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STATUS CONFERENCE AND CLARIFICATION OF COMMITTEE ORDER
BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of:  )
 ) Docket No. 13-AFC-01
Alamitos Energy Center AFC  )

CALIFORNIA ENERGY COMMISSION
ART ROSENFELD HEARING ROOM
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

THURSDAY, MARCH 24, 2016

9:00 A.M.

Reported by:
Susan Palmer
APPEARANCES

COMMITTEE MEMBERS
Janea Scott, Associate Member
Courtney Smith, Adviser to Commissioner Scott
Le-Quyen Nguyen, Adviser to Commissioner Douglas
Kristy Chew, Commissioners’ Technical Adviser

HEARING OFFICER
Kenneth Celli

STAFF
Keith Winstead, Project Manager
Jared Babula, Staff Counsel
Michelle Chester
Nancy Fletcher, Air Quality
Chris Davis, Siting Office Manager

PUBLIC ADVISER
Shawn Pittard

APPLICANT
John Harris, Ellison, Schneider & Harris
Stephen O’Kane, AEA US West Region
Samantha Pottenger, Ellison, Schneider & Harris
Jerry Salamy, CH2M Hill
APPEARANCES

ALSO PRESENT

John Yee, South Coast Air Quality Management District
(via telephone)

Vicki Lee, South Coast Air Quality Management District
(via telephone)
COMMISSIONER SCOTT: Well, good morning, everybody. I’d like to welcome you to the status conference that’s being conducted by a Committee of the California Energy Commission regarding the Alamitos Energy Center. The Energy Commission Chair has assigned a Committee of two Commissioners, Commissioner Douglas and myself, to conduct these proceedings.

Before we begin, let me introduce myself to you. I’m Commissioner Janea Scott. I’m joined on my left by my Adviser Courtney Smith. And to my right we have the Hearing Officer Ken Celli. And to his right we have Commissioner Douglas’ Adviser Le-Quyen Nguyen.

So let us ask the parties to please introduce themselves and their representatives, and I’ll start with the Applicant. Good morning.

MR. HARRIS: Good morning. Jeff Harris here on behalf of the Applicant. To my right is Stephen O’Kane with AES. In the audience we have Samantha Pottenger, my colleague, and Jerry Salamy from CH2M Hill.

COMMISSIONER SCOTT: Great. Great. And let me turn to the Staff to introduce themselves.
MR. WINSTEAD: Good morning. My name is Keith Winstead. I’m the Project Manager for Alamitos. With me is Jared Babula, Staff Counsel. And also Michelle Chester. She will be assisting. Also, I have Nancy Fletcher here with Air Quality, if you have any questions there. And Chris Davis, Office Manager for Siting --

COMMISSIONER SCOTT: Great.

MR. WINSTEAD: -- will be available too.

COMMISSIONER SCOTT: Great. Thank you.

Do we have the Intervener on the phone or in the room, Los Cerritos Wetlands Land Trust, Elizabeth Lambe, or other representative from Los Cerritos Wetlands Land Trust? If you’re there, please introduce yourself.

HEARING OFFICER CELLI: Yeah. I think that -- can you mute? Okay. Thank you.

COMMISSIONER SCOTT: Okay. Let us have the Public Adviser, and that’s Shawn Pittard, back in -- back in the room.

And do I have any agencies, either on the phone or here with us in the room?

Do we have any elected officials or representatives from the federal government? Okay.

How about agencies of the State of California?

HEARING OFFICER CELLI: No.

COMMISSIONER SCOTT: Sorry?
HEARING OFFICER CELLI:  I’m going to need you to unmute them because the people on the phone might be the --

COMMISSIONER SCOTT:  Oh, yeah, that’s true.

HEARING OFFICER CELLI:  -- the air quality people.

Okay.  Thank you.

COMMISSIONER SCOTT:  Okay.  Sorry.  Now everyone is unmuted.  So if you are an elected official or a representative from the federal government, please go ahead and introduce yourself.

MR. YEE:  Hi.  This is the Air Quality Management District.  And here with us today is John Yee and Vicki Lee.

COMMISSIONER SCOTT:  Terrific.  Welcome.  Any other state agencies?

Native American tribes?

And we’ve heard from the South Coast.

Do we have representatives from Los Angeles County, the City of Long Beach, or any other nearby towns or cities?

Any other agencies?  Okay.  Terrific.

Well, now that we are finished with our introductions, I will turn the conduct of this hearing over to our Hearing Adviser Ken Celli.

HEARING OFFICER CELLI:  Thank you, Commissioner Scott.

Good morning, everybody.
Before I begin I just want to ask -- inquire on
the phone if anybody is on the phone from the Los Cerritos
Wetlands Land Trust.

And, Raj, I see there’s a Mr. Hogue (phonetic)
there. Can you un-mute that person?

I just want to see if there anyone from the Los
Cerritos Land Trust or Elizabeth Lambe on the telephone?
Okay.

Hearing none, so this status conference was
scheduled in the notice dated March 10th, 2016. And this is
the third status conference on the Alamitos Energy Center
Project since the Applicant filed its supplemental AFC. The
purpose of today’s conference is to inform the Committee
about any changes made to Alamitos Energy Center’s AFC and
the progress the parties are making on the project. Today
we will try to resolve any procedural issues, as well as to
assess how well the parties are keeping the schedule.

We are going to proceed as -- I just want to check
in and see, is there anyone from the Los Cerritos Land Trust
on the telephone? No? Okay.

Thank you for muting them, Raj.

Procedure. So first we’re going to hear from the
Applicant, followed by Staff, followed by Intervener Los
Cerritos Wetlands Trust if they get on the phone or show up
today. And we will be talking about the current status of
the case. We will then provide an opportunity for the
general public to comment.

So with that, I will first turn it over to Mr.
Harris for the Applicant.

MR. HARRIS: Good morning. Thank you once again
for having this status conference, because we think they’re
very important to keeping the project on schedule and having
good communications with you all. So thank you for being
here today.

We think things are moving along very well. We
had some issues of transmission TSE data requests on St.
Patrick’s Day, of course, the 17th. So those are in and
filed and with your Staff.

We are working very well with the Air District. I
want to thank them for being on the phone. I think we’ve
all benefitted from the interactions at Huntington Beach.
The projects are very similar and we’re going to get a very
good idea of precisely what the District is going to need to
move forward to issue their PDOC. So that interaction
continues to be, I think, very positive, and so we thank
them for that.

So I don’t have a whole lot more to add, other
than we’re obviously interested in talking about schedule
when we get to that part of the -- of the proceeding. So I
think I’ll go ahead and stop. I think I’ll stop our quick
update there and thank, again, the Staff for working very well with us. I think we’ve got a very positive experience going here. And so thank you.

HEARING OFFICER CELLI: Thank you, Mr. Harris.

Mr. Babula or Mr. Winstead, I just want to acknowledge that, Mr. Winstead, you’re the new permanent Project Manager, taking over for Christopher Meyer; right?

MR. WINSTEAD: Yes, I’m the flavor of the week. I was the Project Manager from the beginning, so I’m familiar with the site and a lot of the project, so I think it’s a good fit. Christopher Meyer did a good job, and I want to thank him and everybody. I’m looking forward to being the new Project Manager.

HEARING OFFICER CELLI: Very good. Welcome back. Go ahead and tell us where we’re at.

MR. WINSTEAD: We’ve had good communications with the Applicant, Jeremy Salamy and his team, exchanging information we needed through the process to complete our analysis. Currently we’re in the process of reviewing the most recent data -- data responses, six and eight. And currently we do not see any outstanding issues at this time. We decided the changes in the project description, which will be addressing -- trying to complete our PSA sections, looking at the recent changes to the project description and the air quality that could impact some -- some of our
sections. So we can discuss that some more if we need to.

HEARING OFFICER CELLI: And let me just ask, just
to be clear for the record, that the changes in the
description have to do with transmission?

MR. WINSTEAD: The changes to the -- the recent
changes to Alamitos -- Alamitos supplemental application
which is dated March 22nd, 2016, AES Alamitos is proposing
to increase the number of cold starts -- cold startups to 15
for the combined turbines and the monthly-annual basis,
which will increase the emissions associated -- estimates
associated with the air quality, public healthy and other
sections. We’ll need to revise some -- once we have that
information, analyze it, maybe some initial requests for
information, we’re not sure yet. That’s scheduled to be --
the Applicant, in the last letter, the March 22nd letter,
that they’ll be publishing that no later than March 30th to
the South Coast Air Quality Management District for their
review.

And so we’re kind of going to be moving forward to
get those changes implemented to our PSA sections. Kind of
guesstimating that -- you know, I’m not sure. The District
can speak to the amount of time they’re going to need to --
to complete their analysis or estimated time. With -- I
know we’re in the queue behind Huntington Beach, and
possibly some other projects we’re not aware of. But Vicki
or Jonathan Lee can maybe chime in on that on -- as far as when -- when they’ll be complete. It will help us with the schedule as far as, you know, when the PDOC is available, to proceed with that.

There’s been quite a fast turnaround from the PDOC, the publication. Originally -- in the past it’s been 45 days and now it’s 30 -- it was 30 days, and now it’s 21 days, so that’s kind of a challenge in itself. So -- but we’ll make our best effort to complete those dates.

HEARING OFFICER CELLI: I appreciate that. And just so you -- just so you know, we had discussion in scheduling when Christopher Meyer was here about that quick turnaround, that work could be getting done while we were waiting on the PDOC. And so that’s how we arrived at that date when we were creating the schedule initially. So that’s sort of the explanation for that. I know that that is a little unusual, but we know Staff is up to the task, so thank you very much for that.

MR. WINSTEAD: Thank you.

HEARING OFFICER CELLI: I want to see if Elizabeth Lambe or any representative from the Los Cerritos Land -- or, I’m sorry, Los Cerritos Wetlands Land Trust is on the phone at this time and would like to speak up please? Okay, hearing none. And if for some reason you’re on the phone and you can hear us but we can’t hear you, you may want to
call in again just to make sure that we can -- we can acknowledge you and we hear what you have to say. So at any time --

COMMISSIONER SCOTT: I think she was number four, but they were muted and so was --

HEARING OFFICER CELLI: They were muted.

COMMISSIONER SCOTT: -- the Air Quality.

HEARING OFFICER CELLI: Right. I think they were -- they or somebody else.

So with that, let’s talk about the schedule and how does this change in cold starts, the increase, affect the schedule, Mr. Harris?

MR. HARRIS: Well, first off, I guess I wouldn’t describe it as a change. We, as I said, we’re benefitting from the Huntington Beach experience. They are looking, I think, at the District at both the emissions limits and operational limits. And so those would result in the request for some additional information. But there will be no changes in the operations and in the results, and no changes in the emissions, no changes in potential impacts, and everything remains fully mitigated. And so I think -- I think it’s important that we go through the process and check those boxes, but we’re expecting things to move along well, I think, in terms of the air district.

And so I guess I see this as an iterative process
and this is the next iteration. It only affects two
potential sections, as we all know, air quality and public
health. We will work as hard as we can with everyone to
keep things on pace. We would prefer not to have a
separation of the PSA, the two sections. But I know that
the Committee has provided for that possibility, so we’re
all going to continue to work hard to meet the deadlines
that are in the current schedule.

And I think at that point I’d probably ask the
District maybe to give us their thoughts on it.

HEARING OFFICER CELLI: Let’s do that.

Raj, I think that the District might be call-in
user number four. That was John Yee and Vicki Lee.

MR. YEE: That’s correct.

HEARING OFFICER CELLI: Please, go ahead. You
have the floor.

MR. YEE: Oh, great. You know, I heard what Keith
had outlined, and I think that’s exactly the status that we
have so far. We did learn a lot from our interaction with
AES and their consultant for AES Huntington Beach. And
that’s also translated into the changes which are going to
occur over at Alamitos. So we’re not looking at the -- even
though they’re -- like what they indicated, they’re -- the
modifications, they’re not significant changes. They’re
clarifications on what their operations will be on a monthly
basis. And it also -- and it also effects it on an annual basis.

Because of the -- although we’ve done substantial work on the applications and the Applicant has been alongside in reviewing with us on those things, these additional changes will require us to take a look at certain sections of what we reviewed. And of course, since we’re not going to get the information until the 30th -- or hopefully we’ll get it sooner than that, we have still yet to do the final evaluation for that -- for the change in cold starts on a monthly basis.

We are continuing to work through that with -- I know our modeling group has just got that information to review for Huntington Beach. They haven’t given us a final indication of when they may complete their analysis. But the analysis doesn’t appear to make significant changes and a lot of assumption as far as modeling procedure. It’s more like change in the amount of emissions rather than any modeling -- significant modeling procedures.

It’s kind of -- at this point of time it’s -- we’d like to give you a better idea of when we’re going to finish this. But we’re going to basically try and finish these as soon as we can. And then -- but we are currently waiting for a modeling review, one, at Huntington Beach, and then also at Alamitos.
HEARING OFFICER CELLI: So to summarize, you really don’t see that there’s -- there’s -- this is a major interruption in the -- in the time frames that we had put into the schedule; is that correct, Mr. Yee?

MR. YEE: I think it’s going to take some amount of time. I’m not sure exactly -- it’s not going to be major interruptions. It’s not going to be -- it’s not something that we’re going to ask for additional time to meet the schedule that you have right now set forth for the Committee schedule for Alamitos, because I think you still have the time for submittal before April 20th.

HEARING OFFICER CELLI: Correct.

MR. YEE: And at this point in time, if we can, you know, if we can work with our staff and -- well, that date is in the future right now. But if we continue to work closely with our staff and our modelers and get that information reviewed, that date still seems feasible.

HEARING OFFICER CELLI: Excellent. Thank you. Anything further from the South Coast Air Quality Management District?

MR. YEE: Not at this point in time.

HEARING OFFICER CELLI: Thank you, Mr. Yee. Anything from Staff?

MR. WINSTEAD: With the increased starts, you mentioned there would be no increase of pollutants, is
that -- I don’t think that’s an accurate statement.

MR. O’KANE: It’s Stephen O’Kane with AES.

It’s -- it’s just a change in the way that the starts have been characterized. It’s not an increase. So all we’re doing here with this is making sure that the operational parameters match exactly the type of condition that the AQMD will have in the permits. They will want to limit the number of warm and cold starts, the total number of starts. The total number of starts remain the same, so we’re not -- we’re not making that change.

It’s -- yeah, I’m not sure we can go into the details on that one. I mean, we’re getting into an area where we’re starting to analyze the impossible, actually.

MR. WINSTEAD: Okay. So -- so that will impact our air quality sections, the public health sections. We’re going to have to look at the noise a little, possibly plume analysis a little bit, and there are some questions on nitrogen deposition as far as the -- what we’re looking at there. So I think that’s pretty much covered that, you’re -- what you just discussed.

But I have a different subject to ask you on. Were you -- did you guys file with the ISO yet as discussed in the last status conference?

MR. O’KANE: Our affidavit with the CAISO has not been filed yet. We intend to file that by the end of next
week. So it will be -- the electrical analysis will be
completed with the systems or our EBC (phonetic)
contractors. And we’re looking at our -- the most efficient
interconnection way of making sure that that obligation
is -- meets all the -- all the conditions. So we expect
that to be filed before the end of next week and a two to
three months response from CAISO.

MR. WINSTEAD: Thank you. Any new changes on the
secondary access online at Studebaker? Is that still going
to be used for construction?

MR. O’KANE: No. I -- we -- I believe we’ve
responded on that one that we’ve taken that out of the
project description, that a secondary access for
construction will not be --

MR. WINSTEAD: Those -- okay. I just wanted to
see if there had been any change to that.

MR. O’KANE: Okay.

MR. WINSTEAD: Okay. On the -- on a separate
subject, on the -- we really don’t see a need for
bifurcating this project. I don’t think it would be a
benefit.

HEARING OFFICER CELLI: Excellent. Thank you.
I -- not that it matters but I prefer not to myself, just
because it’s nice to keep all the information, keep the
process moving together instead of piecemealing it out.
That’s probably the wrong word to use.

But at this point is there anything further from Applicant?

MR. HARRIS: No. Actually, we share that sentiment. That’s definitely our preference, but appreciate the flexibility that’s built into the Committee order that if we’re sitting here a month from now, if an unanticipated delay, that we maybe revisit that. But -- and again, we would prefer I think (inaudible) if that’s at all possible.

HEARING OFFICER CELLI: Thank you. And speaking of this, I just want to make a comment with regard to the status conference filed by Staff. Staff had requested that we look at the demolition as a cumulative impact. And the Committee has no opposition to that, and that was stated in the most recent notice. So that was the clarification I just want to make. So I want to be clear that the Committee isn’t ordering such an analysis. The Committee is not opposed to that. So -- and I say that because the party that has the burden to go forward needs to weigh that in and figure out whether they want to put in such evidence or not. That’s not for the Committee to decide. We are not in possession of all the technical details as the parties are. And so I’m sure you’ll discuss that in your -- and have discussed that in your workshops and have come to what I -- what looks to me like a reasonable resolution.
But I just wanted to be clear that the Committee isn’t ordering anything per se in that regard. It’s just not opposing Staff’s recommendation. Is that clear?

MR. HARRIS: I’m -- we -- yeah. We have no -- we’re not opposed to your (inaudible) position.

HEARING OFFICER CELLI: Okay. Good. Thank you. I just want to --

MR. BABULA: Yeah. That’s fine.

HEARING OFFICER CELLI:

HEARING OFFICER CELLI: Thank you, Mr. Babula, also.

HEARING OFFICER CELLI: Just want to go back to the phone and see if anybody has called in from the Los Cerritos Wetlands Land Trust? Okay.

Hearing none, then let’s go to public comment. And Mr. Pittard, if you wouldn’t mind, I just want you to come up to the podium if you would. And the reason I -- first of all, it looks to me like nobody is here from the public in the room. You might want to confirm that for us or --

MR. PITTARD: That’s correct. And we’ve received no phone calls from the public either.

HEARING OFFICER CELLI: Thank you. And that’s my question. I just wanted to point out that this is the second status conference that the Intervener Los Cerritos
Wetlands Land Trust isn’t here. And so my request would be
if the Public Adviser could reach out --

MR. PITTARD: Sure.

HEARING OFFICER CELLI: -- and be able to report
back a little status on how they’re doing and participation
and help them in their participation, we would appreciate
that.

MR. PITTARD: We’ll do that.

HEARING OFFICER CELLI: Thank you very much.

Let’s go to the phone. Is there anybody on the
television who would like to make a comment at this time,
please speak up?

Oh, and by the way, Raj, if you would unmute
everybody? Thank you.

Is there anyone on the telephone who would like to
make a comment at this time to the Committee, please speak
up now? Okay.

Hearing none, then I will turn the status
conference back to Commissioner Scott who will adjourn the
status conference.

COMMISSIONER SCOTT: I shall. We are adjourned.

HEARING OFFICER CELLI: Thank you.

(Whereupon the Status Conference of the
Alamitos Energy Center adjourned at 9:23 a.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 28th day of March, 2016.

Susan Palmer  
Certified Reporter  
CERT 00124
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.

[Signature]

MARTHA L. NELSON, CERT**367

March 28, 2016