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

In the Matter of:)
)
Petitions to Amend the)
Carlsbad Energy Center)
Project)

Docket No. 07-AFC-07C

HILTON CARLSBAD OCEANFRONT RESORT
1 Ponto Road
Carlsbad, California 92011

THURSDAY, AUGUST 7, 2014

4:50 P.M.

Reported by:
Bonnie G. Breen, CSR 5582

1 APPEARANCES

2 COMMISSIONERS:

3 Karen Douglas, Presiding Member
4 Andrew McAllister, Associate Member

5 ADVISORS:

6 Jennifer Nelson
7 (Commissioner Douglas' Advisor.)
8 Pat Saxton
9 (Commissioner Mcallister's Advisor.)

10 HEARING OFFICER:

11 Paul Kramer

12 STAFF:

13 Mike Monasmith, Project Manager
14 Christopher Davis, Siting Office Manager
15 Gabriel Vivas, Senior Staff Counsel

16 Roger Johnson, Deputy Director

17 APPLICANT:

18 John McKinsey of Locke Lord, LLP
19 John V. Chillemi, Senior Vice President,
20 President West Region, NRG Energy, Inc.
21 George Piantka, Director of Permitting

22 PUBLIC ADVISOR:

23 Lon Payne, Assistant Public Advisor

24 GOVERNMENTAL AGENCIES:

25 City of Carlsbad Mayor Pro Tem Mark Packard
City of Carlsbad Council Member Lorraine Wood
Michael Hadland on Behalf of Assemblyman
Rocky Chavez
Nicholas Horres, San Diego Air Pollution
Control District
Steve Sarkozy, Carlsbad City Manager
Celia Brewer, Carlsbad City Attorney
Jill Gibson, Senior Planner, North County
Transit District

1 INTERVENORS:

2 Kerry Siekmann on behalf of Terramar
Association

3 Arnold Roe, Ph.D. on behalf of Power of
Vision

4

PUBLIC SPEAKERS:

5

Bob Therkelsen, Energy and
Environmental Consulting

6 Michael Bart, Resident

7 Carmen Rene, Carlsbad Chamber of Commerce

Pete Hasapopoulos, Sierra Club

8 Cathy Fredinburg, Resident

Jay Klopfunstein, Resident

9 Val Macedo, Union Representative

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1 THURSDAY, AUGUST 7, 4:50 P.M.

2 PRESIDING MEMBER DOUGLAS: Welcome, everybody, to
3 this informational hearing for the Carlsbad Energy Center
4 Amendments. We have just had the site visit. I hope a number
5 of people here, especially members of the public, had the
6 opportunity to go along on the site visit. It's always really
7 helpful to see the site of a proposed project and get a sense
8 of how it is physically laid out and so on.

9 My name is Karen Douglas. I'm the Presiding Member
10 on this committee that has been appointed to oversee the
11 amendment. To my immediate left is Paul Kramer, Hearing
12 Officer. To his left is Commissioner Andrew McAllister. He
13 is the Associate Member on this committee. To my right is
14 Jennifer Nelson, my advisor. To Commissioner McAllister's
15 left is Pat Saxton, Commissioner McAllister's advisor.

16 At this point, let me ask the parties to introduce
17 themselves, beginning with the Applicant.

18 MR. McKINSEY: Commissioner Douglas, my name is John
19 McKinsey. I represent NRG Energy and the project owner of
20 this project, Carlsbad Energy Center, LLC. With me on my left
21 is George Piantka, who is the Regional Development Director in
22 charge of developing this project. You'll also hear from John
23 Chillemi, who is the Western President of NRG Energy, who will
24 be speaking as part of our presentation.

25 PRESIDING MEMBER DOUGLAS: Thank You. Staff,

1 please.

2 MR. VIVAS: Good afternoon, Commissioner. My name
3 is Gabriel Vivas. I am staff counsel for the California
4 Energy Commission. And I will allow my colleagues here to
5 introduce themselves

6 MR. MONASMITH: Mike Monasmith, Project Manager.

7 MR. DAVIS: I'm Chris Davis. I'm the siting Office
8 Manager for the Energy Commission.

9 PRESIDING MEMBER DOUGLAS: Thank you very much.

10 Now, we have two intervenors at this point for this
11 amendment or these amendments. So let's start with Terramar
12 Association

13 MS. SIEKMANN: My name is Kerry Siekmann, and I
14 represent myself and Terramar. And Terramar is the
15 neighborhood directly south of the site

16 PRESIDING MEMBER DOUGLAS: That's great. And now,
17 Power of Vision, please.

18 DR. ROE: My name is Arnie Roe. I represent Power
19 of Vision.

20 PRESIDING MEMBER DOUGLAS: Thank you very much.

21 Let me ask now, Lon Payne with the Public Advisors
22 Office, he is standing in the back with his hand up, he is
23 here to help members of the public learn how to interact with
24 this process, how to participate, when it's time for public
25 comment. And, in fact, really, any time during the

1 proceedings, he will be handing out and collecting blue cards,
2 which is where members of the public can write down their name
3 and give him a card. That way, we'll know to call you up when
4 it's time for public comment.

5 Is there anyone here from any Federal or State or
6 local government agencies? It sounds like -- it looks like a
7 good representation. Could you all come up to the microphone
8 and introduce yourselves, please.

9 HEARING OFFICER KRAMER: If the first one could
10 press the button to make the red light go on on the mic

11 MAYOR PRO TEM PACKARD: I'm Dr. Mark Packard, Mayor
12 Pro Tem of the City of Carlsbad. I'm here on behalf of the
13 City. I will be speaking later.

14 But, also, we have with us Council Member Lorraine
15 Wood. Oh, and there are some other people I'm not familiar
16 with. We have our City Attorney Celia Wood -- excuse me --
17 Celia Brewer. And we have our City Manager, Steve Sarkozy, is
18 here with us, with some other staff members. I will have the
19 others introduce themselves.

20 Lorraine, do you want to introduce yourself?

21 COUNCIL MEMBER WOOD: No. I think they got it

22 PRESIDING MEMBER DOUGLAS: Thank you.

23 MR. HORRES: My name is Nicholas Horres. I'm with
24 the San Diego County Air Pollution Control District

25 PRESIDING MEMBER DOUGLAS: Thanks for being here

1 MR. HADLAND: My name is Michael Hadland. I'm here
2 representing Assembly Member Rocky Chavez

3 PRESIDING MEMBER DOUGLAS: Thank you

4 MS. GIBSON: Hi. My name is Jill Gibson with North
5 County Transit District. I'm a senior planner

6 PRESIDING MEMBER DOUGLAS: Thanks.

7 Do you have a question?

8 MS. SIEKMANN: Well, I just wanted to identify
9 myself. I am a planning commissioner, but I'm not here as
10 Planning Commissioner for the City of Carlsbad

11 PRESIDING MEMBER DOUGLAS: Thank you. That's great.
12 All right. Let me turn this over to the Hearing Officer

13 HEARING OFFICER KRAMER: Okay. We are going to have
14 opening remarks from Mayor Pro Tem Packard; and then Counsel
15 Member Wood wanted to say a few words as well.

16 While they are doing that, Mr. Payne has copies of
17 today's agenda. And on the back of it, I have got some screen
18 shots of the Commission's web page that you might want to take
19 a look at if you are planning on using our web page, which we
20 recommend, to look at documents and keep up with what is going
21 on in this case.

22 So, Mayor Pro Tem Packard.

23 And if you raise your hand, Mr. Payne will pass out,
24 give you a copy of that agenda.

25 MAYOR PRO TEM PACKARD: Thank you. Thank you for

1 allowing us to speak. On behalf of the City of Carlsbad
2 today, I'd like to welcome all of you to our wonderful city,
3 or actually, maybe better said, welcome back.

4 The circumstances of today's meeting are quite
5 different from the last time that you were here and when we
6 came before you; but our end goal remains the same, to do what
7 is right for the City of Carlsbad, for the community, and for
8 the region.

9 And what is right for our community is to be good
10 stewards of our coastline and reduce the use of our precious
11 land for heavy industry. What is right for our region is to
12 ensure our energy needs are met today and in the future. So,
13 today, we would like to recognize NRG Energy and SDG&E for
14 working very hard with us to help ensure that we can achieve
15 both of these important goals.

16 In January, the Carlsbad City Council approved an
17 agreement with NRG and SDG&E that calls for a more
18 environmentally friendly, a lower profile plant, in Carlsbad
19 in exchange for a guarantee that the old power plant would be
20 torn down and land along Carlsbad Boulevard be freed up for
21 uses more appropriate for the coast.

22 As you know, the project you approved in 2012 in May
23 did not guarantee the removal of the old power plant, leaving
24 the possibility of two power plants on Carlsbad's coast for
25 the foreseeable future. The City of Carlsbad opposed the old

1 project in part because there was no commitment to tear down
2 the existing plant and because there was no contract to sell
3 the power locally. Basically, there was no local benefit to
4 having another power plant on our coastline. So we, in good
5 conscience, could not support that project.

6 The decision last June to close the San Onofre
7 Nuclear Generating Station changed the State's energy picture.
8 And we were approached by NRG to discuss an amended project.
9 And we were very clear about our commitment to protect our
10 coastline. And so negotiations happened. And the resulting
11 agreement, in our opinion, includes a far better project and a
12 number of conditions that will benefit the Carlsbad community.

13 The new plant, first of all, is more environmentally
14 friendly, lower profile, and would run only during the periods
15 of peak demand.

16 Second, NRG will completely retire and tear down the
17 old Encina Power Station at no cost to taxpayers and begin the
18 process to redevelop the site and return the land to more
19 appropriate coastal uses.

20 And then, third, under this agreement, the City
21 would also obtain property along the coast and lagoon that we
22 can use to enhance the coastal experience for our residents
23 and visitors.

24 The settlement agreement is a great example of what
25 can be accomplished when we work together for the benefit of

1 the public. Sometimes it takes a little extra hard work and
2 some creative thinking to develop win-win situations; but it
3 is possible, and this project is proof of that.

4 Today, I am here specifically to urge you to support
5 two items before you. First is the amended project, which, as
6 I have mentioned, offers a number of advantages over what was
7 originally proposed.

8 The other is what is referred to as "Amendment 1,"
9 which is the demolition of all the remaining above-ground
10 storage tanks on the property. Some of the tanks were
11 approved for demolition in your 2012 decision. The City of
12 Carlsbad would like to see the demolition and removal of all
13 these tanks as soon as possible as part of our overall goal of
14 restoring as much of our coastline as possible to
15 nonindustrial uses. Removing these tanks is an important step
16 forward in improving this area of our community.

17 So, again, thank you for letting me speak to you
18 today. And I appreciate your consideration on our concerns.
19 And I urge you to approve this project for the benefit of
20 Carlsbad and the entire San Diego region for generations to
21 come. Thank you.

22 PRESIDING MEMBER DOUGLAS: Thank you for your
23 comments and your really steadfast advocacy for the City of
24 Carlsbad over the years. And I will certainly say that, you
25 know, while there no doubt will be many substantive issues

1 that we'll need to dig into over the course of the proceeding,
2 from my point of view, the teardown of the existing plant is
3 an extremely welcome part of this proposal. I'm sure
4 Commissioner McAllister would agree wholeheartedly with
5 that.

6 ASSOCIATE MEMBER McALLISTER: I will just chime in
7 and say thank you for being here. And I wholeheartedly agree
8 with, you know, when there is a spirit of negotiation, and
9 good faith options pop up that maybe weren't thought about
10 with any seriousness, and, you know, maybe SONGS going out
11 permanently was part of that sort of impetus for those renewed
12 discussions. But I think you certainly are to be commended
13 for thinking creatively for the benefit of your city.

14 Having been a recent, I guess, emigrant now, from
15 this region -- I have lived here for quite a while up until
16 last year.

17 MAYOR PRO TEM PACKARD: You are always welcome
18 back.

19 ASSOCIATE MEMBER McALLISTER: You know, I'm
20 wishfully driving up the Five. Hey, you know, that is where,
21 you know, I did this or that with my kids, you know.

22 But, you know, I know the local governments here and
23 on the north coast and throughout the SANDAG and county area
24 and know how important your quality of life is to you. And I
25 think, you know, in terms of this discussion, you know, I

1 certainly know that I have that in mind and bring that
2 understanding to the discussion here. So thank you.

3 MAYOR PRO TEM PACKARD: We appreciate that very
4 much. Yes, we care about our quality of life. And this will
5 have -- this project, if you guys will agree and approve this,
6 it will help us accomplish a great compromise that we think
7 can be a win-win.

8 Carlsbad has long been a great regional player. We
9 have carried our share of regional projects. And the power
10 plant is an example of that. And we hope that you guys will
11 agree that this compromise will help us continue to provide
12 energy for our area and provide the quality of life that our
13 neighbors desire and deserve. Thank you.

14 ASSOCIATE MEMBER McALLISTER: Thanks.

15 HEARING OFFICER KRAMER: Thank you. Council Member
16 Wood.

17 COUNCIL MEMBER WOOD: I would like to welcome you to
18 Carlsbad today, also. Like my colleague, Mark Packard, I am
19 here today to support the two items before you, the approval
20 of the amended power plant project and the removal of the
21 storage tanks from the site as soon as possible.

22 I know you won't get to spend a lot of time in our
23 city today, but I know you will get a feel for our community
24 values. One of those values is increasing access to our
25 coastline. Our coastal location is why people live here and

1 why thousands come here every year for a visit.

2 For more than half a century, we have hosted the
3 Encina Power Station. Now we have an opportunity to finally
4 see that plant torn down so our precious coastline can be
5 redeveloped in a way that better meets the needs of the
6 community. This project has created that opportunity.

7 I would like to personally thank NRG and SDG&E for
8 working with us and certainly listening. Knowing the old
9 plant will get torn down allows us to start dreaming about a
10 new future for our coastline, one that helps bring people
11 together, one that encourages a healthy outdoor lifestyle, and
12 one that fosters a sense of stewardship for our beaches,
13 lagoons and natural environment. Thank you.

14 HEARING OFFICER KRAMER: Mr. Hadland, on behalf of
15 Assemblyman Chavez, you wanted to make some brief remarks, as
16 well.

17 MR. HADLAND: My name is Michael Hadland. I'm the
18 District Director for Assembly Member Rocky Chavez. I want to
19 thank you, the commissioners here, for allowing me time to
20 speak here tonight. I wanted to read a quick statement from
21 the assembly member, unfortunately, who was not able to be
22 here tonight, but he did want me to pass this along to you.

23 As the elected representative of the 76th Assembly
24 District, I support the decision made by NRG Energy, SDG&E,
25 and the City of Carlsbad to move forward with the

1 deconstruction of the Encina Power Plant and the construction
2 of the Carlsbad Energy Center. There are many positives with
3 this new proposal, including the removal of the 400-foot
4 cooling tower and the ending of ocean water usage in producing
5 energy.

6 Lastly, with the retirement of San Onofre, Carlsbad
7 Energy Center will be critical to the region to support the
8 extra need for energy.

9 This proposal was made with much compromise, and
10 that collaboration should be applauded. I am glad to support
11 the partners in the Carlsbad Energy Center.
12 Thank you.

13 HEARING OFFICER KRAMER: Thank you. Okay. With
14 that, we'll go on to the presentations portion of the
15 conference.

16 Our purpose tonight is to provide an opportunity for
17 members of the community in the project vicinity to obtain
18 information, to offer comments and, earlier, to view the
19 project site.

20 The information we obtain this evening will assist
21 the Committee in determining the scope and the content of the
22 environmental information that may be needed for a thorough
23 review of the two proposed amendments.

24 The Applicant will explain its plans for developing
25 the project in accordance with the amendments. And the energy

1 commission staff will describe their place in the review
2 process. And the Public Advisor will also explain its role.

3 Following that, we'll take public comments. There
4 can be oral comments, and we can also take written comments if
5 you would like. And then we will ask the commission staff or
6 you are allowed to ask the commission staff and the Applicant
7 questions.

8 To help us organize that public comment portion,
9 again, we would like you to fill out a blue card like one of
10 these here, which Mr. Payne in the back can provide for you.
11 And if anybody has time constraints tonight, please let us
12 know. If you have to be somewhere by six, we'll try to
13 accommodate that, for instance.

14 Those on the phone -- we only have one call-in user
15 now; so I will be very brief about that -- mute yourself with
16 star 6 if you are going to have background noise. That way,
17 we won't have to mute you and maybe cut you off when the time
18 comes for you to speak. But we can do that, too. So control
19 your background noise.

20 Another matter that is a little bit unusual for an
21 informational hearing, and, in fact, why I called this a
22 "Committee Conference" in the notice, is that we have a
23 decision to make after this evening. And that is about
24 whether the two amendments should be processed as together or
25 separately. If you have been looking at the docket where all

1 the documents are filed in this case, you have seen the
2 dialogue among the parties.

3 What we are going to do today after the initial
4 presentations is have a discussion of that for a little while.
5 And I doubt that a decision will be made tonight, because we
6 don't really have time for a closed session; but we have
7 scheduled one on August 25th up in Sacramento if the Committee
8 needs time to meet together privately to discuss what they
9 want to do with that.

10 Also, for those of you on WebEx, there is a chat
11 screen feature in WebEx. I just want to tell you that
12 anything you say in there will not be a part of the public
13 record. We don't keep track of that or try to record it. It
14 is used mostly to talk about technical issues, like having
15 trouble hearing or something like that.

16 The other thing we will deal with tonight is a
17 schedule for the proceeding; and staff and the Applicant have
18 presented their ideas about what the schedule should be in
19 writing. We'll talk about that a little bit more. They'll
20 present it to you. And that's another thing that the
21 Committee will decide. Probably by the end of the month,
22 we'll put out a schedule.

23 I have already discussed handouts. In addition to
24 the agenda, Mr. Monasmith, did you bring?

25 MR. MONASMITH: I did not, actually.

1 HEARING OFFICER KRAMER: Okay. So we have no more.

2 MR. MCKINSEY: We do we have the Staff Issue
3 Identification Report and a couple of pieces for the PTA
4 drawings.

5 HEARING OFFICER KRAMER: So we have some drawings
6 that probably will be used to illustrate things later and then
7 some copies of the Staff Issue Identification Report for those
8 who want to see that.

9 This meeting is being recorded or, rather,
10 transcribed and reported. And we will have a written
11 transcript when we are done. So, for the benefit of the court
12 reporter and also your place in history, please spell your
13 name for the court reporter. Either give it to her later when
14 we have a break or when we are done or when you first speak so
15 that you can have your name properly spelled in the
16 transcript, which Google will immediately probably index for
17 the whole world to see.

18 Also, since the last time -- I will go over that
19 later.

20 If you haven't spoken for a while, please say your
21 name again to help the transcriber make sure that your words
22 are accredited to you and not to somebody else. We do need to
23 use the microphones because there are a few people who are
24 listening in over WebEx. And while the court reporter might
25 hear you, because she's here in the room and she's using a

1 stenograph machine and not making a recording, it wouldn't be
2 fair to the people who are on the phone, because they would
3 not hear you. So please, for the public, who will be coming
4 up to the mic at the podium, for the parties, just remember to
5 turn your mic on with the gray button.

6 So with that, we will go into our presentations.

7 Ms. Siekmann?

8 MS. SIEKMANN: Yes. Mr. Kramer, you kind of -- I
9 mean, as far as the intervenors go, that wasn't discussed.
10 And we do have a few questions.

11 HEARING OFFICER KRAMER: You will have time to do
12 that.

13 MS. SIEKMANN: Thank you.

14 HEARING OFFICER KRAMER: Okay. Here is a pixilated
15 picture of the Energy Commission headquarters in Sacramento.
16 I'm going to recommend at the end that you not come up to
17 visit us on August 25th, unless you think this is a really
18 interesting building, because most everything we do on that
19 date will be behind closed doors. But if you think this is a
20 really cool building, by all means, fly up at your expense to
21 see us.

22 Today's meeting, again, is to inform everyone and to
23 take questions and comments about the two amendments.

24 The first amendment was called a "Petition to Remove
25 Obsolete Facilities"; and it would involve demolishing the

1 three additional above-ground storage tanks that were not
2 approved for demolition in the first approval in 2012. Number
3 4 is to the south of where the new power plant -- or where the
4 old power plant was to go and would make the amended power
5 plant site bigger. And 1 and 2 were to the west of the
6 railroad -- I mean to the west on the other side of the
7 railroad tracks from where the new power plant would go.

8 Then there is also a Petition to Amend, which has a
9 little -- has a little bit more meat to it. That would change
10 the old approved 540 megawatt combined cycle power plant into
11 a six simple cycle turbine generator power plant that would
12 produce about 632 megawatts.

13 Again, as I said, the footprint of that power plant
14 site would expand to the south to include that new tank that
15 would be removed; and the facilities to the west of the rail
16 corridor would be removed, I guess with the exception of the
17 switchyard, which will remain. And, if possible, the NRG
18 would also try to relocate the SDG&E service center somewhere
19 else and making that land available for redevelopment. That
20 has some contingencies. So that is, I suppose, less certain.

21 You'll be able to ask and learn about the proposed
22 amendments -- the Applicant will be speaking in a moment about
23 that -- ask questions and provide comments. And we are also
24 going to tell you how to participate in our process.

25 For those of you who were involved the last time,

1 the way we handle documents is different and we like to think
2 much more efficient. And so we'll show you a bit about that.

3 The agenda is here. We are now almost done with
4 that page. The rest is here as well. And we end with public
5 questions and comments.

6 The Energy Commission has permitting authority over
7 thermal power plants that are 50 megawatts or greater. This
8 one is way bigger than that. We are also the lead agency for
9 the California Environmental Quality Act or CEQA. And, in
10 these proceedings, staff is an independent party. They work
11 for the Commission, just as we do; but they are considered a
12 party, just as is the Applicant or the intervenors.

13 The Commission consists of five members. Two of
14 them, Commissioners Douglas and McAllister, are here today.
15 They were appointed to oversee this licensing process by the
16 Full Commission.

17 In very rough terms, very broad terms, what will
18 happen in the proceeding is staff will review the amendments
19 and then publish reports. And then the Committee will conduct
20 hearings on those reports and other evidence that the parties
21 want to submit and issue a proposed decision, which makes a
22 recommendation to the Full Commission to approve, reject or
23 perhaps change the proposed amendments.

24 Keeping in mind -- this is an important, I think,
25 legal construct that we want to keep in mind -- what we are

1 intending to do is use a previous EIR, which is the 2012
2 Commission decision that approved the original project; and
3 CEQA allows us to do that, so long as there are not
4 substantial changes in the project or substantial changes in
5 the circumstances surrounding the project or new information
6 that was not known at the time of the original decision, any
7 of those which would result in new, significant environmental
8 effects or a substantial increase in previously identified
9 significant effects.

10 And then, another possible trigger would be that
11 mitigation measures or alternatives that were previously found
12 to be infeasible are now feasible.

13 So the bottom line is, we are not going to
14 relitigate things that haven't changed. So if a particular
15 topic area really doesn't change -- the conclusions of the
16 original decision don't change because of the changes that are
17 proposed by the Applicant, we are not going to relitigate
18 that.

19 What we are going to focus on is what has changed
20 because of the proposed changes in the project. Clearly, some
21 areas are going to have change, but not all of them. So we
22 want staff to analyze the project in that way and the parties
23 to focus on it with that mind set.

24 As an example of the type of decision that results,
25 I can cite to you the Russell City Amendment. That was back

1 in 2007, I want to say, somewhere in there. You can find it
2 on our website and to see the style of the decision we are
3 looking to create.

4 All decisions in this case will be made solely on
5 the basis of the public record. So we don't want to have any
6 off-the-record contacts concerning substantive matters. And
7 "substantive" would be, you know, I don't like the project
8 because . . . or I think conditions should be amended to do
9 such and such, versus procedural matters would be somebody
10 calling me and asking what is a particular deadline for filing
11 or when is the next hearing going to be. That is procedural
12 and that is okay. But we don't want to have substantive
13 conversations with myself, the commissioners or their
14 advisors, because they are all members of the Committee.

15 And the reason for that is to provide full
16 disclosure so everybody knows what all the -- what the facts
17 are and the pseudo facts and, you know, the opinions and
18 nobody is operating with less than a complete set of that
19 information.

20 Now, it's time for the Applicant's presentation.
21 Let me switch to that.

22 MR. CHILLEMI: Hello. My name is John Chillemi, and
23 I am President of NRG's West Region. I am going to be doing
24 just a little bit of intro here and then handing it over to
25 George Piantka.

1 So, Commissioners Douglas and McAllister, Hearing
2 Officer Kramer, and all the CEC staff, at first, I would just
3 like to thank you for your time and consideration today.

4 I would also like to thank Michael Hadland and
5 Assemblyman Chavez for their nice remarks earlier, as well as
6 Mayor Pro Tem Packard and Council Member Wood for your kind
7 remarks. We really, really appreciate the City of Carlsbad's
8 support on this project and thank them for their comments
9 tonight.

10 I would also like to on behalf of NRG welcome
11 everyone else here tonight for taking a few hours of your
12 Thursday and learning a bit more about our project and
13 hopefully getting answers to questions and having a chance to
14 voice concerns or support. So thank you, everybody, for being
15 here tonight.

16 So with that, I'm just going to real quickly give
17 you an overview of NRG in California to give you some context
18 about who we are here in California. We have roughly 10,000
19 megawatts of generating capacity in the state. If you look
20 closely, you can see all the different plants around the state
21 on this map.

22 Roughly 8,000 of that, a little bit more, is natural
23 gas; and that is divided roughly between older-type facilities
24 like the Encina Station that we are proposing to retire here
25 or, actually, obligated to retire, and then newer stations

1 like the Carlsbad Energy Center, which we are proposing
2 tonight as well. And I think that is representative of a
3 transformation that is going through, not only within NRG, but
4 with the California Gas League, where we are replacing some of
5 the older units with newer technology that meets the new needs
6 of the system that we will talk about.

7 In addition to that, though, we are a very large
8 solar generator as well. In fact, we have over a thousand
9 megawatts here in California. A lot of that has come on in
10 the last few years; and we are looking to grow that part of
11 our portfolio as well. What is not on here that I should add
12 is we have recently acquired about a thousand megawatts of
13 wind generation in Tehachapi. So our portfolio is
14 diversified, and we continue to make decisions that we think
15 are best for California.

16 I will just note a few other things that we are
17 involved in in California at the bottom. We are also
18 implementing an electric vehicle charging infrastructure
19 program around the state. We are committed to spending about
20 a hundred million dollars to implement that. It involves 200
21 what we call "fast chargers" or "freedom stations" that will
22 be installed around the state and, hopefully, provide a
23 network of charging that helps promote electric vehicles and
24 helps people have comfort that they can always get their
25 vehicle charged when they need it. I think, by the end of

1 this year, we will be on track for about a hundred of those.
2 So you should be seeing them pop up around here as well as the
3 rest of the state.

4 We also have the District Heating and Cooling with
5 facilities here in San Diego and also San Francisco. And the
6 last thing I will point out is a new think tank, if you will,
7 that we have established in one of our retired plant sites
8 called "Potrero" in San Francisco. It is called "Station A."
9 And this is an area where we have a number of young, bright
10 people, who are looking at the future and coming up with new
11 technologies and new ideas to help us enter into this next
12 phase of our transformation in the energy markets. And things
13 like micro grids and storage and other new cutting-edge
14 technologies are what we are focused on there.

15 The last thing I will say before I hand it over to
16 George is, you know, overall, I think we are as a company
17 committed to providing reliability in a responsible way; and I
18 think this diversity of what we do in California is a good
19 example. And I think the Carlsbad Energy Center is a great
20 example of that and a very important piece of that puzzle.

21 So thank you again for your consideration. And with
22 that, I will hand it over to George Piantka.

23 MR. PIANTKA: Thank you, John, Commissioners, City
24 of Carlsbad. I'm George Piantka, and I'm the Director of
25 Permitting in California. So my role in this project is

1 project manager for the beginning of the project. So I just
2 want to clarify that.

3 So, today, we took the tour, had three buses go
4 through. And this was the feature attraction: Encina Power
5 Station. As I'm showing on the figure here, the yellow, dark
6 yellow perimeter of Encina Power Station is substantially what
7 we toured. The dotted yellow where the four tanks are, that's
8 the Carlsbad Energy Center Project. And I'm denoting there
9 what is licensed. And the project that we are presenting here
10 today, the amendment, will cover that tank 4, the
11 southern-most tank.

12 Other features on the site you can see is the desal
13 facility. The Carlsbad desalination facility, that is dotted
14 in blue. And then a lighter blue is the switchyard that would
15 run by. That is SDG&E's switchyard area integral to this
16 region in terms of distribution of energy. The red area is
17 the San Diego or SDG&E service center. It is not part of the
18 project. It was discussed a little bit earlier. That is part
19 of the agreement with the City to help support the relocation
20 of the Service Center. So I just wanted to clarify that.

21 Next slide. So a little more detail about Encina,
22 you may have heard some of these comments earlier today. So
23 the station itself is 965 megawatts, comprising of five steam
24 boilers. They came on in the '54 to '58 time line and also
25 '73 and '78. The five units, they make up the 965 megawatts.

1 And then we have a black start, a combustion turbine, a small
2 turbine. Maybe you saw it when you drove by. The property
3 that makes up Encina is 95 acres. The lagoon itself, Agua
4 Hedionda Lagoon, is owned by NRG, and that is roughly about
5 300 acres itself.

6 Encina has been and continues to be integral to this
7 part of the region. We have seen it support local reliability
8 for many years and, in particular, responding to the SONGS
9 shut-down and regional blackouts and the county fires that
10 this region has experienced. It is also host for the Carlsbad
11 desal facility, and that is the 50 million gallon per day
12 facility you saw under construction.

13 A little background, as well, of the Carlsbad Energy
14 Center Project and much of what the staff reviewed earlier is:
15 We filed our application in 2007 for a combined cycle
16 configuration. And that project was approved in May of 2012.

17 We are very happy to be here before you today to
18 talk about the amendment, in particular, some of the benefits
19 that several have spoken to today so far.

20 Lower visual profile: The stacks are lower than our
21 licensed project and significantly lower than the 400-foot
22 stack that makes up Encina. Air quality is certainly an
23 improvement over the old generation that we have here; and it
24 is a lower footprint than the licensed project. It reduces
25 water. Of significance, we are not going to use ocean water

1 for cooling purposes, but it is also less water use than our
2 licensed project.

3 And lower profile: We don't have a steam cycle, as
4 well, with this peaking unit; so there is an improved noise
5 profile.

6 And safety, I think it is important to note, a very
7 important part of the original license proceeding was
8 communication and content that the city fire communicated
9 throughout the proceeding. And this amendment worked closely
10 with the alignment and location of the units and the ability
11 to have fire access throughout the plant. And so that is an
12 improved benefit here in noting improved safety.

13 I think, overall, and Commissioner Douglas said it
14 very well, is that the most significant -- one of the most
15 significant parts of this project is that we have a commitment
16 to completely start Encina. And we certainly recognize that
17 was a key wish of the community throughout the prior
18 proceedings.

19 The project will continue to be compatible with the
20 I-5 widening and the City Lift Station Project that will start
21 fairly soon, the Carlsbad Desal Project, which you have seen.
22 And, also, with the removal of the Encina Power Station, it
23 creates an opportunity for redevelopment west, the western
24 portion of the site west of the railroad tracks.

25 The rendering I'm showing here is the licensed

1 project from 2007 featured in the AFC proceedings. What you
2 see is Encina Power Station in the background. And in the
3 foreground, you see the two combined cycle units that we have
4 currently licensed and that went through the May decision, May
5 2012.

6 With the Carlsbad Energy Center Petition to Amend, a
7 significant change, not only the lower profile of the six
8 units, the six stacks you see, we have got pairs, three pairs
9 of the stacks together; but, also, you no longer see the
10 Encina Power Station.

11 So what are the drivers for this petition? We have
12 talked about a few already. The retirement of SONGS in June
13 2013. The Encina Power station is scheduled with an OTC
14 compliance date of December 31, 2017. And as the policy,
15 either retire or modify, with this petition to amend, it is
16 very clear. We are looking to retire and replace it with the
17 new generation.

18 Also, another driver is the PUC has authorized 800
19 megawatts in response to the OTC as well as the loss of SONGS.
20 So, as amended, the Carlsbad Energy Center Project is a
21 fast-start, fast-ramping project. It's really integral to the
22 loss of SONGS by integrating the not only renewables that are
23 coming onto the grid, but also to help make up for the loss of
24 that generation that SONGS provided to this region.

25 The Petition to Remove and the Petition to Amend are

1 two petitions that are being considered. And on April 29 of
2 this year, we filed what is an amendment to the existing
3 license to include three more tanks into the existing plan for
4 demolition. So that would include tanks 1, 2 and 4. The
5 current footprint of the licensed project encompasses tanks 4,
6 5 and 6. So this is in addition.

7 We were asking for, essentially, a separation via
8 the separate removal so we have an opportunity to have those
9 tanks removed as soon as possible through a separate
10 decision-making, the benefit of improving visual, as well as,
11 you know, being very responsive to the requests from the City.
12 And what we find, that this is allowable through California
13 law; and the CEC can process this separately has been our
14 conclusion.

15 The Petition to Amend was filed May 2nd. And, you
16 know, the significant part from a generation perspective is to
17 move from a combined cycle to a peaking unit.

18 We talked a bunch about the incorporation of the
19 demolition of Encina. We did file our Authority to
20 Construct/Permit to Operate with the San Diego APCD. And that
21 was filed in May.

22 We feel through this Petition to Amend that we have
23 demonstrated the necessity of change. And a very significant
24 part of that is the environmental benefits. And also the
25 generation we propose here is aligned with SDG&E's needs.

1 It is hard to see on the overhead there. That is
2 why we provided a number of copies. You can flip it over.
3 You will also see more of a closer view of the tank farm area
4 where the generation would be.

5 And I had a question on my bus tour. They said:
6 Where are they going to be located? And I think this figure
7 helps out. It shows the pairs of units 6 and 7, the pairs 7
8 and 8 are generally located in the footprint of tanks 7 and 6
9 respectively. And then, so units 10 and 11 are in the
10 footprint of tank 4. And many of the ancillary services,
11 water storage, et cetera, are in the footprint of about tank
12 5.

13 So here is the take on what is next. And it kind of
14 will give you an outline of the process as we move forward.
15 So we are, as you see, in this discovery period where we filed
16 a petition. We are getting data requests, and we are
17 responding to them as timely as we can. To this date, over
18 the next couple quarters, the Air District is processing the
19 permit application.

20 We anticipate a preliminary determination and
21 compliance during the third quarter of 2014. Then I am
22 anticipating a Preliminary Staff Assessment as soon as the
23 fourth quarter of this year. And then, a few steps later,
24 with the final determination and compliance and the Final
25 Staff Assessment typically following a workshop that I

1 anticipate the CEC would conduct. If this schedule holds
2 true, then an evidentiary hearing is about the second quarter
3 and a decision in the second and third quarter of 2015.

4 HEARING OFFICER KRAMER: You are speaking about the
5 Petition to Amend?

6 MR. PIANTKA: Correct. Correct. Correct. This is
7 the major petition, the change of the equipment, the Petition
8 to Remove tanks 1, 2 and 4, you know, our proposal would be on
9 a separate path. And I know that is the subject of the
10 Committee to make a decision on that.

11 So that concludes my presentation.

12 HEARING OFFICER KRAMER: Thank you.

13 ASSOCIATE MEMBER McALLISTER: I have got a quick
14 question about that. We kind of have got to ask clarifying
15 questions on the fly and maybe then have the full discussion
16 on that a little bit later.

17 On the PUC approval of up to 800 megawatts, was that
18 specific to this site or was that part of the regional
19 response to SONGS?

20 MR. PIANTKA: What I was denoting, it was part of
21 the regional response to SONGS. Our project was on order of
22 632 megawatts; so I was denoting the region.

23 MR. McALLISTER: And that was any applications in
24 this region would potentially also contribute to satisfy what
25 the PUC essentially needs?

1 MR. PIANTKA: Correct.

2 HEARING OFFICER KRAMER: Next up is Mr. Monasmith
3 with the staff presentation.

4 MR. MONASMITH: Hello. Mike Monasmith, Project
5 Manager with the Siting, Transmission and Environmental
6 Protection Division of the Energy Commission. We are one of
7 several divisions within the Energy Commission. And I was the
8 Project Manager on the original Carlsbad Energy Center Project
9 proceeding.

10 This is an amendment. So there are some
11 differences, but quite a bit of it is alike in terms of the
12 product that staff is ultimately going to put out in terms of
13 our testimony and the process that we will go through in terms
14 of discovery and analysis.

15 The modifications that the Applicant has filed are
16 currently through two separate petitions, but both of those
17 petitions request changes to the originally licensed project
18 that the Commission approved on May 31st, 2012.

19 As you'll see, we are scheduled to come -- this is a
20 relatively -- I don't want to say expedited, but it is a very
21 intense and, for staff, involved process that we are going to
22 be going through here that we started with the filing of these
23 petitions in late April and early May. We have been reviewing
24 the sought modifications. I'm part of a team that is about 30
25 or 35 engineers, scientists, analysts, consultants -- most of

1 them in-house.

2 And we will be looking at how these changes, these
3 sought-after modifications are different from the original
4 project, most of which, many of us were on that original team.
5 So we are very familiar with the changes to the actual
6 electrical generation component, which is going to be between
7 the railroad tracks and I-5. They are going to expand that
8 footprint from 23 to 30 acres by including the demolition of
9 tank 4. And there is a new reclaimed water component
10 certainty on that. It really wasn't there before we analyzed
11 reclaimed water, but that is a new component.

12 We have some questions on the transmission and how
13 that is going to work. But, by and large, we are quite
14 familiar with the components and the questions surrounding the
15 modifications to the electrical generating system.

16 The second part of the petition is what will follow,
17 the approximately 25-month construction period for the CECF
18 once it becomes operational. Then they will decommission the
19 existing Encina Power Station. And that needs to happen
20 before December 31st, 2017, the deadline for the cessation or
21 no longer to use once-through cooling. The State Water Board
22 has given them that deadline. So those are some of the
23 parameters that we are up against.

24 We looked a bit at the demolition of the acreage
25 west of the railroad tracks. When the Presiding Member's

1 Proposed Decision came out in 2010, the Commission felt that
2 it was important that, based on a lot of input from the
3 community, we take a look and try to put some conditions
4 within the permit that would enable the NRG working with the
5 City to ultimately demolish the 12-story EPS enclosure
6 building and the 400-foot exhaust stack, as well as the
7 ancillary buildings that exist on that side of the tracks. It
8 was included in what is called "Land 2" and "Land 3," but it
9 wasn't certain.

10 Now we have a plan that is in place or modifications
11 that are in place for doing so. It is going to take three
12 years. They plan one year of mothballing, removal of toxic
13 materials, the selling of equipment that otherwise could be
14 used elsewhere, and then a two-year period of demolition. And
15 it is really that two-year period of demolition that we
16 currently are investigating and have a number of questions
17 about.

18 We have issued one set of data requests or official
19 questions that we sent to the Applicant; and they have 30 days
20 to respond and through data responses. Those were filed.
21 That initial set was filed on the 16th of July. They are due
22 upcoming here on the 16th of August.

23 They were air quality-based around the demolition of
24 the stack and the 12-story building. How that demolition is
25 going to occur, what the side effects potentially could be of

1 that and other consequences in terms of noise, of dust, of
2 impacts to traffic, all of those, we are concerned about.

3 So we have issued those data requests. Step one
4 also included a number of transmission system engineering
5 questions that the Applicant is in the process of working, as
6 they have to work through CAISO and SDG&E in terms of
7 providing those answers. They are doing that.

8 We are going to, as early as tomorrow, but probably
9 not until early next week, depending upon approval from my
10 boss to the right and our Deputy Director Roger Johnson, who
11 is also here with us today, step two of the data request,
12 which will include cultural resources, water, some more
13 intensive questions on public health related to the demolition
14 of the stack of the 400-foot building.

15 We also have some more specific questions on waste
16 management as they relate not only to tanks that need to be
17 demolished, and irregardless of how the Committee decides they
18 want us procedurally to provide that analysis, either through
19 a separate Petition to Remove, as the Applicant has sought, or
20 to do a combined Petition to Amend, we have pulled that into
21 the Petition to Amend. We will analyze that and make
22 determinations on impacts to the environment, to public
23 safety, and to the system in terms of engineering. And that
24 all needs to occur within a relatively short period of time.

25 So, really, the steps are that there are different

1 phases. There is the initial phase of receiving information
2 and doing an analysis of what information we still need. And
3 that results in these data requests.

4 We, also, after each of the -- pardon me. I didn't
5 want to put my back to you guys. I would have turned around,
6 but I always like to look at the folks I'm talking to. So I'm
7 trying to do this by memory.

8 After each set of data requests, we typically like
9 to have a workshop here in the public. For those of you who
10 were involved with our initial proceeding, we had a number of
11 workshops. We will be having a workshop on the first set of
12 data requests and data responses mid August into late August.
13 We haven't set that date yet. Sometime the week of the 18th I
14 think Chris and I were talking about earlier. But that is
15 dependent upon the Applicant and Intervenor and their ability
16 to participate as well.

17 The workshops are informal. They are not like
18 today's proceeding, which is on the record. We don't have
19 transcripts. They are really an opportunity for staff, the
20 Applicant, intervenors, other agencies that we work with, as
21 well as the public to have an open discussion on some of these
22 questions on the modifications to the original license, to
23 make sure people understand what is being asked for by the
24 Applicant, how we will analyze that, and make sure that all
25 impacts, if they exist, are mitigated and to a level of less

1 than significance. And we'll do that through what we call
2 "Conditions of Certification."

3 And after each of those workshops, we will be
4 reporting to the Committee in an official capacity. We hope
5 to have all of these three sets of data requests with
6 workshops, enabling us to put together a draft or Preliminary
7 Staff Assessment in late fall, early winter.

8 And, after that, we will have PSA workshops here in
9 Carlsbad where people have an opportunity to review that draft
10 report. They come in to ask us questions, to ask technical
11 staff information.

12 And then we will turn around, and based on the
13 public comments, agency input that we receive from our agency
14 partners -- including San Diego Air Pollution Control
15 District; San Diego Regional Water Quality Control Board;
16 obviously, the City of Carlsbad; the Indian-American Heritage
17 Commission; California Department of Fish and Wildlife, who
18 have issues here because of noise impact potentially around
19 the southern part of the inner lagoon -- all of that will be
20 part of how we analyze this project.

21 And it will be inherent to the ultimate, final
22 testimony that we will put out called the "Final Staff
23 Assessment." It is that testimony that will serve as
24 staff's -- essentially, our feelings and our findings and our
25 recommendations to the decision-makers, in this case,

1 Commissioner McAllister and Douglas. We are not
2 decision-makers. We are objective, professional staff, who
3 look at this in a very objective manner; and we work with the
4 public and other agencies to do so. That testimony will then
5 go into hearings.

6 I'm not for sure, Paul, if you want me to talk about
7 the hearing process at all or if you are going to do that. I
8 can quickly.

9 HEARING OFFICER KRAMER: Quickly.

10 MR. MONASMITH: So what they will have is, as
11 earlier mentioned, they will schedule evidentiary hearings
12 here in Carlsbad for a couple of days. We had five days, I
13 believe, of evidentiary hearings for the first project, but I
14 doubt it will be that long.

15 A number of areas that were decided in the initial
16 license will remain. The modifications they have sought are
17 for certain areas. And, like I say, the biggest one really is
18 the demolition and how we demolish and to what degree we might
19 be remediating any acreage that is west of the railroad
20 tracks, which they plan, the City and NRG together, to
21 redevelop.

22 That is something that we want to talk about. There
23 is also components within this settlement agreement that we
24 want to make sure that we have covered. Those evidentiary
25 hearings will occur.

1 After that, the Committee will confer and will issue
2 their Presiding Member's -- the Presiding Member here is
3 Commissioner Douglas -- Presiding Member's proposed decision,
4 which is the recommendation of the Commission, the
5 commissioners and their staff and Chief Hearing Officer
6 Kramer, to the full body, to the full five-member commission.

7 And there will be an open opportunity at that point
8 to make comments as well. After that, they will have a
9 decision. And as the Applicant has indicated, we would like
10 for that to happen within a 12-month process from when they
11 filed those initial petitions, those requests for
12 modifications of the license.

13 So that is the schedule we are on. I'm happy to
14 answer any questions on the process itself. We are very open.
15 The Issues Identification Report I thought was relatively
16 specific in the areas right now where we feel we potentially
17 need more information, where the schedule could be impacted
18 absent timely and accurate information from the Applicant.

19 We are lucky to have the City of Carlsbad
20 collaborating and helping us in this. We have been having
21 meetings between our staff and theirs. It has been extremely
22 helpful. If we can help with that relationship, obviously, it
23 will continue.

24 And give us your phone number if you want. Contacts
25 with any of us from the Commission, we are pretty open. We

1 have a very transparent process, very open process.

2 So is that about it, Paul?

3 HEARING OFFICER KRAMER: Yes, thank you. Mr. Payne.

4 Well, you have your proposed schedule here. We'll leave this
5 on the screen.

6 MR. MONASMITH: Yes. The schedule involves the
7 three sets of data requests. The first one went out on July
8 16th. We hope to issue the second, as I mentioned, either
9 tomorrow or early next week; the third late August, early
10 September.

11 After each of those official sets of questions or
12 data requests, the Applicant has 30 days in which to respond
13 or file their data responses. For each of those sets of data
14 requests, data responses, we'll have a workshop.

15 We hope to take that information based on San Diego
16 Air Pollution Control District, their Preliminary
17 Determination on Compliance, or "PDOC," as they call it. That
18 will come out. You know, based on when that comes out, we
19 will then shadow, depending on where our process is, our PSA.
20 And then we have the Applicant's response. And we'll do our
21 -- the FDOC will come out that will have our Final Staff
22 Assessment date of January 16.

23 And that's about it. And then the rest, the
24 Committee decides. On when the hearings are and the PMPD,
25 that is theirs. We don't determine that. It's an aggressive

1 schedule but one we feel we can meet.

2 HEARING OFFICER KRAMER: Thank you. Mr. Payne, on
3 behalf of our Public Advisor, Alana Mathews.

4 MR. PAYNE: Okay. Once again, being 6'6" has not
5 the best advantages always. I'm Lon Payne. I'm representing
6 the Public Advisor's office today. Alana Mathews, she wasn't
7 able to make it, but I will be trying to get through her
8 presentation with no practice.

9 So let's do it. The first thing, I'm going to try
10 to be brief, because I know we want to try to get to the
11 actual public comment rather than simply describing the
12 process for how to provide public comments. So I will try to
13 get through this pretty quickly.

14 The Public Advisor's office is a governor-appointed
15 attorney, and they do three basic functions. One is helping
16 the public understand the process. We understand this can be
17 a little bit overwhelming. The Public Advisor's office is
18 here to try to simplify that.

19 The other one is recommending the best way to be
20 involved in this process. There are two basic ways, which are
21 informal and formal participation. Informal is public
22 comments. Formal is actually becoming an intervenor to the
23 proceeding.

24 The third thing is that we assist, hopefully -- and
25 feedback is appreciated -- in the successful participation of

1 the public in proceedings. For example, we manage the blue
2 card process for those who like to speak. And if you haven't
3 grabbed yours yet, please do. They are in the back, if you
4 would like to speak during the public comment portion.

5 Another thing we do is provide translation services.
6 We have have got someone, who is not available tonight.
7 Actually, we do have someone who can help. If anyone needs to
8 speak in Spanish, we have got it, somebody who can do that ad
9 hoc. The other thing we do is maintain a public siting guide
10 for the public to use, which is on the CEC's website.

11 So another important thing we handle is outreach.
12 We attempt to make sure, in addition to the formal notices
13 that are given out by staff, that certain folks, who are very
14 instrumental in making this process work, find out that they
15 are happening. So that could include city and county
16 officials, Native American officials and tribal members. We
17 also do some additional advertising of proceedings, putting
18 documents in local libraries, local TV and radio.

19 We also understand, and in this particular
20 situation, there have been some concerns that folks who had
21 been intervenors in the prior proceeding did not receive
22 notice; and that is something that we are trying to work on
23 and to make things go smoothly later. There are some folks
24 here who can speak to that later during the
25 question-and-answer portion. If you have questions, go ahead

1 with that.

2 The next thing -- and, Paul, if at any point you
3 would like to do your web-based. Do you want to try to do
4 that or should we just go through the slides?

5 HEARING OFFICER KRAMER: I was going to demonstrate
6 how the website works, but I will only do that if we have
7 time. I don't want to short the public comments.

8 MR. PAYNE: Sure. So in terms of informal
9 participation, the recommended way to participate in writing
10 is through our e-commenting system. You can see the website
11 here. And instructions for that system are on the table
12 outside. They are the green sheet of paper. Please grab that
13 if you would like to provide written comments as this process
14 goes forward.

15 So to get through the two main types of comments we
16 have got, public comments are the easiest way to get involved.
17 You can give verbal comments at public meetings. Please fill
18 out a blue card. And they look like this. I'm sure you have
19 all seen them. They are in the back.

20 The recommended way to provide written comments is
21 through our e-filing system, as I mentioned. Then written
22 comments can also be submitted to our Dockets Unit. And here
23 is the address for reaching them.

24 And these comments are considered by the Commission
25 as part of the proceeding record but are not considered

1 evidence. So they are not part of this evidentiary part of
2 this.

3 The second level, which is a bit more involved, is
4 to become a party to the proceeding. And that is called
5 "intervening." Anyone may file a petition to intervene, and
6 the petition is considered by the assigned committee, which
7 are the folks you have got here in front of you.

8 If approved, you would become a party to this
9 proceeding. And, at that point, you can present evidence and
10 question the staff and the applicants' witnesses. You do not
11 have to be an attorney to intervene. And the Public Advisors'
12 office is here to help if you would like to file a petition.
13 There is a sign-up sheet.

14 HEARING OFFICER KRAMER: The note at the bottom
15 there is really important. It is better to get -- if you want
16 to be an intervenor, it's better to do it early rather than at
17 the end of the process, because a lot of things have happened.
18 And, for instance, there is a 15-day time limit for people to
19 comment on your petition. So if you wait until the last
20 minute, you won't be admitted for maybe 15 days. And, you
21 know, it just doesn't work very well. So get it in early if
22 you are interested.

23 MR. PAYNE: Thanks so much. And you can sign up on
24 the list-server to receive notices of upcoming events. And
25 there is an address for you. And we can get this presentation

1 up onto the web. So you don't need to be writing them down
2 frantically. You can always get them later or you can always
3 call the Public Advisor's office directly.

4 So you may submit written comments. You can provide
5 oral comments, and you can attend public events. You'll find
6 out the times and information on how to participate in that
7 way.

8 So, to do a quick run-through of the project
9 website, here is just a little run-through on how to get to
10 where project information is. Once you get to the Energy
11 Commission website, you will see the arrow for "Power Plants."
12 You want to get to that section of the website.

13 Then you will look for "Power Plant Cases Under
14 Review." That is the left arrow. That will take you to an
15 alphabetical list -- next slide, please. Thank you so much --
16 where you'll see "Carlsbad Energy Center." And it is an
17 alphabetical list. And once you go to that, you will find all
18 of the important project information.

19 And thanks so much on behalf of the Public Advisor's
20 office. Paul, do you want me to run the next, or were those
21 things that you were going to do, about source of information?
22 They are primarily informational.

23 HEARING OFFICER KRAMER: Let's go ahead.

24 MR. PAYNE: These are a few places that we have
25 placed information on the project record. You can go to

1 Georgina Cole Library in Carlsbad. They are also available in
2 the Energy Commission Library in Sacramento, Cal State Library
3 in Sacramento, and public libraries. These are libraries that
4 handle, basically, all Commission proceedings. They end up in
5 these places.

6 And you, also, most importantly, can find all of the
7 information on the project website. The address is here if
8 you need that. Don't worry about frantically writing it down.
9 We will also make sure you get it. And there is also an
10 address for the Dockets Unit of the Energy Commission.

11 HEARING OFFICER KRAMER: This particular address is
12 on the back page, the top of the back page of the agenda
13 hand-out. And here is just a brief illustration. This is not
14 live. This is the Carlsbad page. And if you see, on the
15 right side, there is a box there with several choices. This
16 is that block, that box blown up. And you see we have links
17 to all the things you are likely to want to do: Submit any
18 comments, look at all the documents in the proceeding, or
19 perform a full text search of all the documents in the
20 proceeding.

21 So that is all available for you mostly because we
22 have adopted our new e-filing system. And I will talk more
23 about that in a minute. It makes all this possible.

24 In the old days, basically, documents had to be
25 manually put up on the website, and people had to decide if

1 this is important enough to put there. Now, everything that
2 is filed goes there automatically. So, on the one hand, you
3 are going to see the important and the unimportant stuff. But
4 the benefit is: You are not going to have somebody else
5 deciding what you get to see. It is all there now. And it
6 goes up there very quickly, as soon as it is approved.

7 Basically, the process is: You, as either an
8 e-commenter or as a party, you upload your document. And
9 then, somebody in our Dockets office has to look it over to
10 make sure that there is not problems with it, technical
11 problems, that is. And once they approve it, then everybody
12 who is on either the proof-of-service list or we have an
13 internal distribution list that we get stuff through or the
14 list-serve that you sign up for by yourself on your own, you
15 get an e-mail telling you the document is there, and you get a
16 link that you can click on to get it.

17 The reason you don't get the document attached to
18 the e-mail is some of them are very big, and a lot of e-mail
19 servers reject big attachments. So we just leave it to you to
20 get to our website. But, hopefully, from the description of
21 the document, you can decide whether or not you even need to
22 click on it.

23 Anything else?

24 MR. PAYNE: No. That's it. Thanks very much for
25 inviting us to your lovely community.

1 HEARING OFFICER KRAMER: There is also a list of
2 contacts. I will leave this up for a little bit. It has got
3 the Committee. But we don't give you phone numbers or e-mail
4 addresses for them, because, like I said earlier, we don't
5 want you to talking to them, except at a public meeting. But
6 here are their names and then my contact information,
7 Mr. Monasmith's, and also the Public Advisor's office. So
8 with that . . .

9 ASSOCIATE MEMBER McALLISTER: I want to just
10 actually sort of re-emphasize this point, the fact that staff
11 is an independent party and plays by the same rules as
12 intervenors and the Applicant and everybody else, and that, at
13 the Commission, we take it really seriously that the record is
14 built for the public and through this and why all these
15 processes are so rigorous and so well-defined. So I just kind
16 of wanted to -- I felt like, you know, we don't turn up in the
17 community as often as all that. So but it is not like there
18 is a whole bunch of discussions going on outside of the public
19 eye on these issues. So I just wanted to kind of highlight
20 that point.

21 HEARING OFFICER KRAMER: Okay. The last point to
22 make after the Public Advisor's presentation is that we are
23 not carrying over intervenors from the past proceeding. So if
24 you were an intervenor and you want to intervene again, you
25 need to file a new petition. Terramar and Power of Vision

1 have already done that, and they were approved to be
2 intervenors again. Rob Simpson has just filed it yesterday;
3 so it hasn't been ruled upon yet. If there is anyone else in
4 that category, you need to file that again. We are not just
5 grandfathering people in from the previous proceeding.

6 So with that, we'll now go to brief comments from
7 the intervenors. We will begin with Ms. Siekmann and followed
8 by Dr. Roe.

9 MS. SIEKMANN: My comments are more in the way of
10 questions. First of all, as this doesn't happen very often,
11 we are not clear on what this amendment means. If this
12 amendment is denied, what will happen to the original project?
13 And another question is: If this amendment is approved for
14 less megawatts, what does that mean? Does that mean that NRG
15 can choose, you know, the original improved plant or choose
16 the amended?

17 So there are many clarifications that it would be
18 wonderful before we start going through the issues that we
19 have with this to understand what we are actually requesting
20 happen.

21 Also, I'm very interested in finding out how there
22 is coastal dependence with this amendment, as there will not
23 be any coastal water used. Also, I have grave concerns about
24 the efficiency, because there are six peakers recommended in
25 one spot. And I really feel there will be a loss of electrons

1 if you are using peakers in this one spot and then you are
2 trying to -- you need more power in like southern San Diego
3 County. Wouldn't it be smarter to have fewer peakers here and
4 then scattered around in the county? Because, nowadays, we
5 are looking for efficiency and that is critical.

6 Also, after going through the site visit today,
7 Mr. McKinsey brought up an issue about cell and microwave
8 agreements; and I was wondering if those agreements could hold
9 up tear-down. So that is an important thing to us as well.

10 I am very glad to see that Encina will -- the
11 removal of Encina is part of this amendment. I was very sad
12 the last time that NRG refused to add that to the PMPD or to
13 the FSA or whatever you want to call it.

14 Also, I was wondering, with an amendment, do we do
15 status reports? Will NRG have to get an NPDES permit, you
16 know, the water permit? Are they even applying for one,
17 because they are going to be using recycled water, and they
18 are going to be using their water from the City of Carlsbad it
19 sounds like.

20 Also, our neighborhood is very concerned about air
21 quality issues and noise issues, as we are the closest
22 neighborhood to the site.

23 So those are the things that I just wanted to bring
24 up from the very beginning. And I really thank you for
25 listening to what we have, what our concerns are.

1 HEARING OFFICER KRAMER: We appreciate that, you
2 bringing them up, because that is one of the purposes of this
3 meeting, is to know what people are concerned about.
4 Basically, what you have done is given staff a bunch of
5 homework.

6 MS. SIEKMANN: Whoo-hoo.

7 HEARING OFFICER KRAMER: And I will take a stab at
8 the first question; and Mr. McKinsey can correct me if I'm
9 wrong. My understanding is that, if the permit is -- if an
10 amendment to the permit is approved, then what they have a
11 permit to build is just the amended project. They don't get
12 to choose the old one and the new one.

13 Now, there are some cases where parts of a project,
14 we might approve alternatives, like say you can get your water
15 from here or there. I think they are asking for that in this
16 case; that they have the choice of reclaimed water, which is
17 their preference. But they want to be able to fall back to
18 desalinated water if it is impossible to get reclaimed water.
19 So, basically, the old project will disappear from the radar
20 if the amendment is approved.

21 Mr. McKinsey, do you agree?

22 MR. MCKINSEY: I would agree if I can turn my
23 microphone on, but I can't. There we go. Yeah. In fact, I
24 think, as stated, our position would be that, legally
25 speaking, when the Committee and then the Commission issues an

1 amendment to a decision, that is now the decision document
2 that the project owner has to comply with. That decision
3 document doesn't give optionality to say you can build A or
4 you can build B. That isn't a choice. You only have a choice
5 to comply with the decision as it now currently exists once
6 approved.

7 HEARING OFFICER KRAMER: And all you are asking for
8 is to build B, if you will.

9 MR. McKINSEY: Correct. All we are asking for is to
10 build what we are calling the "Amended Carlsbad Energy
11 Project," the 632 megawatt peaker project.

12 HEARING OFFICER KRAMER: Okay. Then I think the
13 rest is in the category of homework for staff.

14 HEARING OFFICER KRAMER: Dr. Roe.

15 DR. ROE: The Power of Vision was formed seven years
16 ago because of many citizens' concerns about the quality of
17 life issues that both Commissioner McAllister and the Mayor
18 Pro Tem Dr. Packard referred to earlier this evening.
19 Unfortunately, some of those issues of quality of life are
20 still present in the proposed PTA project.

21 One of the, in my opinion, major changes that were
22 made was that they moved -- they suggested moving the
23 transmission line from the six units from the west side of the
24 project adjacent to the railroad track to the east side of the
25 project. And I would appreciate if Mr. Piantka could put his

1 slide back up on the screen where he showed the plant layout.
2 That would help us all understand what I'm talking about.

3 HEARING OFFICER KRAMER: Is that the one?

4 DR. ROE: It was a lined diagram showing the layout
5 of the plant.

6 MR. PIANTKA: Oh, the one you can't see. It is one
7 of the renderings.

8 DR. ROE: Perhaps Mr. Piantka could clarify, but in
9 trying to look at the scale of that, I see what looks like
10 approximately 14- or 1500 feet of 230 kV transmission line
11 right adjacent to the I-5 freeway.

12 If I look at the visuals of that, they are taken
13 from locations, which, in my opinion, minimize what that
14 transmission line will look like. Those poles are from
15 between 85 and 106 feet high; and they are going to be an
16 eyesore to the 200,000 daily drivers who pass by that section
17 of the freeway. I think we have to address that issue. I
18 don't know whether this is the place or we do that at a future
19 hearing.

20 HEARING OFFICER KRAMER: Well, you have asked the
21 question today, and then staff addresses it in the future.

22 DR. ROE: Yes. The other issue I think facing the
23 Commission this evening is the PTR, the permission to remove
24 an additional tank. And it is quite obvious that the need for
25 removing that tank is associated with the need to put in six

1 units. You know, that being the case, it seems apparent to me
2 that that should be considered when we consider all the other
3 issues.

4 And in particular, in their Petition to Remove, I
5 didn't see the same kind of safeguards and conditions that the
6 Commission imposed for the removal of the other tanks.
7 Geological works, oil experts examining it, removal of
8 contaminated soils, none of those things were mentioned in
9 their Petition to Remove.

10 Now, unless that petition is augmented, then we have
11 no guarantee that the same precautions will be taken. Did you
12 want to comment?

13 HEARING OFFICER KRAMER: Correct me if I'm wrong,
14 Mr. McKinsey, but was it the Applicant's assumption that the
15 existing conditions of approval would apply to those tanks as
16 well?

17 MR. MCKINSEY: Correct. The Petition to Remove
18 seeks to add three tanks, 1, 2 and 4. And one of the points
19 of the petition is that there is all the existing requirements
20 in place for the demolition of those tanks. You don't need to
21 change them at all. It just simply makes three more, because
22 the current project includes the demolition and removal of
23 three tanks already. So this is just adding three others.
24 And our proposal was, and that is what it says, using the
25 exact same conditions that don't require any changes.

1 HEARING OFFICER KRAMER: So, Dr. Roe, if the same
2 conditions are applying to the new tanks, does that alleviate
3 your concerns?

4 DR. ROE: That certainly would go a long way towards
5 it, yes.

6 HEARING OFFICER KRAMER: Okay. Anything else?

7 DR. ROE: No.

8 HEARING OFFICER KRAMER: Thank you. Getting back to
9 my outline, now is the point in time to discuss, and I will
10 try to keep it brief, but we do have to make a decision. So
11 we want to flesh out the issues about whether to process the
12 two amendments together or separately. We already have your
13 written materials. So there is no need to go over that again.

14 But let me go back to you, Dr. Roe and Ms. Siekmann.
15 As just kind of proxies for the community, I'm wondering why
16 you would want to -- it sounds as if you consider the removal
17 of the tanks to be a good thing. And why would you want to
18 postpone the Applicant from getting started on the tank
19 removals?

20 DR. ROE: Well, frankly, I was amazed that NRG even
21 made a request to the Commission for that approval. I always
22 assumed that that was their property and it had nothing to do
23 with the previously approved CECP; that they can go ahead and
24 remove that without your approval.

25 And what disturbed me was the spurious reason they

1 gave for wanting to remove it, saying that they needed it for
2 lay-down areas, when a few days later, they put it in their
3 PTA, which clearly indicated that they needed that space for
4 the tanks. And I was a little bit troubled by what I thought
5 was not straight-shooting.

6 And that's why I thought the honest thing would have
7 been to include that as part of the PTA, because that is where
8 they wanted it to be. Now, I can guess at why they want to
9 have the PTR done before the process of the PTA is complete,
10 because they are probably trying beat some time schedule. But
11 I think the straightforward way to have done it would have
12 been to include it not as PTR but in the PTA and not put in
13 what I call spurious or misleading statements in the PTR.

14 HEARING OFFICER KRAMER: What's more important to
15 you, getting it done quickly or as soon as possible or getting
16 it done, I hate to use the term honestly, but that sounds like
17 what you were saying.

18 DR. ROE: Exactly.

19 HEARING OFFICER KRAMER: Your answer is?

20 DR. ROE: Yes, I agree.

21 HEARING OFFICER KRAMER: Ms. Siekmann, did you have
22 anything to add to that?

23 MS. SIEKMANN: We actually weren't involved in that.

24 HEARING OFFICER KRAMER: And you are correct. Go
25 ahead.

1 DR. ROE: Mr. Kramer, can I elaborate a little bit
2 on the issue of the transmission line. There have been
3 statements made here that the PTA now is visually a better
4 solution than the old power plant, which stuck out quite a
5 bit. And I appreciate that.

6 The new smoke stacks will be 90 feet high, which
7 means they will be 60 feet visible possibly from the freeway,
8 which is the worst place to look at it. But that is not the
9 worst visual -- that is not the worst visual effect.

10 Currently, the worst visual effect will be the
11 transmission line, which will stand up on top of the berm, not
12 down in the -- in the lower region, in the hole. And I should
13 make it a matter of record that we have discussed this with
14 NRG. We have pointed out that, first of all, the Commission
15 has approved, and NRG was quite willing under the old CECP, to
16 build a transmission line adjacent to the railroad on the west
17 side. And there is no reason why it cannot go there.
18 Technically, there is no reason why it can't go there now if
19 it was able to go there before.

20 Furthermore, that transmission line now becomes the
21 dominant visual aspect of the project, not the smoke stacks,
22 which I agree are much better than the old things. We now
23 have a transmission line right smack against the freeway,
24 which cannot be screened by any screening device. And that is
25 going to be an eyesore for our community.

1 HEARING OFFICER KRAMER: Mr. Monasmith, you have
2 written that one down. So staff is going to be looking at
3 that.

4 Mr. McKinsey, did your folks want to comment on
5 those?

6 MR. MCKINSEY: I would like to respond a little bit
7 on the topic of the PTR. I do think that our written briefs
8 and comments I think substantiate our position. But I just
9 want to make very clear a couple of things.

10 One, there certainly is not any intent to dissemble
11 or be dishonest about the component. Frankly, the desire was
12 to get in the Petition to Remove. It was an entirely separate
13 effort to add a lay-down area.

14 And the position we took regarding the three tanks
15 is consistent for all three of them, which is they all
16 increase the lay-down area available for the existing project,
17 which goes a little bit to what Ms. Siekmann had asked. You
18 know, if this project -- if this change is not approved in the
19 PTA, we still have the original project that still exists, and
20 we do still want to add those other three tanks and their
21 demolition to that project. We are adding it to Carlsbad
22 Energy Center regardless of whether or not the PTA is
23 approved. And that is why it is a separate request that we
24 would want approved.

25 And it also goes to the timing component, because we

1 do want to start removing those takes. We made that
2 commitment to the City as a community benefit, because the
3 sooner they are removed, the better.

4 Now, there is certainly a -- and this is always the
5 case when anybody starts any project. You can start removal
6 and perhaps complete the removal but never build the project.
7 That is still a net benefit for the City, that the tanks are
8 removed from the site.

9 And so there is really not a loss in this scenario.
10 It is a net benefit all around. There is still the fact that
11 it has to comply environmentally. And that is Mr. Roe's other
12 comment about the PTR. But, again, the Energy Commission
13 decision as it exists now requires filings before they allow
14 any activity to occur that satisfies themselves that the
15 activities on the site will meet any of the environmental
16 constraints and requirements. And that has provided for three
17 tanks already, and there is really no difference. It just
18 adds three more.

19 HEARING OFFICER KRAMER: Now, can you say a few
20 words about why these areas weren't identified as lay-down
21 areas in the original proceeding?

22 MR. MCKINSEY: Yes. Actually, part of the
23 component, and it is kind of a challenge with all of these
24 projects, these re-powering projects, is that you learn more
25 and more as you go that you just can't have enough lay-down.

1 And this area was actually -- was the subject of
2 another -- if you remember when we started this proceeding,
3 the original plan was to do the tanks as a separate procedure
4 from the Energy Commission procedure through the City. And so
5 we were going to permit that process through the City. When
6 it became apparent -- actually, and even at the request of the
7 City, they said: No. This is part of your project. We want
8 it to be in the Energy Commission Project.

9 And so we amended the Energy Commission Project
10 proceeding to include, but we only included specific tanks,
11 because there was ambiguity, among other things, over the
12 desalination project and where exactly it might end up being
13 located. And so we -- and we didn't include tank 4 at the
14 time, because we didn't think we would need that as lay-down.

15 The reality, especially after NRG completed the
16 construction in El Segundo of the new units there, is you just
17 can't have enough lay-down, especially lay-down in the area.
18 And you can see that as you were on the tour today, that just
19 about every inch of every area is being used by Poseidon on
20 their project. They have had to reach to find any square foot
21 of space they could.

22 And so it is another one of those things that meets
23 the requirements of a Petition to Amend; that it is a changed
24 circumstance for something you didn't know then that you wish
25 you knew now -- just a slight little parody off of Bob

1 Seger.

2 HEARING OFFICER KRAMER: Okay. A question for
3 Mr. Vivas and staff. Your concerns about splitting this into
4 two, two tracks, basically, are they legal in nature or are
5 they more practical; you know, the resource limits for staff,
6 you know, it takes more time. And, also, you spoke of
7 confusion and uncertainty in your filing. So I wonder if you
8 could elaborate on that concept a little bit.

9 MR. McKINSEY: While they are doing that, I wanted
10 to add one thing I forgot to say. Another fact that I had
11 indicated was that, when we filed the original project, Encina
12 Power Station was still a dual fuel project. There was an old
13 requirement that was around that required that it maintain
14 technically the ability to switch to oil in the event of a gas
15 shortage. That was eliminated federally and state. So the
16 project ceased to become a dual fuel facility.

17 Tank 4 was still required to be remaining in place
18 seven years ago when we started this project because of that.
19 So we couldn't include tank 4, but we can now, because it's no
20 longer a dual fuel facility; and the tanks are now empty and
21 can be removed completely, including tank 4.

22 MR. VIVAS: Thank you. The staff's position is
23 mostly practical, but there is a legal sense. And let's begin
24 with: Where does the project end and where does the project
25 begin? What is the project description?

1 As we see it today, the project description is
2 vague. And, at this point, it is still confusing,
3 particularly to the public. It is our position that, if we
4 want to encourage public participation and increase public
5 participation and make it easier to understand for the public,
6 we should have these -- we should have these combined as to
7 one, one proceeding, and let the public and let everybody
8 basically go as to one schedule.

9 Otherwise, we are going to have a -- we have a
10 potential here to have parallel proceedings that are going on
11 and causing -- I believe, in fact, from what I just heard,
12 adding to the questions that I think the intervenors raised
13 right now. What are the different components and how are they
14 going to interact and how are we, the Energy Commission, going
15 to handle them?

16 My sense right now is that, from an analysis
17 perspective, the staff is faced with two different proposals
18 that each of which has its own unique analytical challenges.
19 And it would be more efficient for the Energy Commission staff
20 to be able to analyze both of them as one, because when we are
21 looking at environmental consequences, the environmental
22 consequences don't respect the law. The environmental
23 consequences are outside of whatever the law provides.

24 So what we would like to do is take a look at the
25 entirety of the project so that the entirety of the

1 environmental consequences as required by CEQA, the entirety
2 of the process will be more easily understood and more easily
3 analyzed and permitted in a way that makes sense for Carlsbad,
4 for the City of Carlsbad, and makes sense for the State of
5 California.

6 HEARING OFFICER KRAMER: Thank you. I have another
7 question for the Applicant/Petitioner. How many months sooner
8 do you think you would get a decision about the tank farm
9 removal if it were separate as opposed to being combined with
10 the other amendment; and what's the significance of that to
11 you?

12 MR. MCKINSEY: The Petition to Remove, because it
13 doesn't require changing any conditions of certification and
14 because it doesn't really change the scope of evaluation, can
15 be treated much more simply in terms of the analysis process
16 by the staff, which facilitates their recommendation more
17 easily and then the Committee's consideration for how to
18 handle it. In other words, it is much closer to being a minor
19 amendment, to start with. And as opposed to the Petition to
20 Amend, which clearly is a major amendment, it is more
21 exhaustive.

22 So the difference in there, I mean, we have already
23 lost some of that. It took us longer to prepare the Petition
24 to Remove than we wanted. Now we're in August. But we still
25 think, we outlined this in our issues, in our scheduled

1 comments particularly this week, that the Petition to Remove
2 could be approved as quick as the staff is able to issue its
3 analysis on it. And then the Committee can move fairly
4 quickly as well, because it's not an exhaustive analysis.

5 So that allows the decommissioning. The processes
6 for the removal of the existing tanks under the existing
7 license can then fold into the removal of those tanks while
8 the proceeding is still moving forward for the Petition to
9 Amend or drawing to a close, which means that, when the
10 Petition to Amend is approved or denied, we'd be in a position
11 to that much more quickly move forward with the construction
12 of the new project if it's approved.

13 HEARING OFFICER KRAMER: Staff would be facing, when
14 they are analyzing the Petition to Remove separately, they
15 know that this other proposal is on the horizon. How would
16 they have to, in your view, deal with that or not deal with
17 that in their analysis?

18 MR. MCKINSEY: In the analysis of the Petition to
19 Remove, it stands alone as a separate project, because it's
20 made necessary for the existing approved facility and a new
21 one. So they can complete their analysis on that by their
22 understanding that it is only expanding in the direct impacts
23 the scope of the existing project; that it is adding those
24 three tanks, their removal, and that is it.

25 And similar to the way we presented it in your

1 cumulative impacts analysis, the much more subjective
2 component, you consider anything else that is out there, other
3 projects and other things. So within the cumulative analysis
4 component of even this Petition to Remove, you have to say:
5 What else is out there? The Poseidon desalinization, this
6 potential Petition to Amend.

7 But when you actually look at the Petition to Amend,
8 it is actually a reduction in impacts almost across the board.
9 It be would be a smart decision. Mr. Roe I know would
10 disagree at this point on whether it is a reduction of visual,
11 but that is our position.

12 So it is pretty easy for the staff to look at it
13 from a cumulative analysis perspective the PTA when they are
14 doing a PTR. Once they -- and then the PTR would be promptly
15 handled. It would be approved or rejected. Actually, if it
16 is rejected, at that point, the PTA couldn't go forward
17 because the PTA is depending on components. So if the PTR was
18 rejected, it would really force us to have to do something
19 different with the PTA proceeding.

20 If it is approved, the staff doesn't have to deal
21 with it anymore. And they have this other proposed change,
22 which they can now analyze with an understanding of what the
23 baseline is. And that is how we presented it in the PTA, as
24 well; that the PTA has to make a presumption that the PTR has
25 been approved.

1 MR. VIVAS: Mr. Kramer.

2 HEARING OFFICER KRAMER: Go ahead.

3 MR. VIVAS: While it seems that removing two or
4 removing four or removing three or removing six wouldn't make
5 any difference, one of the problems that staff has had even
6 now is taking into account that the increase in traffic, the
7 increase in activities, the increase in uncertainty at this
8 point, we still don't know what is underneath those tanks. We
9 still don't know. We don't know what level of remediation is
10 going to be necessary, because we don't -- there are a number
11 of questions that have been asked. And we have yet to finish
12 acquiring the data that we need from the Applicant.

13 I think that we are at a level right now where,
14 while it has a certain -- the ring of that, of that argument,
15 you know, we were already going to remove three, and we
16 already have conditions for those, that rings as making some
17 sense.

18 But what it doesn't, where it breaks down is when
19 you stop and think about what it is that actually is involved
20 in removing them. The activities that are involved, the
21 day-to-day activities increase. For instance: How many more
22 trucks are going to be involved? How much dust is that going
23 to create? At what point and at what level is that going to
24 affect the community?

25 If you are going to -- if you are going to knock

1 down -- let's say, for purposes of illustration, if you are
2 going to knock down one house or if you are going to knock
3 down two houses, what happens when you find out that the house
4 next door that you are going to knock down actually has
5 different stuff underneath it or is made of materials that we
6 don't know about?

7 For instance, right now, we don't know what the
8 stack is made of. There are issues concerning -- there are
9 issues concerning just overall the materials involved and
10 things of that sort. So we are kind of in a position right
11 now where, I'm kind of trying to respond to you and trying to
12 respond to the Committee with one hand behind my back, because
13 I don't know and staff doesn't know or doesn't have enough
14 information at this point. Perhaps down the road, we might,
15 but certainly not now.

16 MS. SIEKMANN: Mr. Kramer.

17 ASSOCIATE MEMBER McALLISTER: Are you saying that --
18 clearly, you are saying that this is a deeper analysis than
19 may be on its face. And are you sort of making the argument
20 that it would require different kinds of or development of new
21 certification conditions or new conditions or compliance
22 conditions or something like that or are you basically just
23 saying you don't know how difficult this project is getting
24 considered on its own?

25 MR. VIVAS: I'm going to allow Mr. Monasmith to

1 respond.

2 MR. MONASMITH: Commissioner, I think that tank 4,
3 5, 6 and 7, the east tank farm, that is where the new power
4 plant is going to reside. Certainly, the petitions that
5 applied to 5, 6 and 7 could easily apply to 4. An industrial
6 level of remediation, we have a good idea based on the Phase I
7 and II environmental study assessments of what is there. We
8 don't know what is underneath, but we have conditions that
9 would address that.

10 One and two are a bit different in that they are
11 older tanks. They are on the west side of the tracks of where
12 redevelopment potentially, according to the recent amendment
13 of the General Plan for Carlsbad, could include on the west
14 side up to 580 hotel rooms. We don't know what ultimately is
15 going to occur on the west side.

16 So we obviously would be looking at that maybe at a
17 deeper type of analysis than we would for four. So while we
18 can do that to make it expedient, it just -- you know, again,
19 it creates complications. And for us, it would have been
20 better to combine them.

21 PRESIDING MEMBER DOUGLAS: I'm still struggling with
22 the question of what complications this creates, because
23 regardless whether this amendment is combined or handled
24 separately, you are going to analyze the same issues at the
25 same level of detail; isn't that correct?

1 MR. MONASMITH: Yes. We would bring the same level
2 of details to both. It is just they would be on separate
3 tracks, separate documents. They are all under the same
4 docket number. So we felt that, just to have them combined
5 for purposes of an internal review, given this relatively
6 aggressive schedule that we seek to meet, it would just -- it
7 is the same staff looking at it. It would just be a different
8 project manager providing a staff assessment versus a PSA and
9 an FSA.

10 PRESIDING MEMBER DOUGLAS: This sounds to me
11 fundamentally -- and if I'm mishearing, please fill me in.
12 But it really sounds to me like a staffing and workload and
13 organizational issue more than anything else, because I
14 fundamentally don't see any difference between what would be
15 analyzed. Is that correct?

16 MR. MONASMITH: Yes. That is correct. We would not
17 bring a different type of analysis to the PTR versus the PTA.
18 I would not think so, anyway. I am not responsible for the
19 PTR currently. That is a compliance project manager.

20 But, again, it would be nice to have it under one
21 separate -- or one combined proceeding, we felt.

22 HEARING OFFICER KRAMER: We are about to close out
23 this question. So one final comment.

24 DR. ROE: I think Mr. McKinsey provided us with a
25 precedent for resolving this issue when he pointed out that,

1 in the original hearings, when NRG tried to have the issue of
2 the tank removal treated separately, that permission was not
3 granted; and NRG was made to include the tank removal in their
4 regular proceedings.

5 HEARING OFFICER KRAMER: I think he said that the
6 City did not want to approve it for them. So it wasn't a
7 Commission decision.

8 Okay. Thank you all for your comments. We will
9 take all this under submission and issue a decision on this
10 point probably by the end of the month. But the main point we
11 want to make is full speed ahead on discovery. Let's not be
12 waiting for this to be resolved to figure out what your
13 questions are, and get them on paper to the other side so they
14 can start to answer them.

15 MR. VIVAS: May I make comment, please.

16 PRESIDING MEMBER DOUGLAS: Briefly, please.

17 MR. VIVAS: Very briefly. I think the point,
18 though, that Dr. Roe made has to do more with --

19 Well, my sense is that it had more to do with the
20 fact that the City felt that way, made that determination, is
21 an implied finding on their part or their position that they
22 took, that this was one project and it should be treated as
23 one project. I think there is something that is to be said
24 for that part of it or that implied -- I don't know if the
25 word is "endorsement." But that is the position the City took

1 at that point.

2 PRESIDING MEMBER DOUGLAS: The City is here. So we
3 don't need to hear from you what the City might or might not
4 have meant.

5 MR. VIVAS: Thank you.

6 PRESIDING MEMBER DOUGLAS: Mr. Therkelsen, would you
7 like to speak?

8 MR. THERKELSEN: Good evening, Commissioners. My
9 name is Bob Therkelsen. I'm an advisor to the City of
10 Carlsbad. In reality, the City did not see this as one
11 project. The City has seen this as two separate projects.
12 The City in their discussions with NRG and SDG&E has
13 always emphasized the desire to eliminate the infrastructure
14 of the Encina Power Station. And to get rid of these tanks
15 early was something that the City was very interested in for
16 community benefits, as well as it was able to facilitate the
17 construction of the CECF. And, clearly, that would facilitate
18 the elimination of the Encina Power Station.

19 So the City is very interested in seeing the tank
20 removal occur and occur as quickly as possible and felt that
21 there were two separate activities involved there. That is
22 why the City submitted a filing to you indicating kind of a
23 hybrid, where discovery would be combined for both activities.

24 We understand the logistics issues that staff has
25 talked about but feel that the Petition to Remove can be dealt

1 with quickly. It was already discussed during the original
2 proceeding. Conditions were established. The analysis was
3 done. The same level of analysis can be done on this case.
4 Then the Petition to Amend can occur at its own pace with its
5 own more challenging issues.

6 So that's why the City made its recommendation to
7 basically combine for discovery, but separate for the analysis
8 and for the decision-making, to be able to show the citizens
9 progress is happening, things are occurring that will allow
10 the coastline to return to what it should be, the uses on the
11 project site to be used for some future benefit to the
12 community.

13 PRESIDING MEMBER DOUGLAS: Thank you.

14 HEARING OFFICER KRAMER: Okay. We are going to move
15 into the public comment portion. Was there anybody who, now
16 that time has passed, has a time constraint? Raise your hand.

17 Okay. We will go in order or what I'm told is the
18 order here: Michael Bart followed by Carmen Rene. And we
19 would like you to make your comments in three minutes, please.
20 We even have a timer.

21 Go ahead. You are going to be on the honor system
22 until we get that taken care of.

23 MR. BART: My name is Michael Bart, B-a-r-t. My
24 wife and I live just a couple blocks from here, real near,
25 real close to the coast. One of our priorities is we care

1 about the environment. We care about the coastline. But, you
2 know, sometimes in life, you have to listen to both sides of
3 every issue.

4 In my perfect world, I would love to get rid of that
5 power plant. I would hope maybe a few more people would
6 consider using solar and maybe people would be a little bit
7 more energy conscious, you know, just careful about how they
8 are using their electrical energy.

9 My biggest issue with the Carlsbad Power Plant is
10 the visual blight. I swear, every time I drive down the coast
11 and I go by, my blood pressure goes up, because I see that big
12 stack. My priority is to really protect the coastline.

13 As I see the facts of what we are dealing with right
14 now, obviously, NRG owns the property. The current plant
15 needs to be changed out with a new type where it is not going
16 to be taking seawater. So there is going to be changes.

17 In May of 2012, the Energy Commission approved a new
18 power plant in Carlsbad without anything forcing them to get
19 rid of the old plant. That, to me, is a tragedy, because now,
20 number one, we are taking something that isn't perfect to
21 begin with it and we are adding onto it without removing
22 anything.

23 Well, in 2013, we lost San Onofre. That has put a
24 strain on power in our area. Now, in December 2013 when NRG
25 and SDG&E and the City of Carlsbad came up with kind of a

1 compromise, when I first, you know, read about it casually, it
2 seemed fair on the outset; but in my perfect world, we
3 wouldn't have a plant there at all.

4 Well, interestingly, last Thursday, and I live just
5 a few blocks from the hotel, on our street and in our general
6 area, we had blackouts twice in one day. I don't know if it
7 was rolling blackouts, if there was some issue. My feeling is
8 this hotel was affected as well.

9 That evening, I decided to read all this information
10 about this compromise and this proposal and just kind of just
11 read the facts. What I came up with is, number one, you'll
12 get a much smaller stack if you go with this compromise.
13 Number two, you will have the peaker technology, which is
14 interesting, because it won't always be going. Number three,
15 you will have cleaner air; and you will have more land opened
16 up for a better use.

17 And I have 19 seconds. So I'm going to wrap up. Is
18 this a perfect scenario? No. But is it fair? In my opinion,
19 it is. I think it's fair and reasonable. So my feeling is,
20 I'm not going to fight fair with the option of going for
21 perfect. So I'm not a professional speaker. But thank you.

22 HEARING OFFICER KRAMER: Thank you. Ms. Rene
23 followed by Pete Hasapopoulos.

24 MS. RENE: Good evening. Thank you so much for the
25 opportunity to speak to you this evening. I'm both a resident

1 and an employee of the City of Carlsbad. And I'm here tonight
2 to speak to you on behalf of the Carlsbad Chamber of Commerce.
3 I have a letter I'm going to read. I think it will be less
4 than two minutes and fifty seconds.

5 On behalf of the Carlsbad Chamber of Commerce, I
6 would like to express our strong support for the revised
7 Carlsbad Energy Center Project. For close to 90 years, the
8 Carlsbad Chamber of Commerce has worked to promote a favorable
9 business climate for the 1600 businesses and more than 75,000
10 employees in and around the City of Carlsbad.

11 This is why we pay very close attention to issues in
12 Carlsbad that could impact not only the ability of local
13 businesses to thrive, but also matters that could impact the
14 quality of life in our community. A reliable supply of power
15 is a basic requirement for nearly every industry. Local
16 businesses were reminded of this dependency during the
17 blackout of September of 2011.

18 We are concerned about the reliability of our power
19 supply, given the closure of the San Onofre Nuclear Generating
20 Station, the looming closure of the Encina Generation Station,
21 and the vulnerability of our transmission system to wild
22 fires, like the one we experienced in San Diego in May.

23 The Chamber has followed closely the discussions in
24 the community about the revised Carlsbad Energy Center. We
25 applaud the City of Carlsbad for reaching an agreement with

1 NRG and SDG&E that will result in a more environmentally
2 friendly development -- environmentally friendly project.

3 Excuse me.

4 The agreement will also facilitate the demolition
5 and redevelopment of the Encina site and adjacent service
6 center for nonindustrial purposes. It is our firm belief that
7 this revised project will provide Carlsbad and the region with
8 the most logical and reliable solution for our power needs.

9 In addition to the cleaner energy being produced in
10 our community, the Carlsbad Energy Center would provide
11 millions of dollars in local tax revenue annually and generate
12 hundreds of jobs during construction.

13 The Carlsbad Energy Center is a project that makes
14 sense for our local economy. The Carlsbad Chamber of Commerce
15 has been supportive of the Carlsbad Energy Center for many
16 years. With all the benefits offered by the revised design,
17 our support has only been strengthened.

18 And that is signed by Ted Owen, President and CEO.

19 HEARING OFFICER KRAMER: Thank you. I can take a
20 copy and get it scanned and put it in the Docket if you would
21 like.

22 MS. RENE: Thank you.

23 HEARING OFFICER KRAMER: Mr. Hasapopoulos followed
24 by Cathy Fredinburg.

25 MR. HASAPOPOULOS: Good afternoon. My name is Pete

1 Hasapopoulos. I'm with the Sierra Club, 12,000 members here
2 in the San Diego area. Something that has been allowed to be
3 perpetuated, including in NRG's PowerPoint presentation, is
4 that the closure of SONGS is a foundational argument for
5 another gas plant, which is simply not the case.

6 The replacement power as determined by the utilities
7 commission and others for San Onofre, we don't even need to
8 replace all of that power, because there has been such a
9 flattening out of demand, energy efficiency. So we are not
10 even seeking to replace all that power.

11 Secondly, what a lot of folks don't know is the
12 utilities commission has yet to make a decision about this
13 proposed gas plant. It is not solely the Energy Commission
14 here that will make a decision.

15 When the utilities commission did make a decision
16 about replacement power for San Onofre, it clearly determined
17 and stated the need in SDG&E's territory for 2022. Their
18 determination was based on the need forecast for 2022 and then
19 ultimately authorized SDG&E to procure resources by 2021, not
20 before.

21 Approval of a 2017 start date for Carlsbad Energy
22 Center would mean the rate-payers would begin paying for 600
23 megawatts of capacity four years prior to the Commission's
24 determination of when it would be needed.

25 Also, the need for the Carlsbad Energy Center should

1 be re-evaluated in light of major new transmission projects
2 that the State's grid operator recently approved. Over the
3 next several years, upward of one billion will be spent
4 building and upgrading transmission lines to increase the flow
5 of power to the San Diego region.

6 These grid investments significantly reduce the need
7 for new generation. So electricity customers should not be
8 wasting a billion dollars double-paying for transmission
9 improvements and a redundant \$2.6 billion gas project in
10 Carlsbad that will be covered by electricity customers.

11 Last year, in UCLA, Commissioner McAllister and
12 representatives from the utilities commission and others
13 looked at this question of San Onofre. And I do recall
14 Commissioner McAllister correctly inquiring about how does
15 SDG&E think about doing preferred resources, the loading
16 order, because as we see all the time, they don't present
17 that. It is just straight to a gas plant, straight to a gas
18 plant.

19 And we would ask the Commission to reject this
20 application and also press NRG and SDG&E to explain why
21 preferred resources, clean energy are unable to fill this
22 need. Thank you.

23 HEARING OFFICER KRAMER: Thank you. Kathy
24 Fredinburg followed by Jay Klopfunstein.

25 MS. FREDINBURG: Hello. My name is Cathy

1 Fredinburg, F-r-e-d-i-n-b-u-r-g. I am a resident of the Capri
2 Tract, which is on the hill east of the lagoon. And every day
3 when I work on my laptop at my kitchen table, I look straight
4 out at the plant. So I'm very aware of everything you are
5 doing 24/7.

6 That said, I am opposed to the amendment. I'm
7 opposed to any new pollution-producing plant on the site. I
8 agree with the last speaker. But is it factually necessary?
9 I think there has been a rush to judgement to cram this down
10 the citizens of Carlsbad. In this case, I don't even believe
11 that our City Council actually speaks for the majority of
12 citizens, who really don't want a plant at all, who don't want
13 the transmission lines, and who certainly don't want the
14 pollution in such a lovely clean oceanfront area.

15 And, by the way, thank you both. Please continue to
16 do everything you are doing for us, because I believe you are
17 the only ones actually looking out for health and safety.

18 I do appreciate that this latest agreement will get
19 rid of the old power plant. That is certainly necessary. But
20 from my vantage point, which in your exhibits, you have one
21 rendering of what the new plant will look like from what they
22 call Prepark or Sunset Park, which is that hilltop park above
23 the lagoon over there. That is the same view that I see.
24 That is actually the most predominant view, in my opinion,
25 because we are elevated to see what is going on with the new

1 power plant.

2 My primary concern, again, is we are having now six
3 smoke stacks instead of two. I think that it's going to
4 devalue the area when we see six smoke stacks running instead
5 of one or two. When we see the pollution going up in the
6 area, I think that is going to have a severe psychological
7 impact on the citizens of Carlsbad, who perhaps hadn't paid
8 attention up until now, that suddenly the plant is running
9 more. Suddenly, they are seeing the air pollution. Suddenly,
10 they are aware that this is not this clean, wonderful area I
11 wanted to live.

12 I'm actually thinking of moving before your plant
13 comes on line for those reasons. I moved here for clean air.
14 And the current power plant, the old power plant, I understand
15 it is down to 10 percent or less usage. I rarely see it run.

16 And so, when you compare that we are going to have
17 cleaner air, that is really a spin. That is not the truth.
18 And you know it's not and please don't say that. We are not
19 going to have cleaner air, because we are going to have a
20 plant that is running more than 10 percent of the time. Now
21 we are going to have six stacks. So I would appreciate it if
22 this could be approached with some clarity and honesty.

23 To move along, I'm very concerned about the
24 transmission lines as well. I feel like that is the other
25 predominant visual impact here. I don't think enough has been

1 done to mitigate the impact of the transmission lines. They
2 are suddenly extending on a much wider footprint. They are
3 extending much further to the north end of the site, which
4 means all the homes in Carlsbad that are to the east, the
5 hills, they sit in our view corridor now. And I don't feel
6 that enough has been done in the design to address this view
7 impact, major view impact.

8 I would also like to see a rendering without the
9 vegetation hiding what the plant will look like, because we
10 don't know if you can save the trees. We don't know that they
11 won't die from stress. I don't know that there is a
12 requirement to replace those old, tall eucalyptus trees
13 either. And so I would like to see what the plant will
14 actually look like, not hidden by the plants in your drawing.

15 I also want to make sure that, if this does go
16 forward, there is a 24-hour live contact on site, because
17 previously, they had some accidental strobe lights going on,
18 on the energy site. I tried to call people at night. I tried
19 to call City Council. Of course, you can't reach anyone until
20 the next day. So accidents happen. Let's make sure we have
21 got 24/7 live contact here so we can address those.

22 But I think my main thing is the increased pollution
23 and the transmission lines. So thank you.

24 HEARING OFFICER KRAMER: Thank you. Jay
25 Klopfunstein. And our final card is from Sandy Roberson.

1 MR. KLOPFUNSTEIN: I'm Jay Klopfunstein. I'm a
2 Carlsbad resident and a Sierra Club member. Over the past few
3 years in California, homeowners, businessmen, private
4 enterprises have installed enough solar energy to replace five
5 nuclear power plants.

6 When the California Public Utilities Commission
7 authorized SDG&E to buy replacement power for San Onofre, it
8 required SDG&E to hold an all-source request for offers,
9 allowing all energy sources to bid for all or part of the
10 energy for the needs of San Onofre left behind.

11 In the decision, the CPUC made clear that SDG&E
12 could replace the entirety of the lost power with clean
13 energy, but at a minimum would have to run a competitive
14 bidding to ensure that many companies, from solar energy and
15 energy storage providers and power plant developers, would go
16 toe to toe and drive a low-cost outcome;

17 Furthermore, that SDG&E would have to demonstrate
18 that it has exhausted all cost effective clean energy
19 resources before turning to a new fossil fuel plant. Instead,
20 SDG&E immediately put forth the Carlsbad Energy Center. The
21 California Energy Commission should ask SDG&E to prove that
22 clean energy alternatives are not possible. Thank you.

23 HEARING OFFICER KRAMER: Thank you. Sandy Roberson.
24 Is there anyone else in the room who wants to make a public
25 comment, a show of hands? Is Sandy here?

1 Okay. We have two unidentified callers on the
2 telephone. Does anyone on the telephone wish to make a
3 comment to the Committee at this point? Please speak up if
4 you do.

5 Okay. That exhausts our supply of public comments.
6 Again, we are going to have a committee conference on August
7 25th in Sacramento. The main purpose of that is for the
8 Committee to deliberate on the questions that you have heard
9 us discuss today in closed session.

10 There will be a public comment portion on the
11 agenda, but that is a requirement of the law. And you are, of
12 course, welcome to make more public comments. But, certainly,
13 don't come up to Sacramento just to watch us say hi and then
14 go back to the back room and come back out and say bye any
15 you'll get an order in the mail. Unless you have got family
16 up there or some other reason, air fare is just not that cheap
17 these days.

18 And then, let's see. We are obviously not going to
19 have a closed session today because of time constraints. Some
20 of us have to fly back to Sacramento.

21 So the next step will be issuance of orders on the
22 schedule and the question of how to process the two petitions.

23 Commissioner Douglas?

24 PRESIDING MEMBER DOUGLAS: Well, I just wanted to
25 thank everyone for being here, thank the parties and the

1 intervenors.

2 Oh, do you have a comment? Come forward.

3 MR. MACEDO: My name is Val Macedo. I'm the
4 Business Manager of the Laborers International Union locally
5 down here in San Diego and also a member of the Southern
6 California District Council that represents over 22,000
7 members.

8 Currently, some of my members, our members -- they
9 are not mine -- are working on the project now, the desal.
10 I'm also a five-generation family member of the City of
11 Carlsbad. I grew up on Chestnut Street in Carlsbad. I know
12 what the stack looks like. I understand both sides.

13 But I do want to say that all the jobs that have
14 been created just recently on this project go a long ways.
15 And, hopefully, we can continue to do this in a safe manner
16 and create more jobs for the economy. And I want to thank
17 everybody for their diligence in doing the right thing and
18 putting people back to work. Thank you. Everything is being
19 done in safe manner, and I'm very pleased with the
20 professionals. Thank you.

21 MS. SIEKMANN: I just wanted to say that Dr. Moore
22 from APCD is here. So just acknowledging that he's in the
23 audience. He wasn't here earlier.

24 PRESIDING MEMBER DOUGLAS: Thank you. Is there
25 anyone else here who would like to make a public comment at

1 this time? If not, I will pick up where I left off.

2 I think I was thanking the parties, thanking the
3 intervenors. And I see some familiar faces from the last time
4 of the Energy Commission and from the last time I was here in
5 Carlsbad on some of the hearings. I appreciate everyone's
6 participation and will look forward to continuing with this
7 process.

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1 Commissioner McAllister, do you have any closing
2 remarks?

3 ASSOCIATE MEMBER McALLISTER: I just wanted to
4 thank -- I was not on the original committee. I know that
5 Commissioner Douglas led that aptly. And, in fact, I think I
6 was appointed right around the time you came on the Commission
7 the first time around. And I think we are feeling like we
8 have a good process laid out. I want to thank Paul for sort
9 of being rigorous in approaching it and keeping everybody on
10 task. And we'll certainly expect that going forward.

11 And please, again, just finally, feel free,
12 absolutely, to contact the Public Advisor if there are any
13 issues on your access or, you know, WebEx participation. If
14 there are technical glitches, or whatever it is, that is what
15 they are there for, to try to solve those problems. In fact,
16 Alana is back in Sacramento today trying to solve an access
17 problem that came up there. So we do work really hard on the
18 process. So just thanks again. I'm looking forward to
19 working with you all on this.

20 PRESIDING MEMBER DOUGLAS: So we are adjourned.
21 Thank you.

22 (Proceedings adjourned at 7:00 p.m.)

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1 I, Bonnie G. Breen, CSR No. 5582, a Certified
2 Shorthand Reporter for the State of California, do hereby
3 certify:

4 That the foregoing transcript of proceedings was
5 taken before me on August 7, 2014, at the time and place
6 herein set forth, was taken down by me in shorthand, and
7 thereafter transcribed into typewriting under my direction and
8 supervision.

9 I hereby certify that the foregoing transcript of
10 proceedings is a full, true, and correct transcript of my
11 shorthand notes so taken.

12 I further certify that I am neither counsel for nor
13 related to any party to said action, nor in anywise interested
14 in the outcome thereof. In witness thereof, I have here unto
15 subscribed my name this 26th day of August, 2014.

16

17

18

19

20 _____
21 Bonnie G. Breen, CSR No. 5582
22 Certified Shorthand Reporter
23 For the State of California
24
25