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ENERGY RESOURCES CONSERVATION AND DEVELOPMENT

COMMISSION OF THE STATE OF CALIFORNIA

ALAMITOS ENERGY CENTER COMMITTEE STATUS CONFERENCE

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of,)
) Docket No. 13-AFC-01
Alamitos Energy Center)
Project)

CALIFORNIA ENERGY COMMISSION

1516 9TH STREET

ART ROSENFELD HEARING ROOM

SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 17, 2015

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APPEARANCES

COMMISSIONERS (AND THEIR ADVISORS) PRESENT:

Karen Douglas, Presiding Member

Jennifer Nelson, Advisor

Le-Quyen Nguyen, Advisor

Janea Scott, Associate Member

Rhetta de Mesa, Advisor

Courtney Smith, Advisor

Kristy Chew, Commissioners' Technical Advisor for Energy Facility Siting

HEARING OFFICER:

Kenneth Celli, California Energy Commission

CEC STAFF PRESENT:

Jared Babula, Staff Counsel

Christopher Meyer, Project Manager

APPLICANT:

Stephen O'Kane, AES Southland Development, LLC

Jerry Salamy, Applicant Consultant

Jeff Harris, Ellison, Schneider and Harris, LLP

Samantha Pottenger, Ellison, Schneider and Harris, LLP

ALSO PRESENT VIA WEB-EX

Elizabeth Lambe, Intervenor, Los Cerritos Wetlands Land Trust

Karl Rodenbaugh, PlaceWorks, Inc.

John Yee, South Coast Air Quality Management District

Elyse Engel, CH2M Hill

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1 P R O C E E D I N G S

2 COMMISSIONER DOUGLAS: We're on the record regarding the
3 Alamitos Energy Center. The Energy Commission Chair has assigned a
4 committee of two Commissioners to conduct these proceedings. And
5 before we begin, we'll introduce the Committee to you.

6 My name is Karen Douglas. I'm the Presiding Member of the
7 Committee. And Commissioner Janea Scott, who's to the left of the
8 Hearing Advisor, is the Associate Member.

9 To my left is Ken Celli, he's our Hearing Officer. To my
10 right is my advisor, Jennifer Nelson. And to Commissioner Scott's
11 left are her advisors, Rhetta deMesa and Courtney Smith.

12 So with that, I'll start by asking the parties to introduce
13 themselves, beginning with the Applicant.

14 MR. O'KANE: Good afternoon. I'm Stephen O'Kane with AES,
15 Alamitos Energy.

16 MR. HARRIS: Good afternoon. I'm Jeff Harris, with
17 Ellison, Schneider and Harris, on behalf of the Applicant. And with
18 us, as well, is Samantha Pottenger, my colleague, and Jerry Salamy
19 from CH2M Hill.

20 COMMISSIONER DOUGLAS: All right, thank you very much.
21 Staff?

22 MR. MEYER: Good afternoon. Christopher Meyer, I'm the
23 Project Manager for staff. And on this side is Jared Babula, Staff
24 Counsel.

25 COMMISSIONER DOUGLAS: Thank you. And Intervenor, Los

1 Cerritos Wetlands Land Trust?

2 MS. LAMBE: Hi, this is Elizabeth Lambe, with the Los
3 Cerritos Wetlands Land Trust.

4 COMMISSIONER DOUGLAS: Thank you very much.

5 I understand South Coast Air Quality Management District is
6 here. Could you identify yourself for the record?

7 MR. YEE: Yes, John Yee, South Coast Air Quality Management
8 District.

9 COMMISSIONER DOUGLAS: Excellent. Thank you very much.

10 Are there any other representatives from state, federal or
11 local government agencies or Native American tribes? If so, please
12 speak up.

13 All right, at this time I'll hand over the conduct of this
14 hearing to the Hearing Advisor, Ken Celli.

15 HEARING OFFICER CELLI: Thank you, Commissioner Douglas and
16 good afternoon, everybody.

17 This status conference was scheduled in a notice dated
18 November 5th, 2015. This is the first status conference on the
19 Alamitos Energy Center Project since the Applicant filed its
20 supplemental AFC in October.

21 The purpose of today's conference is to inform the
22 Committee about the changes made to the Alamitos Energy Center's AFC.
23 And we use a lot of acronyms and abbreviations, and AFC is an
24 Application for Certification for the Alamitos Energy Center.

25 And so today, we're here to inform the Committee on the

1 progress the parties are making on the project and the application.
2 Today, we will help to resolve any procedural issues that may exist,
3 as well as to assess the scheduling of future events in this
4 proceeding.

5 In particular, the Committee notes that the Applicant's
6 proposed schedule for discovery -- or calls for discovery and on
7 February 1st, 2016, and staff's proposed schedule calls for discovery
8 to end on April 20th, 2016.

9 We're going to ask the parties, in a little while, about
10 that. We'd like to understand how the parties arrived at these dates
11 and what factors should be considered in creating a discovery cutoff
12 date in the scheduling order, as well as other dates within the
13 scheduling order.

14 As for procedure today, we're first going to hear from the
15 Applicant, who will provide an overview of the supplemental AFC.
16 After that, we will hear from staff. Mostly, we'll be talking with
17 them, then, I think about scheduling. And then, staff will be
18 followed by Intervenor, Los Cerritos Wetlands Land Trust, regarding
19 their view of the current status of the case and proposed scheduling.

20 After that, we will then provide an opportunity for the
21 general public to comment.

22 After that, the Committee may or may not go into closed
23 session, depending on the needs of the Committee.

24 And after the closed session, the Committee would come back
25 and adjourn or report out, if needed. So, we would take public

1 comment before going into closed session.

2 I understand, isn't it true, Mr. Meyers, that we're going
3 to have a -- there's a staff workshop immediately following; is that
4 correct?

5 MR. MEYER: Yes, staff will hold their data response issues
6 resolution workshop. We'll probably take just a 15-minute break
7 after this and then jump right into that.

8 HEARING OFFICER CELLI: Okay. I just want to say that if
9 we go into closed session, then you probably, if it's okay with all
10 of the parties, could start your workshop and then know that at some
11 point we're going to interrupt, come back and come back on the record
12 to close up the status conference. Is that a problem for anybody?

13 MR. MEYER: No, that sounds good.

14 HEARING OFFICER CELLI: Okay. And Applicant's shaking
15 their head no.

16 So with that, then let's hear from the Applicant with
17 regard to the update on the supplemental AFC.

18 MR. HARRIS: Thank you, we're very happy to be here this
19 morning. Thank you for your time.

20 I'm going to let Stephen O'Kane go through a presentation.
21 We understood the Committee wanted a brief kind of update on where
22 things are. We've got a couple visuals in there. We very much
23 reduced our previous slide presentation and, in the interest of time,
24 I'll go ahead and turn it over to Stephen and be prepared to answer
25 any questions you might have along the way.

1 HEARING OFFICER CELLI: Thank you, sir.

2 MR. O'KANE: All right, thank you. If you don't mind, I'll
3 stand. I've got the remote here for this. I'll be brief, as quick
4 as possible here. We can go over what led us to this point here,
5 some of the major changes that we've proposed, and then I'll briefly
6 touch on some of the schedule drivers.

7 So, back in December 2013 is when we started this process
8 with the original filing of the Application for Certification, for
9 the modernization of the Alamitos -- AES Alamitos Generating Station,
10 in Long Beach, California. We submitted an application for 1,936
11 megawatts of combined-cycle generation.

12 We began that process and then, in a parallel track, we
13 negotiated a Power Purchase Agreement under the long-term procurement
14 planning -- the procurement authority that was issued to Southern
15 California Edison, and we were consequently awarded a Power Purchase
16 Agreement in October of 2014.

17 That Power Purchase Agreement was for combined-cycle
18 technologies, similar in name to what we have already proposed in our
19 application for certification, but of different technology type and
20 size. It also included a separate PPA for battery energy storage at
21 the Alamitos Station.

22 So, that significant revisions to the original plan forced
23 us to ask for a suspension of the proceedings as we went back and
24 reengineered the site to meet the needs of the region, the utility,
25 and it's now come back and proposed to permit and construct 640

1 megawatts of combined-cycle, gas turbine generation, plus an
2 additional 400 megawatts of advanced technology gas turbines.

3 A separate, 300-megawatt battery energy storage project has
4 already been proposed and seeking approval through a conditional use
5 permit with the City of Long Beach.

6 In all and all, the AFC, the supplemental AFC that's been
7 filed still meets the main objectives and will satisfy local area
8 requirements for reliability and meet those original project
9 objectives.

10 Can you advance the slide? There we go. So, those
11 objectives really -- the two primary objectives are maintaining local
12 area reliability. The Alamitos Generating Station is critically
13 located. The aging infrastructure at the existing site is necessary
14 to maintain grid reliability. The generation is where the demand is.
15 These coastal locations are four times more effective than inland
16 facilities to meet the same demand. That means for every megawatt
17 you have at a coastal location, like Alamitos, you'd need four
18 megawatts to meet that same demand if it was in the eastern part of
19 the Los Angeles reliability area.

20 There's also been significant loss of generation in
21 southwestern Los Angeles reliability area with the loss of San Onofre
22 Nuclear Generating Station, which just increased the demand and,
23 really, the need for replacement generation.

24 The other objective was to meet the system needs that
25 California has in improving the electrical system efficiency, as well

1 as the flexible operating characteristics. And those are all still
2 consistent with the Supplemental AFC ruling.

3 Advance the slide, please. So, we have advanced gas
4 turbine technology. We're be replacing old, steam generators to
5 provide higher efficiency, maximum operating flexibility. The
6 combined-cycle units that are proposed are some of the highest
7 possible thermal generation that can be employed. The advanced
8 technology will be fast start, fast ramp, very flexible to meet the
9 ever changing needs of our electrical system now that we have a much
10 greater issue meeting -- matching load and demand as we use a lot
11 more intermittent renewables, as well as use our electricity a lot
12 differently.

13 It's still air cooled. We will eliminate the use of ocean
14 water at the site. We will reduce the use of fresh water at that
15 site by over 60 percent. And by the end of the development process
16 we will eliminate discharge to the San Gabriel River.

17 The Alamitos Energy Center Project site is a separate
18 parcel within our existing land and in our existing fence line.
19 We're not encroaching onto any new land. It's a significantly lower
20 profile than the existing units.

21 And once the new center is complete, the separate battery
22 energy storage project is complete and we seek approval from the Cal
23 ISO, and the Public Utilities Commission to permanently retire our
24 existing units, we have entered into a Memorandum of Understanding
25 with the City of Long Beach to ensure that those old units really

1 come down and really change the skyline of Long Beach.

2 Can you advance forward, please? So, quickly, this is the
3 site today. It's the largest power plant in Southern California at
4 just over 2,000 megawatts of peak production. Six units there.

5 If you advance one more, this is a picture of the completed
6 new construction. We have new, combined-cycle air-cooled unit in the
7 center of the frame. It's a little bit difficult to see, but four
8 LMS 100, 400 megawatts of simple cycle parallel the river, right up
9 against the river. And then, if you look to the north of our site
10 there are three buildings there. Those depict those battery storage
11 that we are seeking a permit, a conditional use permit from the City
12 of Long Beach to build those buildings.

13 Can you advance one more? At the end of the project, after
14 we've completed and finished our obligations with the City of Long
15 Beach, the site would look like this.

16 One thing to note would be, if you look directly across the
17 river there's another power plant, that's the City of Los Angeles
18 Department of Water and Power Haynes Steam Generating Plant. And
19 what exists there today actually is almost a mirror image of what we
20 propose to build, with a couple of exceptions.

21 They have a two-on-one combined-cycle, GE 7FA unit there,
22 similar to what we're building. However, theirs is ocean cooled,
23 ours is air cooled. And they have six LMS 100s lined up against the
24 river, simple cycle, advanced technology turbines. We'll have four.
25 So, it's very similar to what already exists on the other side of the

1 river from us.

2 Go forward, please. This depicts the project as was
3 originally filed in December of 2013. This was 1,936 megawatts of
4 combined-cycle, four separate units of three-on-one. The need for
5 the utility, their need and how they intend to operate the units is
6 what drives the change in technology.

7 Really, when you look at it, it's not a matter of capacity
8 factor, but how many hours per start of turbine do they expect for
9 different units. And so, that's what really changes -- pushes your
10 change to the larger two-on-one units, with the higher efficiency
11 units, and then supplemented with four peakers.

12 I don't know if you wanted to go back and forth for the
13 Committee to quickly -- if you go back, if you just hit the down
14 arrow, actually. There you go. And then forward again, you can see
15 that fade, you can see the differences.

16 Okay, let's move on. I've got a couple of views of
17 existing and future. If we advance, if you could just begin to
18 advance these and I can talk through them.

19 There's where the new construction would look like, with
20 the existing still standing. Keep advancing. And then the old units
21 would be demolished and removed. That's the view from the bike path,
22 looking southward across the river.

23 Keep advancing, please. This is a view from our closest
24 neighbors, in University Park Estates, which today are basically set
25 underneath our units one and two.

1 If you advance forward you can just barely see, to the
2 right of the frame, of the peak of the homes, two small stacks peek
3 up. Advance again, significant and dramatic improvement to that
4 neighborhood.

5 Keep going. I think this is my final view, just to show
6 the dramatic changes that you'll see. So, if you advance forward,
7 from this view you actually can't see any part of the new facilities
8 because they're not even tall enough to stick up above the existing
9 trees that are there. This is a shot from across the Los Cerritos
10 Channel, looking southeast towards our facility.

11 Go forward. The last view, this is my view every day, as I
12 commute to work. I'm just five minutes away. It's nice to actually
13 be a developer, who's developing a project in his own community.

14 The view today, the existing facility is very prominent
15 from a view from Loins (phonetic). And behind, in the background, is
16 actually the DWP units, not ours.

17 Keep going. Here's the new construction, the AEC project.
18 And then advance one more, a really dramatic change to the skyline of
19 Long Beach.

20 Okay, I think that's the end of my pictures. Go one more.
21 We've talked a little bit about some of the schedule drivers. So, we
22 have submitted some detailed revisions in our project descriptions.
23 All the drawings, specifications, all the engineering details and the
24 accompanying environmental analysis, provided the analysis with all
25 those changes. And have subsequently received data requests from the

1 staff, which we've also responded to.

2 When we start to talk about schedule and some of the
3 schedule drivers, there's a lot of moving pieces that come together
4 as our systems are changing and we're trying to meet the goals of the
5 State, from a Water Board perspective on once-through cooling
6 policies, from the needs for new generation, the procurement process
7 at the CPUC, and our own commercial obligations.

8 The new CCGT block, the first phase of this Alamos Energy
9 Center, has a commercial online date and energy delivery date of the
10 second quarter of 2020, the spring of 2020, to be ready for the
11 summer peak season of 2020.

12 We should certainly start with that and work backward
13 because it really lays out some of the important drivers. To get to
14 that date we've got -- there's an important milestone that happens
15 before that. When we get to the commissioning of the new combined-
16 cycle unit, well, we actually have to disconnect some of the existing
17 units from the switch yard, the electric grid. There's a capacity
18 limitation on the switch yard.

19 And so, the system is going to be without about 830
20 megawatts of generation from that site, that would normally be there
21 to serve resource adequacy requirements for the local reliability
22 area. That is a gap. No matter which way we slice this, it will be
23 the time when we're commissioning, testing, first-firing the new
24 units. They're not ready to be dispatched and released to the
25 utilities and the Cal ISO. Yet, we have to take the existing units

1 offline because the interconnection capacity is not there in the
2 switch yard.

3 So this, we need to plan very carefully for, and plan it
4 for the off-peak months of the year. And this would occur in the
5 fourth quarter of 2019.

6 I really want to mention this and make sure we think about
7 this because if we think about slipping schedules by a month or two,
8 there's a real possibility that we may have to slip the schedule by
9 an entire year because we won't be able to do that, be without those
10 megawatts during the peak needs.

11 Because not only while this is going on, there's another
12 project a little bit south of there, the Huntington Beach Energy
13 Project, which will also have to go through a similar commissioning
14 and loss of generation. Then there's also normal, regular winter
15 outages that occur across the State, which has to be managed.

16 So, this will become a very critical time, that winter of
17 1920 [sic], and meeting those dates.

18 So, if we back up from there, then it's the physical
19 erection and construction of that first block, the combined-cycle
20 unit. And in order to meet that, we've got to back up to June 2017,
21 at which point we can give notice to proceed, to our contractors, to
22 actually start erecting the new construction.

23 However, before we can do that, we have to back up a little
24 bit farther and the area, the site that the new units will sit on has
25 to be prepared. There are utilities, retention basins, old

1 containment burns that all have to be -- a peaker building, some
2 maintenance shops that have to be demolished, removed, cleared so we
3 can actually have a free space to build this.

4 Along with that, a lot of the conditions that we would
5 normally expect on a new construction site, health risk assessments,
6 soil testing, geo-technical testing, all that has to be completed as
7 well.

8 So, the latest we could really, possibly start that would
9 be January 2017. So, we've backed all the way up to January 2017.
10 So, that would seek to -- we would be seeking Commission approval,
11 final Commission approval at a Business Meeting in October 2016 to
12 allow time for judicial appeal periods to expire, and the other post-
13 licensing, permitting, and activities that must occur before any site
14 activities can be conducted.

15 So, that really lays out some of the real needs for the
16 project and the tight timelines that we'd be fitting post-January
17 2017.

18 We can take on that risk. We've done that type of
19 construction before. We actually have exactly the same unit under
20 construction, in Indiana, at the moment. It's getting to the October
21 2016 date, which I don't believe is a significant issue for the
22 Commission because we are talking about a time line that would fit
23 within the statutory schedule for a normal AFC in the first place.

24 So, those are some of the key dates, some of the key
25 differences in the projects and the supplement, and I'd be happy to

1 answer any questions.

2 HEARING OFFICER CELLI: Thank you, Mr. O'Kane.

3 What we'd like to do, now, is turn to staff and hear any
4 comments with regard to Mr. O'Kane's comments, or scheduling in
5 general from staff.

6 MR. MEYER: Christopher Meyer, Project Manager for staff.
7 This is the first time I've seen some of these back -- or heard the
8 backup on these dates. So, I'll have to think about that a little
9 bit.

10 But, you know, the staff's position is we don't want to
11 give the Committee unrealistic schedules. Sort of in the art of
12 managing expectations, we don't want to give you an ideal schedule
13 that doesn't take into account other staff workloads or information
14 needs we need, you know, from other agencies that we're waiting for.

15 So, ideally, you know, if we get information from the South
16 Coast, you know, earlier than normal, than we'd normally expect, then
17 we can look at a more aggressive schedule.

18 But the schedule that staff proposed is more typical of the
19 progress we're seeing on projects and what is, you know, reasonable.
20 But these dates that we've put out are what we know we can do. And
21 we'll sort of make any attempts to accelerate that schedule. This is
22 not, you know, put a schedule out there and drag our feet to meet it.
23 This is a what we know we can do and we'll find any ways within that
24 schedule to save time. Because, we do understand the necessity of
25 giving the Applicant enough time to deal with any delays during

1 construction so they can get the power online.

2 The only other thing I'd have to say is with the current
3 status from the South Coast, I noted the Applicant has on the 11th, I
4 believe, provided a response to the letter they got from the Air
5 Board, saying that they did not have a complete application, yet.
6 So, once we have an idea from the Air Board when they'll consider the
7 application complete, then we can sort of get an idea of what time
8 frame the Air District thinks that they're going to need to get the
9 PDFC out for staff to review and, you know, work on the air quality
10 section.

11 So, I mean, that's something, as you know, would normally
12 be part of the data adequacy process and we build our schedule off of
13 that. Both that and sort of your Cal ISO letter, or your study, or
14 normally things we'd have in the data adequacy.

15 But in this supplemental, the changes requiring this sort
16 of to happen during the discovery phase. So, those are really the
17 two things, you know, the information from the ISO, which I believe
18 the Applicant was going to put an application in for the Cal ISO in
19 January, and they're looking at like a 90-day period before they get
20 the information back from Cal ISO. And that will be for just sort of
21 letting them -- I think they're looking for an exemption letter from
22 Cal ISO from that, you know, just saying that they can operate this
23 project.

24 But those are normally things we would have in the data
25 adequacy phase, so that we would have them right up front, but this

1 is a little different.

2 HEARING OFFICER CELLI: Thank you, Mr. Meyers.

3 And before the Committee has some questions for all of you,
4 but what I'd like to do is get through all of the parties. And then,
5 we'll ask Mr. Yee to speak.

6 But before then, I'd like to hear from Elizabeth Lambe, if
7 you wouldn't mind unmuting your phone. And the question from you is
8 anything you'd like to bring up at this time for the Committee,
9 especially regarding the schedule, Ms. Lambe?

10 MS. LAMBE: No, I don't have anything to bring up at this
11 time.

12 HEARING OFFICER CELLI: Did you have a chance to look at
13 the comparison of the two schedules that the Applicant put together?

14 MS. LAMBE: I'm not sure. You know, but I'm fairly sure
15 someone within my little committee has been looking at that.

16 HEARING OFFICER CELLI: Okay, I think they did a good job
17 of presenting Applicant's proposed schedule alongside staff's
18 proposed schedule. And so there are -- there are certain deviations
19 starting about -- mostly having to do with discovery closing and the
20 PDOC.

21 So, thank you, Ms. Lambe. I'm going to ask Mr. Yee, if you
22 would mind -- we need to unmute Mr. Yee. Can you hear us okay?

23 MR. YEE: Yes, I can.

24 HEARING OFFICER CELLI: Okay. So, Mr. Yee, I just want to
25 check in with you to see what the status of the PDOC is?

1 MR. YEE: Well, the status is similarly to what was talked
2 about. We did receive, on December 11th, a comprehensive reply to
3 our questions that we had. And our staff is currently reviewing that
4 to determine completeness.

5 But our staff has revealed, though, the information that
6 was presented to us does give us the ability to move forward in our
7 modeling review at this point in time. We anticipate providing or
8 working with the Applicant in providing additional questions, we'll
9 have clarification, which will probably occur within the balance of
10 this week.

11 Unfortunately, we do have staff that is schedule to be off
12 from the end of this week until the new year. So, but following the
13 return of staff, we do proposed or we should be able to make a
14 determination on a completeness shortly thereafter.

15 HEARING OFFICER CELLI: So, any chance you can give me a
16 little more window on what shortly thereafter looks like, Mr. Yee?

17 MR. YEE: I think it really depends on how much information
18 that we receive in the meantime. We are working to identify any
19 additional or any information that may be required for us to complete
20 our review to determine completeness between now and Friday. And
21 there are, I believe, a few issues, but most of them are clarifying
22 at this point in time.

23 It's just a matter of -- and when I say shortly, the
24 engineer probably will spend about a week, I imagine, looking at any
25 additional data that we receive during that period and then make a

1 determination.

2 HEARING OFFICER CELLI: The reason I'm asking is because we
3 have a -- the schedule, I don't know, did you get a copy or a chance
4 to see the schedule as proposed by the two parties, Mr. Yee?

5 MR. YEE: I have not reviewed it, no.

6 HEARING OFFICER CELLI: Okay. Just so you know, the
7 staff's publication of the preliminary staff assessment, which is an
8 important triggering event in our process, as well as the end of
9 discovery are both tied into the publication of the PDOC.

10 The Applicant's proposed schedule had anticipated a
11 February 1st date. Staff is looking at April 20th. And my question
12 to you is what is the likelihood that we can get a PDOC off before
13 April 20th?

14 MR. YEE: I think there's a -- I know, from my management's
15 perspective, there's a good likelihood that we are going to do
16 everything in our power to meet that date and deadline.

17 HEARING OFFICER CELLI: Which deadline, which date?

18 MR. YEE: The April, the one that you described.

19 HEARING OFFICER CELLI: The April 20th.

20 MR. YEE: Right. And then, if we can conclude our
21 evaluation sooner, we will most definitely strive to achieve that.

22 HEARING OFFICER CELLI: That would be great.

23 Just a question to staff, is there any way, and to
24 Mr. Yee -- stay on the phone with us here because we want to keep
25 this conversation going. Is there any possibility that staff and

1 South Coast could work closely enough, because I know that the air
2 quality section is largely the -- informed by the PDOC and makes up
3 the majority of the conditions. And so, I'm wondering whether there
4 is any chance that staff, working with South Coast, could actually
5 put out air quality sort of running simultaneously with the PCOC?

6 MR. MEYER: I'll have to speak with staff offline on that,
7 just to find out, and also just to sort of figuring out a way of
8 working with the agencies and getting that information into the
9 record.

10 So, if you'd give me just a moment, I will talk with staff
11 and I will give you an answer on that.

12 HEARING OFFICER CELLI: Sure, go ahead.

13 (Pause while Mr. Meyers confers with staff)

14 MR. MEYER: Thank you. Basically, just confirmed with
15 staff that the reason you get the PDOC plus 30 is they're not sort of
16 starting from scratch at that point. They have been working with the
17 District on, you know, where the District's going, where things are
18 looking like during the process. It's just usually they don't get
19 the final language until the very end and then they incorporate that.
20 But they're not starting from scratch, they have had a lot of
21 workings back and forth. And they try to do as many things in
22 parallel as possible. But to this point, it's not normal for staff
23 to get a final enough version of the PCOC to really, you know, craft
24 and incorporate those until fairly far in the process.

25 So, that would be a question for South Coast, how complete

1 they can get the information or is it sort of from their end
2 everything's sort of coming together at the very end?

3 HEARING OFFICER CELLI: Mr. Yee, did you hear that?

4 MR. YEE: I did. And what you're suggesting is that rather
5 than us sending a final version when we're done, to perhaps give you
6 pieces of it during the process so that you can also work in
7 parallel?

8 HEARING OFFICER CELLI: That would be ideal, just working
9 directly with the Air Quality staff on that.

10 MR. YEE: Okay. Traditionally, we haven't done that, but I
11 can inquire with our management to see if that's something that
12 they're willing to try at this point.

13 MR. MEYER: Yeah, and we're looking at just like draft
14 conditions.

15 MR. YEE: Right, right.

16 MR. MEYER: But yeah, that would be very helpful if you can
17 get an answer on that.

18 HEARING OFFICER CELLI: That would be great, Mr. Yee.

19 I just want to turn to the Applicant for a second, because
20 we're trying to account for the February 1st date versus the April
21 20th date, and could you tell us how you arrived at that, and how
22 realistic that was?

23 MR. HARRIS: Yes, I'd be glad to. I had a clarifying
24 question I'll ask in a minute here. Well, let me ask it now. Did
25 you guys say PDOC plus 30, or PDOC plus 45 days?

1 MR. MEYER: We're talking about the PDOC plus 30 for
2 getting the air quality section of the PSA finished. And it's
3 also -- it gives us a chance to look at any conditions in air quality
4 that might affect biology, or any of the other sections, to make sure
5 that there's a consistency between them. So, even when air quality's
6 done, you know, there is a little bit of time from a management
7 portion to make sure that there's internal consistency in the PSA.

8 MR. HARRIS: I appreciate the clarification. I had your
9 schedule showing PDOC plus 45. So, it's two weeks and at this week
10 two weeks isn't going to matter. So, we can focus on that later.

11 So, to answer your question, Hearing Officer, where do we
12 get our date? It's derived from somebody with a lot of wisdom and
13 insight into how this process works. We used the Hearing Officer's
14 model schedule that you sent to all the parties last December.

15 So, that is an 11-month schedule. Our proposed schedule
16 exactly tracks that 11-month schedule. That is very close to the
17 model schedule that's on your website for an AFC, a 12-month AFC.
18 So, we think these dates are pretty realistic in that respect.

19 We're dealing with a site that's inside the existing
20 industrial facility, even though there is a supplemental AFC here,
21 within the boundaries of the facility, it's still pretty much the
22 same facility. So, the changes don't affect all of the disciplines.

23 But at the end of the day, we need the Committee to
24 consider the flexibility to proceed apace, if they can, and not let
25 the lagging item drive the entire schedule. Because every case I've

1 ever worked on has a lagging item, it's just the way it is. It's
2 usually biology for the big cases, air quality for anything in
3 Southern California.

4 So, I won't use the word "bifurcation", because I'm not
5 talking about bifurcation, but what I am talking about is the
6 possibility that there are two subjects that are affected by the Air
7 District's schedule, and those are air quality and public health.

8 So, I think keeping the majority of the subjects together
9 is preferably, by any stretch. I also think that if you set a
10 schedule to -- that schedule will be met, basically. The work will
11 expand to fill the available time.

12 So, we're not asking you to separate those issues today,
13 it's way premature and we're encouraged by what we hear about the
14 staff working with the Air District. But we want to again put in
15 your mind the possibility of moving forward and eliminating the
16 issues we can pretty quickly, because there's a whole lot of
17 disciplines here, on this existing industrial site, that probably can
18 be put to bed quickly.

19 Air quality and public health are not on that list of
20 quickly dealt with, but the rest of them can be.

21 So, a long answer but, again, we took your schedule and we
22 lined up the dates. We think, the application was filed on October
23 26th, taking it out to February is how many, four months, five
24 months. It's a protected discovery period, especially for a project
25 that had a nearly complete PSA. Not on this project, but on this

1 site, some time ago.

2 HEARING OFFICER CELLI: So, right now, the schedule calls
3 for status reports on the 15th of each month, which I think we will
4 keep going with. The only thing I don't have in here is status
5 conferences, any opinion about that?

6 And also, I just want to say, Ms. Lambe, on the phone, you
7 don't have to wait for me to call on you. You're welcome to chime in
8 any time you have something to say. But we know you're out there and
9 feel free to speak up, if you have anything.

10 MS. LAMBE: I don't. Perhaps in the future, though.

11 HEARING OFFICER CELLI: Okay, thank you.

12 MR. HARRIS: The question's on the status conferences?

13 HEARING OFFICER CELLI: Status conferences.

14 MR. HARRIS: Yeah, we would like to see those monthly. We
15 think they can be fairly straight forward. They could be done
16 telephonically and be very efficient. But, you know, just putting my
17 cards on the table, you have a very, very strict ex parte, as you
18 should, rule and this is our opportunity to communicate with you all
19 in a public forum. And if those communications can be brief, we will
20 keep them as brief as possible. But we want to definitely keep you
21 informed of what we're doing. And we're working well with staff.

22 And I should stop, now, and thank the staff for putting on
23 the data request workshop this afternoon. They responded very
24 quickly to that idea and published the notice almost immediately.

25 And so, I think things are going well, but I'd like to be

1 able to talk to you guys on a pretty regular basis, so monthly is
2 what we'd be seeking.

3 HEARING OFFICER CELLI: Any thoughts on that from staff?

4 MR. MEYER: It basically just depends on the time required
5 for that. Bimonthly, from the staff's stand point, would be adequate
6 and then everything else can be addressed in the status reports.
7 But, you know, staff doesn't have any objection to monthly.

8 HEARING OFFICER CELLI: You know, as a practical matter,
9 let me just say that it's not always easy for me to get dates where I
10 can have two Commissioners in the same place, at the same time. And
11 so, it might just sort of work out, even if I went for month, to be
12 something like every six weeks or something like that. We'll see
13 what I can put together.

14 But I see that there is a necessity to sort of keep them as
15 involved as possible, so we hear that.

16 One second.

17 (Pause)

18 HEARING OFFICER CELLI: So, basically, what will happen is
19 we will publish a scheduling order, a new scheduling order for the
20 Alamitos Energy Center within the next, say, 15, 20 days or so. And
21 we have Christmas, and New Year's, and all of that. So, we'll put
22 one out. I will do my best to get, you know, a reasonable and
23 regular status conference built into the schedule.

24 We're encouraged and the Committee -- did you want to
25 speak?

1 COMMISSIONER DOUGLAS: You know, I'll just jump in really
2 quickly and encourage staff to have the conversation with the Air
3 District about creative ways to enable the staff product, the PSA and
4 the air quality section to go forward on a faster time line.

5 You know, I think that we all see that meeting an 11- or
6 12-month old schedule -- a 12-month schedule can be challenging and
7 there are some very key dates that are really essential if it's going
8 to be feasible in any way, and this is one of them.

9 But searching, looking for creative solutions, as well as,
10 you know, of course, if it is possible for the South Coast staff to
11 put out the PDOC before April 20th, that will help, too.

12 But, certainly, if you can look at creative solutions to
13 work closely with the staff and be able to complete the air quality
14 section prior to 30 days after, that would be a good thing.

15 You might also, and it may be a bit early to talk about
16 this, but you might also think about how that section is framed if
17 you are writing based on more preliminary, or more draft material
18 that, in some instances, may change. Maybe you can take certain
19 things to a higher level in the PSA and go to a higher level of
20 detail moving from PSA to FSA.

21 So, these are some ideas. But we'll really leave it to you
22 to explore options there.

23 MR. BABULA: Another possible option, this is Jared Babula,
24 this -- because of the timing, we anticipate that this staff
25 assessment will be under the new regulations and it does have this

1 dynamic of the -- it calls out a 30-day comment period on the
2 preliminary staff assessment. Which, in our response to comments,
3 can update and incorporate any updates that we receive from the Air
4 District.

5 So, potentially, if we have a basic outline of the air
6 quality requirements that the Air District has provided us, that
7 might be in some sort of draft, and as they finalize we might be able
8 to use the response to comments as a vehicle to say, okay, here are
9 some updates, and then incorporate the final language into the final
10 staff assessment. So, that could potentially be a vehicle to get
11 that all processed and in a transparent manner. So, something to
12 just consider.

13 COMMISSIONER DOUGLAS: You know, thank you, Jared, for
14 raising that. I've looked at that, too, and thought about that, too,
15 and I think that is part of the direction I was going by just
16 encouraging you, you know, to look at the new regulations. Consider
17 ways that, ideally, we're able to keep this document together.

18 But it may be, especially by working iteratively with the
19 South Coast staff, that you can do enough in the PSA, and as you say,
20 the FDOC can come in and take that with other comments, and reflect
21 that in the final staff assessment. So, that is certainly one way to
22 think about doing this.

23 HEARING OFFICER CELLI: Thank you. So, we have a question
24 from the Committee regarding demolition. We see that the Applicant
25 documented an MOU between itself and the City of Long Beach, wherein

1 it suggests conditions under which it might demolish the AGS units 1
2 through 6, in an unspecified future time.

3 And staff filed a Notice of Receipt last week, or maybe
4 this week, that said, "Although AES still intends to demolish all six
5 operating units, AES is no longer including the demolition as part of
6 the proposed AEC Project, but now plans to accomplish the demolition
7 under a separate CEQA proceeding through a Memorandum of
8 Understanding with the City of Long Beach".

9 So, the question of the Applicant is whether staff is
10 correct in that assertion that AES seeks to exclude the demolition of
11 units 1 through 6 from the AEC's AFC and, if so, why?

12 MR. HARRIS: Staff is correct. Yes, we do intend to
13 exclude the demolition from the project. The simple answer is that
14 this Alamitos Energy Center will be located on a wholly different
15 site. We acquired some additional land, a former tank farm, which
16 will be the location of part of the facilities for the combined-cycle
17 units.

18 So, we don't need to demolish any of the existing units to
19 build the new project. There's enough land on the existing
20 boundaries to accomplish this. That allows us great flexibility to
21 go ahead and do the construction without affecting, at all, the
22 existing units.

23 And in addition to that, there are regulatory issues
24 related to when those units can come offline, mostly related to the
25 OTC, once-through cooling requirements, which are separate and apart

1 from this. So, there will not be demolition associated with the
2 project at the Commission.

3 HEARING OFFICER CELLI: Could you tell us, please, why
4 wouldn't the demolition be within the Energy Commission's
5 jurisdiction?

6 MR. HARRIS: Well, first off, there's no need for
7 demolition to construct the project. It's on a separate site. It's
8 on a separate legal parcel. It's going to be owned by a separate
9 legal entity. So, just kind of as a matter of law, there's no need
10 for the demolition to go forward.

11 There are, as I said, there's extenuating circumstances
12 around OTC, once-through cooling issues, about when we can take those
13 units down. We're going to have to coordinate with the Cal ISO, the
14 PUC, and the State Water Resources Board to be able to take them
15 down. And that's part of the reason we've done this through an MOU
16 with the City is to provide them with some certainty that once we've
17 got the new units up and operating, and they're available to provide
18 power to the western Los Angeles area, and we've gotten the signoff
19 from all the regulatory agencies, at that point we'll be able to take
20 these projects down.

21 And I guess the last thing I would mention, too, is
22 demolition is generally exempt from CEQA. You know, most things are
23 demolished through the pulling of a demolition permit, which is an
24 administrative permit. You go down and you pay your fee, and there's
25 no discretion exercised there.

1 So, technically, demolition's not even part of CEQA. But
2 the bottom line is it's not required for this project, on this site.
3 We don't use those same lands or facilities. It's a wholly new site.

4 HEARING OFFICER CELLI: The record should reflect that Mr.
5 Meyers is speaking with one of the members of staff.

6 While he's doing that, Ms. Lambe, do you have anything to
7 say on this question?

8 MS. LAMBE: I'm sorry, I was trying to unmute myself. We
9 were surprised by this information. I don't have a reaction to it,
10 yet. But I wouldn't necessarily say that we would accept it at its
11 face value at this point. We're still doing some research on our
12 end.

13 HEARING OFFICER CELLI: Thank you, Ms. Lambe.

14 Staff?

15 MR. MEYER: We just had a quick, follow-up question. Unit
16 7, my recollection is that there's parts of it that have been
17 removed. But what is the status of the demolition on Unit 7?

18 MR. O'KANE: Sure, I think there's a little bit of detail
19 in there that we should clarify. There is some demolition included
20 in the Supplemental AFC. The demolition of existing peaking
21 building, Unit Number 7, it's a maintenance shop, some retention
22 basins, some underground utilities required for us to proceed with
23 the construction of the new project. So, it's that but-for test.
24 There is some work and that's included in our supplemental
25 information.

1 So, there's an old peaker building. There's a gas-fired
2 peaker unit that was decommissioned in 2001. Most of the major
3 equipment is gone, the turbine's gone, the generator's gone, the
4 compressors are gone. It's not much more than the shell of a
5 building at this stage, with some of the balance of the plant, fuel
6 pumping, that type of thing that's left there. There's an electrical
7 shop, a small electrical shop. You can barely see it from any of
8 those photos that I've pulled up. And a couple of retention basins
9 that need to be done before we can proceed with the construction of
10 the new generation.

11 So, it's all of the existing six generating units will
12 continue to operate through the majority of the construction of the
13 CCGD. I'm sorry? We could show it. And I think that's probably a
14 big change from the original project. The original project was
15 phased and did depend on the removal of existing units. We needed
16 the land, we needed the space. And that's one of the big changes.

17 I mean, we've downsized significantly and that's why it can
18 now fit there.

19 HEARING OFFICER CELLI: Okay, so, Mr. Harris, you're going
20 to get us -- you're going to show us something graphically.

21 MR. HARRIS: Yeah, so that's my specialty. Yeah, we'll put
22 up the project site. And I think the confusion is simply this, that
23 Units 1 through 6 are the existing generating units.

24 Stephen, is this a good picture for you to talk about?

25 MR. O'KANE: Yeah.

1 MR. HARRIS: Unit 7 no longer exists and maybe we should
2 have referred to this as the Unit 7 area. But that will be the area
3 where the simple-cycle facilities are located. So, let me turn it
4 over to Mr. O'Kane.

5 MR. O'KANE: Go to the slide show and I'll tell you. Right
6 there.

7 HEARING OFFICER CELLI: While he's doing that, staff, I
8 have a question for staff. We're interested in how staff is
9 analyzing this demolition and what is the scope of staffs' analysis?

10 MR. MEYER: At this point staff is focused on the
11 demolition of Unites 1 through 6 as a cumulative impact to the
12 operation of the project, understanding that the demolition would be
13 concurrent with operation, rather than construction of this project.
14 So, we're looking at it from that aspect.

15 One of the things is we wanted to get clarification on
16 parcels. And I think what they were talking about, if the AEC is a
17 separate legal parcel, that 21 acres, from the rest of it, you know,
18 that changes the way staff looks at it a little bit.

19 If we're looking at a 71-acre parcel and the AEC is a
20 subset of that, then staff has to look at, you know, are we looking
21 at certifying a process -- you know, activities on a larger site, on
22 the 71-acre site. And would we, therefore, have to look in greater
23 depth at the demolition. So that's something, there's internal
24 discussions with staff right now, trying to figure out how we deal
25 with that, with sort of the Subdivision Map Act issues, and our

1 regulations as far as a project having to be on one legal parcel.

2 So, that would be a question for AES on how they're dealing
3 with that issue and then that will sort of speak to how staff handles
4 the look at demolition. But as I say, it's an ongoing discussion
5 with staff on how the Energy Commission deals with the question of
6 jurisdiction on the demolition.

7 HEARING OFFICER CELLI: Mr. Harris, can you enlighten us
8 about the parcels?

9 MR. HARRIS: I'm actually going to throw it back to Mr.
10 O'Kane. But I think part of the reason for the confusion here is
11 we're using the term "demolition" for different type of activities.
12 There's some pre-construction activity that Mr. O'Kane will talk
13 about, on the former Unit 7 site. That's being called demolition
14 right now.

15 And then there's the removal of the six generating units.
16 That's also being referred to as demolition. So, I think that's part
17 of the reason for the confusion, we're using the same term for wholly
18 different activities.

19 So, let me ask Mr. O'Kane to enlighten us.

20 MR. MEYER: Yeah, and just from staffs' point of view,
21 we're really just -- our focus, when we're talking about demolition
22 is we're talking about 1 through 6. I'm thinking more about the
23 demolition of Unit 7 more as a site preparation activity.

24 MR. HARRIS: If I could speak English, I would have said
25 that so --

1 HEARING OFFICER CELLI: Mr. O'Kane, go ahead.

2 MR. O'KANE: Okay, so I've pulled up the site of the
3 existing facility. The Units 1 through 6 are in pretty plain view in
4 the foreground. There's six stacks, six units. And I think I had a
5 bit of a laser pointer. Can the Committee see that dot?

6 Okay, so the AEC site is actually in here, all this area.
7 And this small building here is the former Unit 7 peaker that was
8 decommissioned back in 2001. That was its former fuel tank right
9 there, that used to serve it. The little maintenance shop I was
10 talking about is this little building here, and then these retention
11 basins.

12 So, this site preparation work to clear all of this area
13 and have it ready for the construction, that has also been referred
14 to as demolition.

15 So, as we proceed with the development activities -- of
16 course, I went the wrong way. You can see where we've constructed
17 the AEC, right here.

18 MR. HARRIS: And, Stephen, distinguish between the
19 combined-cycle and the simple-cycle units.

20 MR. O'KANE: This is the combined-cycle unit here, that's
21 an air-cooled condenser and a two-on-one, right here. And back here
22 are four LMA 100, GE LMS 100 open cycles and their air-cooling
23 systems are right there.

24 So, as you can see from this picture here, these units,
25 there is no need for land. There's no need for any of these units to

1 be removed for us to progress with this. So, you know, the but-for
2 test for a project, from that aspect, it would be excluded from the
3 project.

4 And if I advance forward, that was the project we
5 originally proposed. And here you can see, right here, this would
6 have been phase two of the original project. We would have needed to
7 take Unit 5 and 6 down, demolish, remove it, everything, in order for
8 us to proceed with that. The same with the units over here, we would
9 have had to take our Units 3 and 4 out. They've had to be removed,
10 taken down. It was, for us to proceed with the project, you'd have
11 to do that. So, the but-for test would have been met there.

12 That's sort of the big difference, we don't -- oh, sorry.
13 All of this can -- the AC project, itself, can proceed without any of
14 those units.

15 Then we should talk a little bit about retirements and
16 units offline. I mentioned, from the interconnection capacity, for
17 us to start testing, we do need to disconnect the units from an
18 interconnection capacity. However, they're still operable type units
19 and we do need, under Operating Standard 24, with the CPUC, we do
20 need to provide notification and approval from the CPUC for us to
21 take units offline. So, there is a lot of moving pieces on this.

22 And it is actually unknown when they'll -- when the
23 eventual end date of all of the existing units would be.

24 HEARING OFFICER CELLI: So, was there -- can you say, do
25 you know whether there was -- the AEC, as it stands today then, is

1 there overlap with regard to the parcels?

2 MR. O'KANE: So, right, I'll let the lawyers opine on all
3 of this. But it's all -- let me back up. It's probably easiest to
4 see without so much stuff on it. Okay. The Alamitos Generating
5 Station, as formerly, as it was in December 2013, when we initially
6 filed the AFC, had a parcel line that looked like that. These canals
7 are owned, wholly owned by Alamitos -- AES Alamitos, LLC. All of
8 these units, in a sort of a C-shaped pattern, like this, with this
9 area was not included.

10 In late 2014, AES acquired, reacquired this property right
11 here. The entire parcel -- this entire piece of property was part of
12 the Alamitos Generating Station up until 2002. We sold this piece of
13 property and then reacquired it back in 2014. So, we didn't legally
14 hold it for about 12 years.

15 Nothing was ever developed on that site. There was
16 proposals and whatnot, but it remained just the fuel oil tank farm
17 that used to serve these units when it was a dual-fueled facility.

18 So now, this parcel is a single parcel and a lot line
19 adjustment does need to be made to make it part of the larger AES
20 parcel.

21 Now, how the regulations speak to the project being on one
22 single, contiguous parcel, does that mean the project or can other
23 facilities also be on the same piece of property? I'll let the
24 lawyers decide how that's interpreted. But there's going to be --
25 all of this is owned by AES, it's all contiguous. There will be the

1 AEC, there will be the existing facilities, and then don't forget
2 back here, where there will also be some battery energy storage.

3 HEARING OFFICER CELLI: Okay, thank you.

4 And then, staff, we wanted to ask you a couple of things
5 with regard to visual analysis. Because it appears that there are
6 two possibilities here that need to be analyzed. One is the visual
7 analysis with Units 1 through 6, and visual analysis without 1
8 through 6, right, because we're not clear on the time line for that.
9 Is that something staff is contemplating?

10 MS. LAMBE: Mr. Celli, this is Elizabeth Lambe. I'm sorry,
11 but I'm going to have to hop off in about five minutes, so I'm just
12 letting you know.

13 HEARING OFFICER CELLI: Well, did you -- as long as we have
14 you, do you have any questions for the other parties? Because we're
15 all here, together, and we can speak freely?

16 MS. LAMBE: I don't at this time. We're following the
17 issue closely. We may well have some in the future, but not at this
18 time.

19 HEARING OFFICER CELLI: Okay. Well, thank you very much
20 for being with us, Ms. Lambe, and for your participation in this AFC.

21 MS. LAMBE: Thank you.

22 MR. MEYER: Ms. Lambe, this is Christopher Meyer, the
23 Project Manager for staff. Are you going to be able to join us for
24 our workshop following?

25 MS. LAMBE: I'm not sure, but there will be folks, I'm

1 sure, that will be participating in the workshop that will have the
2 interest of the Lambe Trust on their minds. And I'm sure, if I'm not
3 there, I'll get a good overview.

4 MR. MEYER: Okay, thank you very much.

5 MS. LAMBE: Thank you.

6 HEARING OFFICER CELLI: We're talking about the visual.

7 MR. MEYER: Yes. To answer your question, yes, staff is
8 looking in the visual section to look at the fact that when the
9 Energy Commission gets up to that point and staff is making
10 recommendations on, you know, for whatever licensing of this
11 facility, we're going to have a visual analysis that includes what we
12 see of the situation at the time of a decision, and recognizing at
13 some to-be-determined date there will be a demolition, where there
14 will be a reduction in the view, or the view from different areas
15 that are currently blocked by the existing facility will then see the
16 new facility.

17 But one of our -- you know, staff's questions, I think that
18 we were going to ask in a little bit, in the workshop, but I can ask
19 now is that you'd already asked as far as, you know, what is the sort
20 of best guess at the date when demolition will occur on Units 1
21 through 6.

22 At this point, in reading through the MOU, I noticed that
23 there's -- you know, as you say, there's a lot of moving parts and
24 it's not known. So, staff is just going to have to assume, at least
25 that even after 2020 that the Units 1 through 6 may still be there

1 for several years after that. And we'll look at it as sort of an
2 existing, with more a recognition that at some point the existing
3 units will be taken down, without doing an analysis, making an
4 assumption that they will be in the near term.

5 And then, I just want to be mindful of the fact that we
6 will have other status conferences in the future. And maybe all of
7 the answers are not known right now, but the Committee's also
8 interested in any other topics that this distinction, the demolition
9 may affect in terms of different analyses that have to take place
10 with or without those units.

11 MR. BABULA: Well, one other thing on visual is that -- I
12 mean, we're going to be looking at it as those are in existence right
13 now. You build a new thing, that's one visual look. But when
14 there's -- I mean, assuming there's a tear down later, if that goes
15 through another jurisdiction that may be looked at in that angle. I
16 mean, I know that Applicant just said that it's more of an
17 administerial thing.

18 But if you're concerned that what you're looking at is,
19 when you remove the larger one suddenly, now, someone who used to see
20 a larger item can now see the new -- it will be a different view, for
21 sure. But will it be more intrusive, less, that level of element of
22 saying, okay, now you take down 1 through 6 and so now what does it
23 look like, the site? I mean, that would be something for technical
24 staff to look at.

25 HEARING OFFICER CELLI: Well, one of the things, one of the

1 questions would be whether the Energy Commissions needs to enforce a
2 commitment or to make the demolition be something that's enforceable
3 through conditions. And I don't know that you have the answer to
4 that question, now, but that is a question we want to float, so that
5 everybody has that on their mind. And maybe we'll discuss that at a
6 subsequent status conference.

7 MR. HARRIS: If I could add a couple things here. First
8 off, obviously, Units 1 and 6 are in the baseline. That's the
9 current state of the visual scene in Long Beach, now. So, let's kind
10 of keep that in mind as we're doing the analysis.

11 I guess to answer the question directly, though, we are not
12 seeking credit for the demolition occurring. We're not looking to
13 say, well, it looks like that now, but these units will be gone. And
14 that's because, simply, we're not certain when that demolition will
15 occur.

16 We know it's important to Long Beach. That's why we put
17 together the MOU with them, to work through these issues.

18 But I think for the analysis perspective, we're assuming
19 that 1 and 6 are in the baseline and the comparison is the existing
20 baseline with 1 and 6 to the addition of the new units so --

21 MR. MEYER: Okay, and that's sort of what staff's looking
22 at. We recognize that this application is in an industrial area,
23 with the current 1 through 6, who have been there for decades, and
24 the fact that Haynes is across the canal from it. So, you know, we
25 are looking at that as the background.

1 And to answer your question, we are looking with staff to
2 see what other areas might be impacted by the demolition. But we
3 haven't identified any, other than, you know, visual that will have a
4 significantly -- we'll have to, you know, take a significant look at
5 how the demolition will impact the future state.

6 MR. HARRIS: I guess I'd just point out substantively, too,
7 that if someone were to decide in the future that the demolition
8 causes significant impact, then the mitigation measure would be to
9 not demolish the facility.

10 So, it's intellectually interesting, but I think we've
11 given the staff the information they need to assume 1 through 6 as
12 the baseline, and look at the impacts of the additional facilities on
13 the new site.

14 HEARING OFFICER CELLI: Thank you.

15 MR. O'KANE: And I may add, if I could --

16 HEARING OFFICER CELLI: Go ahead.

17 MR. O'KANE: I'd just add, you know, well, why did you do
18 this -- why do this MOU? I mean, that would be the question. You
19 know, the flippant answer is, you know, because I don't want to get
20 beaten up by my neighbors, because I live right there, right. So, we
21 originally came in with this AFC and said, hey, we're going to tear
22 down all these projects, all these existing ones because we're going
23 to build a new project on the footprint.

24 I turn around a year later and say, well, I've changed the
25 design and I no longer need to. We recognize that we've made some

1 pretty big commitments to our community and we wanted to keep them.
2 And so, how do I memorialize that? And we've worked with the City
3 and said, we could set up an MOU with you, to demonstrate to the
4 public that we are keeping our commitments to do something about the
5 skyline of Long Beach. And so, that's the evolution of it.

6 I live there. This is my skyline. When I talk to my
7 neighbors, that's probably the biggest thing they want to see is what
8 is it going to look like in the end, right? You know, and AES wants
9 to keep our commitments, so that's really the evolution of it.

10 HEARING OFFICER CELLI: Thank you, Mr. O'Kane.

11 So, what the Committee would like to do at this time would
12 be, first, to take public comment and then go into a closed session.

13 So, what we'll do, the way we would do this is, first, we
14 would take public comment right now. And the Public Adviser had been
15 here, but I don't see anybody. I recognize pretty much everybody
16 who's here and it doesn't look like there are any members of the
17 public that wish to make a comment.

18 If there are, let me know, raise your hand. Seeing none.
19 After we take the public comment, because we have people on the
20 telephone, the Committee will go into a closed session.

21 At the conclusion of the closed session, I will probably be
22 the one to come back and reopen the record to adjourn the Status
23 Conference.

24 The staff workshop will immediately follow. In other
25 words, staff can go right into their workshop while the Committee is

1 in closed session. We don't know how long that would take.

2 But the Committee may need the parties to remain available
3 in the event that there's a homework assignment. So, we'll see how
4 that goes.

5 So at this time the Committee, in accordance with
6 Government Code Section 11126(c)(3), which allows a State body,
7 including a delegated committee, to hold a closed session, to
8 deliberate on a decision to be reached in a proceeding the State body
9 was required by law to conduct.

10 And with that we are in -- go ahead, Mr. Meyer.

11 MR. MEYER: Were you going to take public comment before
12 you --

13 HEARING OFFICER CELLI: Yes, you're right. Thank you.
14 Hello? Anybody in the room here, now, who is a member of the public,
15 who would like to make a comment to the Committee?

16 Okay, hearing none, let's go to the telephones. And
17 please, let's make sure that all of the phones are unmuted. Is there
18 anybody on the telephone who would like to make a comment to the
19 Committee, please speak up?

20 Is everybody unmuted? Okay. So, we know Mr. Yee and --
21 Mr. Rodenbaugh, did you wish to make a comment?

22 MR. RODENBAUGH: No comment, thank you.

23 HEARING OFFICER CELLI: Thank you. We've got Gabriel
24 Rourke? Staff, okay. Anybody on the phone at this time, who wishes
25 to make a public comment, please speak up.

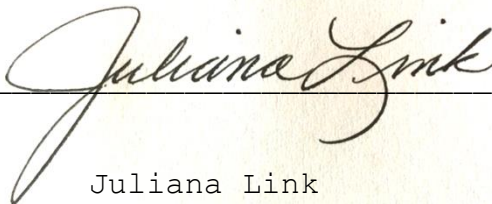
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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of December, 2015.




Juliana Link
CER-830

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber.

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IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of December, 2015.



Barbara Little
Certified Transcriber
AAERT No. CET**D-520