucking

goes that way, then you’ll find trucks parked outside of our

city, and then they’ll be waiting for hauling to Long Beach,

I really -- rather than going 710 straight in. And I can’t

imagine that many -- all those trucks on PCH, because it

could very easily happen.

And let me see what else I had. That AQMD, of

course, everybody works out at the beach.

An here’s my favorite. Helicoptering, is that

crazy to think that we could just, for the steal removal

anyway, just use military maneuver and just off to a barge

and let everybody else continue their summers and whatnot
here on the coast? I know it sounds stupid, but I know there’s a lot of steal. And scrap is a huge business. And then there’s a lot of asphalt we’re talking about, which is sand coming in, very heavy loads.

So I think I’ve rambled enough, but I think you guys got the gist of it. And I appreciate the time.

HEARING OFFICER COCHRAN: Thank you.

COMMISSIONER MCALLISTER: Thanks for being here.

MS. HAPGOOD: Uh-huh.

COMMISSIONER MCALLISTER: So we did get another blue card. Tamara Zeier or Tamara. Sorry if I mangled it.

MS. ZEIER: Hi. Yes, I’m Tamara Zeier. And it sounds like you may not have the answer to this question, but I thought I’d ask just in case. I had a schedule question about the intersection work on Magnolia and Banning. And if you have -- it sounds like you may not know when that work may occur or how long that might take.

COMMISSIONER MCALLISTER: Okay. We’ll take note then. I guess -- well, we’re going to have the schedule discussion on the proceedings, but then that’s really a construction and sort of project schedule question, which is further out still. So we’ll make sure that gets -- that gets -- I guess I’ll ask the Applicant to make sure you cover the schedule in some detail.

MR. O’KANE: Certainly, I can -- you could say at
this point that it would be one of the first things that we would need to do as part of our construction part. The -- the site preparation is the first thing we do.

MS. ZEIER: Probably pretty short, a short amount of work to -- to -- for the intersection work, I would assume?

MR. O’KANE: Yes, I think so, yeah.

MS. ZEIER: Okay.

MR. O’KANE: Let’s hope so.

MS. ZEIER: Thanks.

COMMISSIONER MCALLISTER: Thank you. So should we -- is that it -- do we have anybody online? I guess we probably don’t, but we have to be able to ask.

HEARING OFFICER COCHRAN: Can you go back to the main screen for WebEx? And I don’t believe that we’ve muted anybody that -- anyone that -- those who appear to be muted, muted themselves. Stop sharing. If you’ll stop sharing it will go back to the other screen.

COMMISSIONER MCALLISTER: (Inaudible.)

HEARING OFFICER COCHRAN: And so that’s the recorder and that’s my boss. I don’t think he’s going to make any comments.

COMMISSIONER MCALLISTER: So great. Let’s -- let’s move on then to the schedule discussion.

HEARING OFFICER COCHRAN: I think --
COMMISSIONER MCALLISTER: Or are we done?

HEARING OFFICER COCHRAN: I think we’re done.

COMMISSIONER MCALLISTER: Okay. Great.

HEARING OFFICER COCHRAN: So like I said, the PowerPoint will be put into evidence and that will be put into evidence. And we would like to thank you all for your participation and attention to this. And with that --

COMMISSIONER MCALLISTER: We are adjourned.

(The meeting Energy Resources Conservation and Development Commission adjourned at 6:47 p.m.)
CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of January, 2016.

[Signature]

MARTHA L. NELSON
CERTIFICATE OF TRANSCRIBER

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

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

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

MARIA L. NELSON, CERT**367

January 14, 2016