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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT

COMMISSION OF THE STATE OF CALIFORNIA

Petition to Amend the )  
HUNTINGTON BEACH ENERGY PROJECT ) Docket No. 12-AFC-02C  
\_\_\_\_\_ )

HUNTINGTON BEACH ENERGY PROJECT AMENDMENT COMMITTEE  
STATUS CONFERENCE

CALIFORNIA ENERGY COMMISSION  
ART ROSENFELD HEARING ROOM  
(HEARING ROOM A)  
1516 NINTH STREET  
SACRAMENTO, CA 95814

WEDNESDAY, June 22, 2016  
10:00 A.M.

Reported by:  
Kent Odell

APPEARANCES

COMMISSIONERS

Andrew McAllister, Commissioner, Presiding Member

Karen Douglas, Commissioner, Associate Member

ADVISORS

Bryan Early, Policy Advisor to Commissioner McAllister

Jennifer Nelson, Advisor to Commissioner Douglas

Le-Quyen Nguyen, Advisor to Commissioner Douglas

Kristy Chew, Technical Advisor for Facility Siting

HEARING OFFICER

Susan Cochran, Hearing Officer

PUBLIC ADVISOR

Alana Mathews, Public Advisor

CEC STAFF

Kevin Bell, Senior Staff Counsel

Lon Payne, Acting Siting Office Manager

APPLICANT

Kristen T. Castaños, Stoel Rives LLP

Jerry Salamy, CH2M Hill, Inc.

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

2 June 22, 2016

10:12 a.m.

3 HEARING OFFICER COCHRAN: Good morning, this  
4 is Susan Cochran from Sacramento on the Huntington  
5 Beach Energy Project Amendment Status Conference.

6 We are not yet ready to begin, but we should  
7 be starting in about five or ten minutes. Thank you,  
8 so much.

9 COMMISSIONER MCALLISTER: Okay. Great, we're  
10 going to kick off. Sorry for running a little bit  
11 late here. Life gets a little complicated sometimes,  
12 so I apologize for that.

13 So we are here for the Huntington Beach  
14 Energy Project Amendment Status Report. We'll  
15 introduce those of us on the dais. My partner on  
16 this, Commissioner Douglas, is not here. Her adviser,  
17 Jenny Nelson, might show up and would sit on the far  
18 -- my right, if and when she gets here.

19 The Hearing Adviser next to me here, Susan  
20 Cochran, who will mostly be running the proceedings  
21 today.

22 To my left is Bryan Early, my Policy Adviser  
23 and to his left is Kristy Chew, who is the Technical  
24 Adviser to the Commission on Siting Matters.

25 And oh, there's Alana, I didn't see you.

1 You were stuck behind (indiscernible) Alana Mathews,  
2 the Public Adviser, is in the back of the room there,  
3 and is a conduit for participation for those who are  
4 not parties for the most part.

5 And let's with that I'll just pass the mic  
6 to Susan to run most of the rest of the proceedings.  
7 I think mostly we're going to talk about scheduling  
8 and trying to figure out what is coming when and  
9 reasonable deadlines for subsequent events. And if  
10 there are any other issues parties should feel free  
11 to bring them up.

12 So, Susan?

13 HEARING OFFICER COCHRAN: Thank you, so much.

14 If I could have the parties identify  
15 themselves starting with the Petitioner, please?

16 MS. CASTAÑOS: Good morning, Kristen  
17 Castaños, outside counsel for the Project Owner. And  
18 I would also like to say Stephen O'Kane with AES was  
19 unable to be here today and sends his apologies.

20 MR. SALAMY: Jerry Salamy, CH2M Hill,  
21 Applicant of the Consultant -- or sorry, Consultant  
22 to the Applicant.

23 COMMISSIONER MCALLISTER: You wear many hats.

24 And I'll just -- before staff introduces  
25 themselves Commissioner Douglas was able to join us.

1 That's great, thank you for being here, and Jenny  
2 Nelson and Le-Quyen Nguyen are her two advisers, so thanks  
3 for being here. And I'm Andrew McAllister by the way, if I  
4 didn't say that before. So unless Commissioner Douglas has  
5 something to say let's we'll just keep the microphone with  
6 Susan.

7 Or staff can introduce themselves actually now.

8 MR. BELL: Good morning, Commissioners, Kevin Bell  
9 Senior Staff Counsel.

10 MR. PAYNE: Lon Payne, Acting Siting Office Manager  
11 here on behalf of Project Manager John Heiser.

12 HEARING OFFICER COCHRAN: Is there anyone, any  
13 public agencies either in the room or online, federal, Native  
14 American tribes or nations, state or county -- in particular  
15 in the Coastal Commission or maybe the South Coast Air  
16 Quality Management District or the City of Huntington Beach  
17 if you want to identify yourself?

18 (No audible response.)

19 You can be anonymous if you like, that's fine.

20 Okay. Is there anyone that we might have missed  
21 who's on the phone?

22 (No audible response.)

23 Okay. This is the third status conference on the  
24 proposed amendment to the Huntington Beach Energy Project.  
25 AES Southland is seeking permission to amend the previous

1 license granted to it in October of 2014. The amendment  
2 petition proposes to reduce the nominal generation capacity  
3 of the project, the approved project, from 939 megawatts to  
4 844 megawatts, 644 megawatts generated from combined-cycle  
5 technology, and 200 megawatts from simple-cycle technologies.  
6 And I'm going to refer to that as the Amended HBEP.

7           The project site is located in the City of  
8 Huntington Beach just north of the intersection of the  
9 Pacific Coast Highway and Newland Street. The project will be  
10 located entirely within the footprint of the existing AES  
11 Huntington Beach Generating Station and Operating Power  
12 Plant.

13           On January 14, 2016 the Committee docketed its  
14 Scheduling Order setting this status conference and other  
15 milestones for the project. The Scheduling Order required  
16 among other things, the filing of status reports on the first  
17 of each month. The Committee would like to thank the parties  
18 in the South Coast Air Quality District for their timely  
19 filings.

20           As Commissioner McAllister outlined one of the  
21 first things that we would like to talk about is the  
22 schedule. And this encompasses the PDOC, the PSA or  
23 Preliminary Staff Assessment, the Final Determination of  
24 Compliance, FDOC, and the Final Staff Assessment or FSA. And  
25 I will also be having some questions about where we are with



1 any report that may be coming from the Coastal Commission.

2 So the January 14, 2016 Scheduling Order was  
3 amended on March 9. The last status conference on the project  
4 was held on April 19, 2016.

5 Since then the District filed its Preliminary  
6 Determination of Compliance on June 8th, 2016. Under the  
7 terms of the March 9 Scheduling Order the Preliminary Staff  
8 Assessment is due three weeks after the issuance of the PDOC.  
9 The deadline is thus June 29th.

10 Also we've previously discussed the ongoing  
11 communications between Energy Commission staff and staff of  
12 the California Coastal Commission. The Energy Commission  
13 staff's status report on April 29th indicates the Coastal  
14 Commission will prepare a 30413(d) Report following  
15 publication of the PSA.

16 Finally, the Applicant has requested, but did not  
17 bring a formal motion, that the Committee amend the last  
18 schedule to shorten the amount of time for preparation of the  
19 PSA. Staff indicated in its June 10 Status Report that it  
20 will be on target to issue the PSA by June 27, but could not  
21 shorten the time because of the press of other business, in  
22 particular the issuance of the PSA in the Puente Project.

23 So the first question I have for staff is are we  
24 still on target to issue the PSA by the end of June?

25 MR. BELL: Right now we're looking at the end of the  
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1 week, June 24th.

2 HEARING OFFICER COCHRAN: Awesome.

3 MR. BELL: If all goes as planned.

4 HEARING OFFICER COCHRAN: Okay. And then staff  
5 usually holds a workshop on the PSA. Has that been scheduled  
6 and if so, when?

7 MR. BELL: I'm not aware of a workshop date that we  
8 have set. I'll work with our Project Manager John Heiser and  
9 any other parties to see if we actually do need to have a  
10 workshop.

11 HEARING OFFICER COCHRAN: Okay. Thank you.

12 MR. BELL: Were this an AFC we would do that as a  
13 matter of course.

14 HEARING OFFICER COCHRAN: Right.

15 MR. BELL: With an amendment it's not always  
16 necessary, so we'll work with the other parties to see if  
17 one's necessary and we'll let the Committee know.

18 HEARING OFFICER COCHRAN: Okay. Thank you so much.

19 Does either party, either Applicant or staff, have  
20 an estimate on when the District will issue the Final  
21 Determination of Compliance, the FDOC? Do we know? I know  
22 that there's a 30-day comment period on the PDOC and then  
23 however long it takes them to respond to comments received.

24 I'm looking at Mr. Salamy.

25 MR. SALAMY: Jerry Salamy with CH2M Hill. We do not  
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1 have an estimate from the District at this time. I believe it  
2 will be based on the extensive nature of any comments they  
3 receive.

4 HEARING OFFICER COCHRAN: Okay. So now I'm going to  
5 turn back to staff, putting Mr. Bell on the hot seat once  
6 again.

7 Once issued, how long after the FDOC is issued will  
8 it take staff to then issue the Final Staff Assessment?  
9 Typically we allot about 30 days for that.

10 Who could pull up the word document, what we'll  
11 call the Standard Schedule for Siting matters? Scroll it,  
12 that's perfect.

13 Well, he has to show the screen.

14 (Document shown on projector.)

15 MR. BELL: That was perfect.

16 HEARING OFFICER COCHRAN: Okay. So this is what I  
17 will call a "typical" because no case is actually typical,  
18 but this is sort of the benchmarks we try to apply to cases.  
19 And this shows -- you can scroll back down, because we're  
20 going to want to be talking right in this area.

21 So if we assume that South Coast issues its Final  
22 Determination of Compliance 60 days after the PDOC that would  
23 put the FDOC at August 8, 2016. And usually we would be  
24 looking at a Final Staff Assessment 30 days after that.

25 MR. BELL: Yeah, I think that's a realistic  
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1 expectation. I just know that with the various vacation  
2 schedules of staff and staff's availability to be able to  
3 complete document I know the first couple of weeks of August  
4 are pretty tough. But if we're looking at 30 days from that,  
5 so that would be beginning of September, I think that's a  
6 realistic estimate.

7 HEARING OFFICER COCHRAN: Okay.

8 MS. CASTAÑOS: Hearing Officer Cochran?

9 HEARING OFFICER COCHRAN: Yes?

10 MS. CASTAÑOS: I would just like to point out  
11 that in the current schedule it had contemplated only  
12 one week between release of the FDOC and the FSA. We  
13 were hoping an accelerated schedule, maybe a little  
14 bit more aggressive than the standard.

15 HEARING OFFICER COCHRAN: Staff, do you have  
16 a response to that?

17 MR. BELL: Well, I do know that workflow-  
18 wise, normally I would turn to our Office Manager,  
19 but I happen to know that we do have another  
20 environmental document coming out at the end of June  
21 in another project. So -- I'm sorry -- at the end of  
22 July in another project, so that really does sort of  
23 stack one on top of another if we're looking at an  
24 earlier production date.

25 I think the third or last week of August

1 would be about as aggressive as we could get with it  
2 given everybody's internal schedules.

3 HEARING OFFICER COCHRAN: Okay. Also you'll  
4 see big question marks there about the Coastal  
5 Commission providing its report. You may recall when  
6 we did the original proceeding the Coastal Commission  
7 Report came in a little bit later, in fact after the  
8 evidentiary hearings, I believe at least the first  
9 evidentiary hearing date. And it sort of complicated  
10 then its analysis and the discharge of the  
11 Committee's responsibilities in responding to the  
12 report.

13 Do we have -- have there been any further  
14 discussions between Energy Commission staff and  
15 Coastal Commission staff on the issuance of that  
16 report?

17 MR. BELL: Not that I'm aware of. Without  
18 getting into issues of whether or not the report is  
19 actually required or not for our proceeding we do  
20 want to engage with the Coastal Commission. We want  
21 to have them involved at every meaningful stage of  
22 our proceeding. And we're hoping that they get us the  
23 report in time to incorporate it in staff's FSA, at  
24 least so that we can address that report.

25 HEARING OFFICER COCHRAN: But even if it's  
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1 not the "30413(d) Report" which the Coastal  
2 Commission refers to it, it's still something that  
3 staff wants to take into consideration. Is that --

4 MR. BELL: Of course, yeah as we would with  
5 any other local or state agency or any other  
6 stakeholder.

7 HEARING OFFICER COCHRAN: Okay. So I think  
8 what I'm hearing is that one week isn't going to  
9 work, but maybe two or three weeks would work between  
10 the FDOC and the PSA? I mean the FSA, I'm sorry.

11 MR. BELL: Yeah, in a perfect world if we had  
12 no other projects that were lining up around that  
13 same time and if it also wasn't that summer period  
14 when we start getting a little thin up on the fourth  
15 floor, we could get it out sooner. Especially in a  
16 case like this where we're familiar with most of the  
17 issues in the case, having just done the AFC  
18 proceeding recently.

19 So we're not going to see a lot of really  
20 meaty issues that we need to go through other than  
21 what we normally would. So this case doesn't present  
22 any other unique issues for schedule other than the  
23 schedule itself and being able to devote the staff  
24 time in order to get it out in a timely manner.

25 HEARING OFFICER COCHRAN: Okay. So then how  
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1 long after the FSA is filed do you all want to be  
2 filing opening testimony? Usually we give you four  
3 weeks after the FSA is filed, but I think I hear  
4 Ms. Castanos saying that she doesn't want four weeks.

5 MR. BELL: Okay. I don't think four weeks is  
6 necessary in this case, really because the opening  
7 testimony is already going to be our FSA.

8 HEARING OFFICER COCHRAN: Correct.

9 MR. BELL: You're going to have everything in  
10 front of you. If we need to supplement that we can  
11 deal with that as it comes up, but I'm not  
12 anticipating adding anything on top of what's in the  
13 FSA.

14 HEARING OFFICER COCHRAN: So maybe two weeks,  
15 one week, two weeks?

16 MR. BELL: I think within about a week after  
17 the FSA comes out.

18 HEARING OFFICER COCHRAN: Okay. And then  
19 rebuttal testimony and prehearing conference  
20 statements with exhibit lists a week after that?

21 MR. BELL: From staff's perspective it --  
22 well in this case that could work. I believe that  
23 we're going to be -- that both parties are going to  
24 be aware of what the other party's testimony is. I  
25 just want to make sure the staff has enough time to

1 be able to read and consider the testimony filed by  
2 the Applicant. And if there's something that we need  
3 to respond to, I want to give staff enough time to do  
4 that.

5 HEARING OFFICER COCHRAN: So then maybe two  
6 weeks?

7 MR. BELL: Two weeks.

8 HEARING OFFICER COCHRAN: Two weeks, and then  
9 one week after that for the prehearing conference?

10 MR. BELL: Yes, ma'am.

11 HEARING OFFICER COCHRAN: And one week after  
12 that for evidentiary hearings. Okay.

13 COMMISSIONER MCALLISTER: Let me ask Susan,  
14 and staff also, have there been conversations with  
15 the Coastal Commission in anticipation of their  
16 participation in any of this that might, I don't  
17 know, raise substantive issues that need treatment?

18 MR. BELL: Not that I'm aware of. The Coastal  
19 Commission, of course, is going to raise issues that  
20 are germane to their jurisdiction. They have raised  
21 issues with respect to Tsunami Analysis. I believe  
22 that staff's analysis into this issue is more than  
23 adequate.

24 One thing that we're also very sensitive of  
25 is the limits of our jurisdiction. We have a project



1 site. I know that there's some dispute between --  
2 well I shouldn't say dispute. There's a different  
3 viewpoint from the Coastal Commission what  
4 constitutes the project site, which is much larger  
5 than what we have jurisdiction over, so staff really  
6 is limiting our analysis to our own project site  
7 while at the same time considering cumulative impacts  
8 to surrounding sites and other projects.

9 I'm referring to the Poseidon Plant.

10 COMMISSIONER MCALLISTER: Yeah, I guess the  
11 reason I'm asking is just that in the original  
12 application we had kind of a late back and forth, and  
13 I want to just make sure that those issues have been  
14 resolved already. Or just ask if they're likely to  
15 impact our schedule now at all.

16 MR. BELL: I have no indication right now  
17 that the Coastal Commission is going to be raising  
18 any issues that would impact our schedule. But again  
19 I haven't seen the report. I've only seen the  
20 preliminary comments by the Coastal Commission and  
21 those are things that I believe the staff has already  
22 addressed or will address.

23 COMMISSIONER MCALLISTER: Okay.

24 HEARING OFFICER COCHRAN: I know that in the  
25 report that they submitted in the original

1 proceedings that they discussed things like the  
2 parking arrangements for workers during construction,  
3 some of the biological impacts because of the  
4 Wetlands Conservancy next to the project site and  
5 some of the land use issues. And, like you indicated  
6 Mr. Bell, the Tsunami-Storm Run Up, etcetera.

7           And you're not hearing that there's other  
8 issues out there?

9           MR. BELL: I haven't seen anything that  
10 hasn't already been addressed or hasn't been  
11 previously raised.

12           You know I want to say that I believe that  
13 the Commission did a very good job last time sorting  
14 through all the issues presented by both the  
15 Applicant and staff. And our decision was a good one  
16 in this regard and I believe that the decision -- not  
17 only staff's analysis this time, but the decision  
18 itself, really answered a lot of those questions that  
19 the Coastal Commission had. But whether or not  
20 they're going to raise those same issues again or  
21 raise something new at some time in the future I  
22 can't say.

23           HEARING OFFICER COCHRAN: Okay. And at this  
24 point we don't have any Intervenors. But I know that  
25 there has been some comments from the Nature

1 Conservancy, the Wetlands Conservancy I'm sorry, next  
2 door. Have they indicated anything else?

3 I know that the Applicant was also involved  
4 in conversations with them regarding the footpath  
5 that was going to be used. How are those discussions  
6 coming along?

7 MS. CASTAÑOS: The Applicant's continuing to  
8 engage in discussions with them, but we don't have  
9 any further information about whether they have any  
10 additional comments or intend to intervene.

11 HEARING OFFICER COCHRAN: Okay.

12 MR. BELL: Yeah. And I know staff is tracking  
13 this issue as well.

14 HEARING OFFICER COCHRAN: Okay. Because that  
15 could also cause -- that's also something else we  
16 need to be considering in all of this and then the  
17 rest of the days are basically on the Committee's  
18 back in terms of the preparation of the PMPD.

19 So Ms. Castaños, if you could refresh my  
20 recollection of when the Applicant would like a  
21 decision by?

22 MS. CASTAÑOS: We're hoping to have a  
23 decision by the end of the year in order to meet the  
24 contract obligations.

25 HEARING OFFICER COCHRAN: And if it were  
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1 pushed say, into the January Business Meeting of  
2 2017, what would that effect be?

3 MS. CASTAÑOS: Just conferring with our  
4 consultant here. I think that it would be very  
5 difficult if it got pushed into the January meeting,  
6 that we really are already kind of pushing it by  
7 going into December of this year.

8 HEARING OFFICER COCHRAN: Okay. We'll  
9 obviously consider that.

10 That's all I had on the schedule. Does  
11 anybody else have -- oh, one other question. Would  
12 you like to have another status conference or at this  
13 point is it all just paperwork: the preparation of  
14 the PSA, FSA?

15 MS. CASTAÑOS: I don't believe that we need  
16 another status conference.

17 HEARING OFFICER COCHRAN: If you feel the  
18 need for one, please let us know and we'll do our  
19 best, but it's easier for us to have them scheduled  
20 ahead of like we did with all of the status  
21 conferences we've had, because calendars get full.

22 So then the next question is the City of  
23 Huntington Beach. In its status report on June 1st  
24 AES indicates that the City of Huntington Beach has  
25 adopted a resolution supporting the new visual

1 enhancements, architectural treatment, and supporting  
2 issuance of a variance. I would just like to make  
3 sure that a copy of that resolution is docketed and  
4 is included in someone's list of exhibits, so that we  
5 can use it, because if it's just in the docket it  
6 doesn't necessarily make it into the evidentiary  
7 record.

8           And that's all I had for the status  
9 conference. Is there anything else anyone wanted to  
10 say?

11           COMMISSIONER MCALLISTER: Let's just wrap up  
12 the schedule issue. So we're going to put out a --

13           HEARING OFFICER COCHRAN: We'll be putting  
14 out a new Scheduling Order.

15           COMMISSIONER MCALLISTER: We'll be putting  
16 out a new Scheduling Order and solidifying this  
17 discussion. So if there are any comments on that,  
18 obviously you should make them when it comes out.

19           HEARING OFFICER COCHRAN: And then public  
20 comment, are there any members of the public would  
21 like to address the Committee?

22           You might want to unmute everybody unless  
23 they -- even if they muted themselves.

24           COMMISSIONER MCALLISTER: If there are any  
25 public agencies that have gotten online since we

1 opened that would be helpful to hear from them as  
2 well.

3 (No audible response.)

4 HEARING OFFICER COCHRAN: Last call. Do you  
5 have any blue cards Madam Public Adviser?

6 (No audible response.)

7 Thank you.

8 COMMISSIONER MCALLISTER: Great.

9 All right, we're going to go forego any  
10 closed session, so we'll consider this hearing  
11 closed. Thanks for coming, everybody.

12 MR. BELL: Thank you.

13 (Adjourned at 10:35 a.m.)

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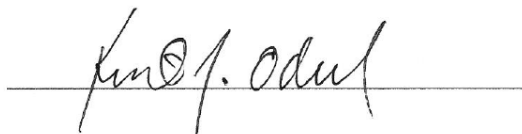
25

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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 22nd day of July, 2016.

A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

Kent Odell  
CER\*\*00548

**TRANSCRIBER'S CERTIFICATE**

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were 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.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of July, 2016.



Myra Severtson  
Certified Transcriber  
AAERT No. CET\*\*D-852