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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)

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P R O C E E D I N G S

9:00 A.M.

SACRAMENTO, CALIFORNIA, THURSDAY, MARCH 24, 2016

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 Alamos 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.

1 MR. WINSTEAD: Good morning. My name is Keith
2 Winstead. I'm the Project Manager for Alamitos. With me is
3 Jared Babula, Staff Counsel. And also Michelle Chester.
4 She will be assisting. Also, I have Nancy Fletcher here
5 with Air Quality, if you have any questions there. And
6 Chris Davis, Office Manager for Siting --

7 COMMISSIONER SCOTT: Great.

8 MR. WINSTEAD: -- will be available too.

9 COMMISSIONER SCOTT: Great. Thank you.

10 Do we have the Intervener on the phone or in the
11 room, Los Cerritos Wetlands Land Trust, Elizabeth Lambe, or
12 other representative from Los Cerritos Wetlands Land Trust?

13 If you're there, please introduce yourself.

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

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

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

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

23 How about agencies of the State of California?

24 HEARING OFFICER CELLI: No.

25 COMMISSIONER SCOTT: Sorry?

1 HEARING OFFICER CELLI: I'm going to need you to
2 unmute them because the people on the phone might be the --

3 COMMISSIONER SCOTT: Oh, yeah, that's true.

4 HEARING OFFICER CELLI: -- the air quality people.
5 Okay. Thank you.

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

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

12 COMMISSIONER SCOTT: Terrific. Welcome.

13 Any other state agencies?

14 Native American tribes?

15 And we've heard from the South Coast.

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

19 Any other agencies? Okay. Terrific.

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

23 HEARING OFFICER CELLI: Thank you, Commissioner
24 Scott.

25 Good morning, everybody.

1 Before I begin I just want to ask -- inquire on
2 the phone if anybody is on the phone from the Los Cerritos
3 Wetlands Land Trust.

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

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

8 Okay.

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

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

21 Thank you for muting them, Raj.

22 Procedure. So first we're going to hear from the
23 Applicant, followed by Staff, followed by Intervener Los
24 Cerritos Wetlands Trust if they get on the phone or show up
25 today. And we will be talking about the current status of

1 the case. We will then provide an opportunity for the
2 general public to comment.

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

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

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

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

22 So I don't have a whole lot more to add, other
23 than we're obviously interested in talking about schedule
24 when we get to that part of the -- of the proceeding. So I
25 think I'll go ahead and stop. I think I'll stop our quick

1 update there and thank, again, the Staff for working very
2 well with us. I think we've got a very positive experience
3 going here. And so thank you.

4 HEARING OFFICER CELLI: Thank you, Mr. Harris.

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

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

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

16 MR. WINSTEAD: We've had good communications with
17 the Applicant, Jeremy Salamy and his team, exchanging
18 information we needed through the process to complete our
19 analysis. Currently we're in the process of reviewing the
20 most recent data -- data responses, six and eight. And
21 currently we do not see any outstanding issues at this time.
22 We decided the changes in the project description, which
23 will be addressing -- trying to complete our PSA sections,
24 looking at the recent changes to the project description and
25 the air quality that could impact some -- some of our

1 sections. So we can discuss that some more if we need to.

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

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

19 And so we're kind of going to be moving forward to
20 get those changes implemented to our PSA sections. Kind of
21 guesstimating that -- you know, I'm not sure. The District
22 can speak to the amount of time they're going to need to --
23 to complete their analysis or estimated time. With -- I
24 know we're in the queue behind Huntington Beach, and
25 possibly some other projects we're not aware of. But Vicki

1 or Jonathan Lee can maybe chime in on that on -- as far as
2 when -- when they'll be complete. It will help us with the
3 schedule as far as, you know, when the PDOC is available, to
4 proceed with that.

5 There's been quite a fast turnaround from the
6 PDOC, the publication. Originally -- in the past it's been
7 45 days and now it's 30 -- it was 30 days, and now it's 21
8 days, so that's kind of a challenge in itself. So -- but
9 we'll make our best effort to complete those dates.

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

19 MR. WINSTEAD: Thank you.

20 HEARING OFFICER CELLI: I want to see if Elizabeth
21 Lambe or any representative from the Los Cerritos Land --
22 or, I'm sorry, Los Cerritos Wetlands Land Trust is on the
23 phone at this time and would like to speak up please? Okay,
24 hearing none. And if for some reason you're on the phone
25 and you can hear us but we can't hear you, you may want to

1 call in again just to make sure that we can -- we can
2 acknowledge you and we hear what you have to say. So at any
3 time --

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

6 HEARING OFFICER CELLI: They were muted.

7 COMMISSIONER SCOTT: -- the Air Quality.

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

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

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

25 And so I guess I see this as an iterative process

1 and this is the next iteration. It only effects two
2 potential sections, as we all know, air quality and public
3 health. We will work as hard as we can with everyone to
4 keep things on pace. We would prefer not to have a
5 separation of the PSA, the two sections. But I know that
6 the Committee has provided for that possibility, so we're
7 all going to continue to work hard to meet the deadlines
8 that are in the current schedule.

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

11 HEARING OFFICER CELLI: Let's do that.

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

14 MR. YEE: That's correct.

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

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

1 basis. And it also -- and it also effects it on an annual
2 basis.

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

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

20 It's kind of -- at this point of time it's -- we'd
21 like to give you a better idea of when we're going to finish
22 this. But we're going to basically try and finish these as
23 soon as we can. And then -- but we are currently waiting
24 for a modeling review, one, at Huntington Beach, and then
25 also at Alamitos.

1 HEARING OFFICER CELLI: So to summarize, you
2 really don't see that there's -- there's -- this is a major
3 interruption in the -- in the time frames that we had put
4 into the schedule; is that correct, Mr. Yee?

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

12 HEARING OFFICER CELLI: Correct.

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

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

21 MR. YEE: Not at this point in time.

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

24 MR. WINSTEAD: With the increased starts, you
25 mentioned there would be no increase of pollutants, is

1 that -- I don't think that's an accurate statement.

2 MR. O'KANE: It's Stephen O'Kane with AES.

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

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

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

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

24 MR. O'KANE: Our affidavit with the CAISO has not
25 been filed yet. We intend to file that by the end of next

1 week. So it will be -- the electrical analysis will be
2 completed with the systems or our EBC (phonetic)
3 contractors. And we're looking at our -- the most efficient
4 interconnection way of making sure that that obligation
5 is -- meets all the -- all the conditions. So we expect
6 that to be filed before the end of next week and a two to
7 three months response from CAISO.

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

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

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

17 MR. O'KANE: Okay.

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

22 HEARING OFFICER CELLI: Excellent. Thank you.
23 I -- not that it matters but I prefer not to myself, just
24 because it's nice to keep all the information, keep the
25 process moving together instead of piecemealing it out.

1 That's probably the wrong word to use.

2 But at this point is there anything further from
3 Applicant?

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

10 HEARING OFFICER CELLI: Thank you. And speaking
11 of this, I just want to make a comment with regard to the
12 status conference filed by Staff. Staff had requested that
13 we look at the demolition as a cumulative impact. And the
14 Committee has no opposition to that, and that was stated in
15 the most recent notice. So that was the clarification I
16 just want to make. So I want to be clear that the Committee
17 isn't ordering such an analysis. The Committee is not
18 opposed to that. So -- and I say that because the party
19 that has the burden to go forward needs to weigh that in and
20 figure out whether they want to put in such evidence or not.
21 That's not for the Committee to decide. We are not in
22 possession of all the technical details as the parties are.
23 And so I'm sure you'll discuss that in your -- and have
24 discussed that in your workshops and have come to what I --
25 what looks to me like a reasonable resolution.

1 But I just wanted to be clear that the Committee
2 isn't ordering anything per se in that regard. It's just
3 not opposing Staff's recommendation. Is that clear?

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

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

8 MR. BABULA: Yeah. That's fine.

9 HEARING OFFICER CELLI:

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

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

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

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

23 HEARING OFFICER CELLI: Thank you. And that's my
24 question. I just wanted to point out that this is the
25 second status conference that the Intervener Los Cerritos

1 Wetlands Land Trust isn't here. And so my request would be
2 if the Public Adviser could reach out --

3 MR. PITTARD: Sure.

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

8 MR. PITTARD: We'll do that.

9 HEARING OFFICER CELLI: Thank you very much.

10 Let's go to the phone. Is there anybody on the
11 telephone who would like to make a comment at this time,
12 please speak up?

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

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

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

21 COMMISSIONER SCOTT: I shall. We are adjourned.

22 HEARING OFFICER CELLI: Thank you.

23 (Whereupon the Status Conference of the
24 Alamitos Energy Center adjourned at 9:23 a.m.)

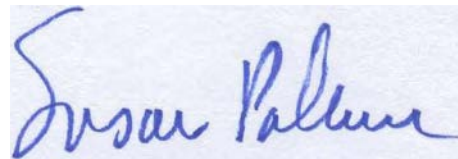
25

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.



MARTHA L. NELSON, CERT**367

March 28, 2016