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STATE OF CALIFORNIA
California Energy Commission

In the Matter of:

REDONDO BEACH ENERGY PROJECT
APPLICATION FOR CERTIFICATION

Docket No. 12-AFC-03

INTERVENOR CITY OF REDONDO BEACH'S
STATUS CONFERENCE STATEMENT

April 9, 2015

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I. BACKGROUND

The Redondo Beach Energy Project ("RBEP") AFC proceeding has been suspended by Applicant's ("AES") request since August 20, 2014. On March 20, 2015, AES submitted a letter ("AES Letter") to the Committee assigned to the proceeding, asking the Committee to resume the proceeding and proposing an aggressive schedule.

On March 30, 2015, the Committee issued a Notice of Committee Status Conference, to be held on April 10, 2015. The purpose of the Status Conference is "to discuss the progress made in the proceeding, date-specific project milestones, and any other matters relevant to the schedule."

II. COMMENTS ON THE PROPOSED SCHEDULE

A. New information has come to light that must be addressed before the RBEP proceeding can be resumed.

In recent weeks, AES has made statements to the press and public about its plans for the RBEP site. AES has said that it is giving serious consideration to adding a significant energy storage facility to the proposed power plant. Before the proceeding is resumed, the

Committee should investigate these statements. If AES intends to substantially modify the RBEP proposal to include an energy storage facility, it should be required to amend and resubmit the AFC.

Likewise, AES has stated that it is giving serious consideration to building a desalination facility at the RBEP site. Again, the Committee should investigate these statements. If AES intends to build a desalination facility at the site alongside the proposed power plant, it should be required to amend and resubmit the AFC. If AES is considering building a desalination facility instead of the RBEP facility, it should not waste the Commission's time and resources—as well as those of the intervenors and interested parties—by seeking approval of a project that it does not intend to build.

Finally, during the campaign for Measure B, AES made numerous statements conceding that the RBEP is not needed to meet the region's electrical needs, and describing the benefits of eliminating the power plant.¹ These are, in essence, new admissions in support of the "no project" alternative. Before the AFC proceeding is resumed, the PSA should be amended to incorporate these statements in the staff analysis of the no project alternative.

The Committee should address these matters before issuing a new schedule for the RBEP proceeding.

¹ For example, in its press release issued on July 22, 2014, AES stated that the region's power needs could be fully addressed using new power facilities at Alamitos and Huntington Beach:

“Since power generation is our core business, we’re still making progress on our plans to replace 3,500 MWs of power generation at our three existing power plants in Redondo Beach, Alamitos and Huntington Beach with new, modern facilities,” said AES Southland’s Eric Pendergraft. “At the same time, we’ve been working on a plan that would enable us to close our Redondo Beach plant and revitalize the site in a way that allows us to receive fair value for our property.

“If approved by voters, the ‘Harbor Village Initiative’ would make this possible,” said Pendergraft. “Meanwhile, we’ll continue moving forward with our efforts to replace our Alamitos and Huntington Beach power plants with new natural gas plants and energy storage facilities.”

AES then went on to describe the significant aesthetic and other benefits that would result from the existing power plant's closure. “By removing the old power plant, views of the harbor and coast would be enhanced, and surrounding property values would increase,” said Pendergraft.

B. AES' proposed schedule is overly aggressive.

After voluntarily suspending the AFC proceeding for nearly eight months, AES is suddenly proposing a very aggressive schedule. They propose holding the PSA workshop in 12 days (April 22) and requiring the parties to submit comments on the PSA in 22 days (May 1). This is patently unfair.

As the Committee is well aware, AES' proposal is very controversial and raises many complex issues. Eight months ago, the intervenors and interested parties had assembled teams of experts to review and prepare comments on the AES proposal and the PSA. These teams have been disbanded. They must now be reassembled, and the parties must be given adequate time to participate meaningfully in the proceeding.

In light of these circumstances, the City of Redondo Beach ("City") respectfully asks the Committee to schedule the PSA conference at least 60 days after this Status Conference. This will give all of the parties adequate time to prepare. The City further requests that the deadline for comments on the PSA be at least 30 days after completion of the PSA workshop.

III. CONCLUSION

Before restarting the AFC proceeding, the Committee should investigate and address statements by AES regarding its plans to make material changes to the proposed project; and should incorporate AES' admissions regarding the "no project" alternative into the PSA. If and when the proceeding is restarted, the Committee should provide sufficient time for the

intervenors and interested parties to prepare for the PSA workshop and prepare their comments on the PSA.

Dated: April 9, 2015

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