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

In the Matter of: )
Alamitos Energy Center ) Docket No. 13-AFC-01
AES Southland Development, LLC )

CALIFORNIA ENERGY COMMISSION
1516 9TH STREET
HEARING ROOM A
SACRAMENTO, CALIFORNIA

TUESDAY, DECEMBER 16, 2014
1:30 P.M.

Reported by:
Peter Petty
APPEARANCES

HEARING OFFICER
Kenneth Celli, Hearing Officer

COMMISSIONERS
Karen Douglas, Presiding Member
Janea Scott, Associate Member

ADVISERS
Jennifer Nelson, Adviser to Commissioner Douglas
Christine Stora, Adviser to Commissioner Douglas
Leslie Kimura Szeto, Adviser to Commissioner Scott
Jim Bartridge, Adviser to Commissioner Scott

STAFF
Lisa DeCarlo, Staff Counsel
Keith Winstead, Project Manager
Alana Matthews, Public Adviser

APPLICANT
Stephen O’Kane, AES Southland Development, LLC
Jeffrey Harris, Ellison, Schneider & Harris, LLP
Samantha Pottenger, Ellison, Schneider & Harris, LLP

INTERVENORS
Elizabeth Lambe, Los Cerritos Wetlands Trust (via WebEx)
PROCEEDINGS

1:33 P.M.

PROCEEDINGS BEGIN AT 1:33 P.M.

(The meeting was called to order at 1:33 p.m.)

SACRAMENTO, CALIFORNIA, TUESDAY, DECEMBER 16, 2014

MEETING BEGINS AT 1:33 P.M.

COMMISSIONER DOUGLAS: We’re here for a status
collection on the Alamitos Energy Center Project conducted by
a Committee of the California Energy Commission.

Before we begin we’d like to introduce the Committee
Members to you. I’m Karen Douglas, I’m the Presiding Member of
this Committee. Commissioner Scott is the Associate Member;
she will be here soon. To my right is my Adviser, Jennifer
Nelson. And I’ve got another Adviser, Christine Stora, who
will probably be making her way here. To my left is our
Hearing Officer, Ken Celli. Commissioner Scott will sit to his
left. Adviser to Commissioner Scott, Leslie Kimura Szeto, is
to -- will be to Commissioner Scott’s left. And then to her
left is Eileen Allen. She’s the Adviser at Large for Facility
Siting.

Yeah, that’s Christine Stora coming in now.

So with that I’d like to ask the parties to please
introduce themselves and their representatives at this time,
starting with the applicant.

MR. O’KANE: Hi. Good afternoon. Stephen O’Kane with
MR. HARRIS: Hi. Jeff Harris with Ellison, Schneider & Harris on behalf of the applicant.

MS. POTTENERG: Hi. Samantha Pottenger, Ellison, Schneider & Harris on behalf of the applicant.

COMMISSIONER DOUGLAS: Thank you very much. And Staff?

MS. DECARLO: Good afternoon. Lisa DeCarlo, Energy Commission Staff Attorney.

MR. WINSTEAD: Keith Winstead, Energy Commission, Project Manager for Alamitos.

COMMISSIONER DOUGLAS: Great. Thank you very much. And Intervenor Los Cerritos Wetlands Land Trust, Elizabeth Lambe, are you on the phone?

UNIDENTIFIED MALE: She’s unmuting.

COMMISSIONER DOUGLAS: All right.

MR. HARRIS: Commissioner, if I --

COMMISSIONER DOUGLAS: I see here --

MR. HARRIS: -- if I could also introduce the rest of our folks in the room?

COMMISSIONER DOUGLAS: Oh, please. Go ahead.

MR. HARRIS: So Jeremy Salamy is here from CH2M Hill. Back there is an environmental project manager. We have -- waiving at me. And Jennifer Didlow is also here from AES on behalf of the applicant. Our colleague Gregg Wheatland. And
Melissa Foster is here, as well, and Julie Gill from AES. So I should have probably been prepared once I asked but there we go, so thank you.

COMMISSIONER DOUGLAS: No problem. Thank you very much.

We have not heard from Elizabeth but we see her name on the WebEx.

So, Elizabeth, if you’d like to speak up, go ahead. Otherwise we’ll -- we’ll keep going, but we know you’re there.

Let’s see here, do we have the Public Adviser’s Office represented? Very good.

And are there any representatives of local, state or federal government agencies or Native American tribes on the phone or in the room today? Okay.

At this time I’ll hand over the conduct of the hearing to the Hearing Adviser, Ken Celli.

HEARING OFFICER CELLI: Thank you, Commissioner Douglas.

This is the second status conference we’ve had on the Alamitos Energy Center Project which was scheduled in a notice dated November 4th, 2014. And if anyone -- as you came in the door, I left some copies of the notice on the -- in the foyer. But if you’re online you can see the notice online.

The purpose of today’s conference is to inform the Committee about the progress of the Alamitos Energy Center’s
AFC, which is the Application for Certification, and we will refer to it as an AFC in here, and to help any procedural issues, as well as to assess the scheduling of future events in this proceeding. Today’s status conference will be more -- probably more like an informational hearing in that the applicant will explain in more detail the changes to the project that were first described at the November status conference.

The way we will proceed is first we will hear from the applicant, followed by the staff, followed by the Intervenor Los Cerritos Wetlands Land Trust.

And for the Court Reporter’s benefit I’m -- I say Los Cerritos really fast and it ends up in the transcript as Los Ritos, Los Rijos. So when I say Los Ritos I mean Los Cerritos. So there you go.

We will then provide an opportunity for general public comment. Then the Committee -- the Committee is interested in learning the scope of the revised project and the timeline for coming to a decision if the applicant is in a position to tell us.

So without further ado, let’s hear from the applicant. Mr. Harris, go ahead.

MR. HARRIS: Thank you. It’s good to be back. I want to thank you all again for coming. And I will say this every time until you tell me stop, but we really appreciate having
the -- the fact time with -- with the Committee and with the staff and with everybody else. It’s a very important part of moving things along, so thank you for the opportunity to do this.

I’m going to throw it to Stephen O’Kane from AES. It’s been a month since we were here with our good news about being awarded the RFO. We’ve been working diligently during that period. And I’d like Mr. O’Kane to describe what has happened to date and give you an update on things.

MR. O’KANE: Okay. Thank you, Jeff.

Commissioner, so as Jeff mentioned at our last status conference meeting we did indicate that we had planned a project change as a result of the ending of the first of what we expect many procurement processes going forward. And we’ve worked to refine our Alamitos Project to best fit the needs of California.

So while I don’t have a lot of information in detail to provide today, what I can tell you is that we have settled on the size of the project. It would be -- we intend to come back with a supplemental filing describing a nominal 1,040 megawatt project; 1,040 megawatt, that’s nominal net generation. And we expect that -- to have a complete supplement with all the information, filings, detailed modeling, and a parallel filing with the Air Quality Management District in the third quarter of 2015. So in the
probably August-September timeframe. As we lead up to that we do want to stay in close contact with Staff. Staff has reached out to us -- with the project manager, looking for assistance in helping us prepare our information. We definitely want to take them up on that offer and intend to come to schedule a meeting with Staff in late January with a better project description, general arrangement layout, and discuss the informational needs that would make for a very high-quality supplemental filing. We definitely want to come into this as -- of course, we’re already in the middle of an AFC. We don’t have a data adequacy-type process to go through, but we do want to come in with the highest quality filing with all the informational needs, all the issues addressed, any kind of questions that may -- may have arisen from the work that’s already been done.

I think also as we’ve now proceeded through -- as we are preceding through our engineering design and the impacts it has on so many of the disciplines as we are changing equipment, technology, location of our equipment within our site, how it ties in, the interconnection, etcetera, that really -- I think it would -- it would not be beneficial for the staff to continue work on sections of the Alamitos AFC as we really see all sections of that AFC being impacted by the changes; some maybe not as much as others, but even when equipment counts or personnel counts begin impact sections
that we might -- might not think of as readily, say worker health and safety, we might have thought that those were done, but really new information will be forthcoming for -- for even some of those sections. So we think it would be beneficial if -- for the staff if they focused their efforts perhaps on something else until we have better information.

That being said, though, as we get closer to a meeting, let’s call it a pre-supplemental filing meeting if there is such a thing, we can come to the staff and discuss informational needs that perhaps internally they could be prepared with questions, you know, from -- there’s -- certainly a considerable amount of work has been done on the application so far, close to a PSA. So certain issues, I’m sure, must have been identified. And being ready with those types of questions for us during that kind of an informational meeting would be -- would be beneficial, I think.

HEARING OFFICER CELLI: So just briefly, Mr. O’Kane -- actually, before I get into that I just want the record to reflect that Jim Bartridge is here, sitting at my left. He’s Commissioner Scott’s Adviser, along with Leslie Kimura Szeto. And Eileen is also already here, Eileen Allen.

You said that the third quarter 2015 was going to be your filing for the South Coast Air Quality Management District. Is that -- is that the AFC as well?

MR. O’KANE: For both. I think we should -- we
should precede the supplemental filing here at the CEC with a filing at the South Coast Air Quality Management District by maybe a few weeks.

HEARING OFFICER CELLI: Okay.

MR. O’KANE: Third quarter for both, yes.

HEARING OFFICER CELLI: Thank you. Staff, please, Ms. DeCarlo or Mr. Winstead.

MR. WINSTEAD: As Mr. Stephen O’Kane has spoken, we have worked with Jerry Salamy to put together this informal meeting as per the request of the Committee. We have gone in that direction. And Jerry informed me that on December 2nd that they weren’t in the position at that time to -- it wouldn’t be beneficial to talk at that time. So we continue in-house to work on questions that would be helpful. And prior to that we were planning on meeting and working on basically developing questions from Staff that would help in the supplemental to create a quality document when they -- so we won’t spend as much time on the data requests and other issues. So we want to make it a speedy process once we get this information available the third quarter.


One of the things I was busy doing was I was preparing a new notice for next year’s status conference, a set of them from January through April. And I want to inquire,
first from Applicant, how -- how involved do you want the Committee to be right now and between now and the third quarter 2015? What -- what do you foresee that -- the status conferences and so forth?

MR. HARRIS: These are very helpful to us in focusing issues. And so we’re not at all interested in scaling back a whole lot on those meetings. It may make sense to continue the January scheduled one to February just to give us a little more time to work through general arrangements. I mean, we’re in the process of doing exactly what you’d expect us to be doing now, you know, locking down the general arrangements which locks down the emissions sources which then gives rise to all the modeling. And we appreciate the staff reaching out to us to -- to talk. And we may be able to meet with them before that, sometime in January.

But I think maybe in February it would be a good time to meet and talk about where we are, and we can schedule going forward additional discussions with you all at that point.

HEARING OFFICER CELLI: In February?

MR. O’KANE: And if -- if I could add, I think the status conferences will continue to serve a very needed public service in that we do need to report to the general public and any intervenor the result of conversations we’ve had with Staff, present the information. Any information we share with
Staff, we do need to make sure it’s shared with the entire Committee and the public, the conversations we’ve had. So that provides a forum and a process for us to do that, right, as opposed to -- in addition to any docketed items that we -- we will put into the record.

HEARING OFFICER CELLI: Yeah. That was my next question, Mr. Harris, was how did you envision participating with the Los Cerritos Wetlands Land Trust in the meanwhile?

MR. HARRIS: I’m sorry. How do we anticipate participating with them in the meanwhile?

HEARING OFFICER CELLI: Including the -- the Los Cerritos Wetlands Trust in future meetings, etcetera?

MR. HARRIS: Well, we would expect them as an intervenor to be involved in all the -- all the public meetings moving forward. I know that the status conference, they’ve been able to dial into those. I foresee that happening going forward as well. So I don’t think it’s any different than any other participants activities in the case. I do think, again, in February we’ll be in a little better shape to have some more substantive discussions and really talk about the shape of the project at that point. And that will -- that will shape our interactions with them as well.

HEARING OFFICER CELLI: Well, for the -- for Staff, for the benefit of Elizabeth Lambe, then there would be a noticed workshop in January so that Los Cerritos Wetlands
Trust can participate?

MS. DECARLO: Well, I think we were envisioning our -- our coordination with the applicant concerning the information to be included in the supplemental as just an exchange of information not requiring a public notice. We’d be happy to entertain the idea of inviting the Wetlands Trust if the applicant was amenable to those conversations, or else reporting back to the -- the Trust what we’ve learned. But it really will be limited to exchanging information on the -- the revised project and not anything of substance or anything implicating Staff’s analysis or conditions of certification at this point.

HEARING OFFICER CELLI: Let’s check in with Elizabeth Lambe.

Ms. Lambe, can you unmute yourself and come on the phone with us please?

MS. LAMBE: Yes.

HEARING OFFICER CELLI: Okay. Have you heard and followed the discussion so far?

MS. LAMBE: Yes, I’ve heard it and I’ve followed it.

HEARING OFFICER CELLI: Okay. I just want to hear your -- your take on all of this please.

MS. LAMBE: Well, the more -- let me just say generally, the more involved and, quote, in any of this the more it informs us and our ability to -- to be useful in our
role as Intervenors. So you know, if we can be involved in meetings, probably we would prefer that. And public meetings, in my opinion, are a good way to not only reach those of us who are intervenors but the public in general about the status of this project.

HEARING OFFICER CELLI: I just want to say for the record, by the way, that Commissioner Janea Scott is now here. And also Alana Matthews is here from -- who is our Public Adviser.

And what we’re talking about and the reason I’m looking out to Alana Matthews is because what we’re talking about is there’s a proposed exchange of information between the applicant and staff and inquiry from the Commission -- the Committee was how is Elizabeth Lambe from the Los Cerritos Wetlands Trust going to be able to participate in these sorts of things.

And I’m not sure whether these meetings -- are you going to have a WebEx or anything like that on that on that, Mr. Harris or Ms. DeCarlo?

MR. HARRIS: Well, let me -- I guess let me chime in. I think there’s a couple different levels of information exchanges here. There is a basic level of, you know, back and forth on where we think things are headed. Once those things are more locked down then obviously we’re going to have to provide public information. And that will be made available to
all the intervenors.

And since I’m not good at being subtle, you know, there are times when it’s good for the applicant, you know, experts and the staff experts to sit down together and talk through these issues by themselves in the sense that they can have a free and open exchange of ideas. If everything is WebEx’d and transcript, then we’ve seen people get positional. And I’m not suggesting that -- that Ms. Lambe would do that.

But I actually don’t think this is any different than any other proceeding in terms of the interaction with the intervenor here. We will have -- when we’re ready to make the formal filings we’ll make those informations available to them. And we’ll go through, I assume, a discovery process.

Part of what we’re hoping to do by filing a high-quality document is to -- is to shorten the need for discovery and hopefully, and I’ll plant this seed with the Committee, possible get to the position where we can have a single Staff assessment as opposed to a preliminary and -- and a final. So we’re really looking for a high-quality document to save time in the schedule moving forward.

And then I guess the last thing I’d add is people often ask me, you know, if I can only come to three meetings at the Commission which three do I come to? Do I come early? Do I come late? Do I come in the middle? There’s plenty of process ahead and plenty of opportunities for interaction, and
we look forward to working with everybody in those public settings.

HEARING OFFICER CELLI: Ms. Matthews, is your mike on?

MS. MATTHEWS: Yes, I believe it is on.

HEARING OFFICER CELLI: Go ahead.

MS. MATTHEWS: So being careful to say this is not an advocating question, it is simply an informational one, I believe that Ms. Lambe and her organization have a particular interest in an area. And so if there is going to be a discussion or an exchange of information would you be willing to include the intervenor in those discussions if it’s in that particular area?

MR. HARRIS: I think in some of the discussions, yes, not a problem at all. In fact, it’s going to be to our benefit to engage as early as possible. We have found that most often the issues arise through lack of communication. And the more shut down and closed off the process is the more people miscommunicate.

So at the appropriate time, yeah, we’re going to -- we’re going to -- we’re going to workshop things to death. She’ll probably beg for mercy with how many meetings we have going forward. But we’ll look forward to those interactions, yes.

MS. MATTHEWS: Well, based on my discussions with
Ms. Lambe, I think that would -- she can certainly chime in, but I think that would certainly address her concerns.

HEARING OFFICER CELLI: Okay. And anything further, Ms. Lambe?

MS. LAMBE: No. No, thank you.

HEARING OFFICER CELLI: Okay. Well, it sounds like a good plan then.

COMMISSIONER DOUGLAS: So I just wanted to ask a question just for clarification. And first of all, I don’t want to make this more complicated than it is either. There is -- this is -- you know, I think that Mr. Harris has almost invented a new term, the pre-supplement filing-type meeting where it’s really about, you know, this is what we’re thinking. And among other things that helps Staff just organize in terms of who works on what and what they’re going to have to analyze. And -- and that’s helpful to use. And then when things are gelled to the degree that it is a good use of Ms. Lambe’s time to really talk about the issues as they impact her. I know that it’s in everyone’s interest to -- to do that.

I guess the question that I had, Mr. O’Kane had suggested that the status conferences were a good forum for just, you know, providing some public disclosure and information about the status of the project and what’s -- what’s likely to be proposed and so on. And I’m still -- you
know, and to the extent that we’re using the status conference in that way it’s helpful because it informs the Committee, and it’s also helpful because, you know, it may — it may fulfill the need that a workshop otherwise would have. So I’m not -- I just don’t want to be overly prescriptive about process, you know? I want the process to be very inclusive of Ms. Lambe and -- and proactive in resolving issues and sharing information. But there are a variety of ways to achieve that.

My main question kind of goes back to the February status conference. I think it would be helpful to have one. And the Committee would like to get a reasonably timely perspective on what’s -- what the shape of the project that you’ll be proposing is. And so I’m very open to having that.

I wanted to further explore the question of frequency, because I think it would be unusual to have monthly status conferences on something that’s not going to be filed until August or September. And I want to be -- you know, we want to use these forums well but we want to be respectful of everyone’s time, not the least ours but certainly everyone’s. And so I wonder if there is an interval.

(Colloquy Between Hearing Officer Celli and Commissioner Douglas)

COMMISSIONER DOUGLAS: And Mr. Celli reminded me, we are getting monthly status reports.

So I wanted to -- you know, I guess as I listened to
the presentation my mind went to, you know, there’s a point, a
time -- a time at which it’s helpful to dial in the Committee.
And there may be a point at which more iterative involvement
of the Committee could be helpful. But it’s probably not
monthly from February through August or September. So I’d just
like to get your thoughts.

MR. HARRIS: Well, a couple of things. I appreciate
that. We -- we obviously don’t want to take away from your
schedules if we’re not going to make productive use of this
time.

Just off the top of our head we’re thinking maybe
every other month to start with. But I kind of, as you could
tell, sort of tried to defer that question down the road past
February. And the good thing about your process is that on ten
days we can -- we can set a meeting. So I can’t tell you
exactly what things will look like in February. If you want to
set a general parameter at this time I’d say probably every
other month starting in February with the ability for either,
you know, for any party, including the Los Cerritos Wetlands,
to ask for a face-to-face meeting.

And one of the things we talked with you all about,
too, is making these things a lot -- even less formal in the
sense of making people available telephonically. And there may
be a middle position there, too, where we -- we hold one of
these during the period and do it by telephone.
So -- but we’re definitely looking to be efficient and to pull the curtain back a little bit. You know, we’ve been very, very careful about letting you know what kind of resource draw we think we’re going to have. We obviously always hope to better our own schedules. But we wanted to give you a very realistic view of schedule and let you know what we’re going to be doing during that timeframe, so --

COMMISSIONER DOUGLAS: Well, that’s all very helpful, so thanks.

HEARING OFFICER CELLI: Yeah. So I just would want to reiterate that, unless I hear a big cry from the parties, we would continue to get monthly status reports on the 15th of every month. That doesn’t seem to onerous, I would say, but --

MR. HARRIS: Well, we’re only debating the 1st versus 15th. And the 15th seems to be okay. Does Staff have a preference?

MS. DECARLO: No, especially since our reports are likely to be very, very short for the first couple of months at least.

HEARING OFFICER CELLI: Okay.

MR. HARRIS: Yeah, the 15th is fine. We would -- we’d be happy with the 15th.

HEARING OFFICER CELLI: Okay. Just one moment please.

(Pause)
HEARING OFFICER CELLI: Very good. Then I’m just
going to go around and ask each of the parties if there’s
anything further for today’s status conference, starting with
the applicant?

MR. HARRIS: Nonverbals say we’re good. So thank you
for the opportunity.

HEARING OFFICER CELLI: Thank you, Mr. Harris.

Staff?

MR. WINSTEAD: We’re -- the Energy Commission staff
is fine with --

HEARING OFFICER CELLI: Okay, glad to hear it.

Elizabeth Lambe, anything further before we move on
to public comment?

MS. LAMBE: No, nothing further. Thank you.

HEARING OFFICER CELLI: Thank you.

And at this time I’m going to first look out to Ms.
Matthews and see if we have any members of the public here?
She’s shaking her head, no.

So as I look on the telephone I have David
Flores I know is with Staff. Elizabeth is Elizabeth Lambe who
is with the -- who is the intervenor in this case. Eric Knight
is with Staff. John Hope is with Staff as well. So take it
there are no members of the public on the phone either.

So with that then we will -- I will hand it back to
Commissioner Douglas to adjourn.
COMMISSIONER DOUGLAS: All right. I’d just like to thank all the parties and look forward to the informational presentation when we get it.

    And with that, we’re adjourned.

(The Meeting of the California Energy Commission Amendments Committee adjourned at 2:00 p.m.)
REPORTER’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 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 29th day of December, 2014.

PETER PETTY
CER**D-493
Notary Public
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.

________________________________________
MARTHA L. NELSON, CERT**367

December 29, 2014