

DOCKETED

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

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the Matter of:)
Petition to Amend the) Docket No. 12-AFC-02C
Huntington Beach Energy Project)
_____)

HILTON WATERFRONT BEACH RESORT
21100 PACIFIC COAST HIGHWAY
HUNTINGTON BEACH, CALIFORNIA

TUESDAY, DECEMBER 8, 2015

5:00 P.M.

Reported by:
Martha Nelson

APPEARANCES

COMMISSIONERS AND ADVISERS

Andrew McAllister, Lead Commissioner

Patrick Saxton, Adviser to Commissioner McAllister

Jennifer Nelson, Adviser to Commissioner Douglas

Kristy Chew, Commissioners' Technical Adviser on Siting
Matters

PUBLIC ADVISER

Alana Matthews

HEARING OFFICER

Susan Cochran

Raj Dixit

APPLICANT

Stephen O'Kane, AES US West Region

Melissa A. Foster, Stoel Rives LLP

Robert Mason, CH2M Hill

ENERGY COMMISSION STAFF

Kevin Bell, Senior Staff Counsel

John Heiser, Project Manager

PUBLIC COMMENT

Jane James, City of Huntington Beach Planning Manager

John Lee, South Coast Air Quality Management District

Cheryl Hapgood

Tamara Zeier

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P R O C E E D I N G S

4:58 P.M.

HUNTINGTON BEACH, CALIFORNIA, TUESDAY, DECEMBER 8, 2015

(The meeting commenced at 4:58 p.m.)

COMMISSIONER MCALLISTER: Welcome everyone. We're going to get started if everybody could take their rightful positions. We all right here at the Informational Hearing, Environmental Scoping, Issues Identification and Scheduling Conference conducted by a Committee of -- a Committee of the California Energy Commission regarding amendments to the proposed Huntington Beach Energy Project.

I am Andrew McAllister, the Lead on the Committee. And Commissioner Karen Douglas, Presiding Member, rather, I believe is the proper term, Commissioner Karen Douglas is the Associate Member. She's not here today. Her Adviser Jennifer Nelson is here two people over to my right. Her -- Karen Douglas' schedule precluded her being here.

So before we begin let me finish introducing people. Patrick Saxton is my Adviser to my left. Then Jennifer Nelson over there. Susan Cochran is to my immediate right and she is the hearing officer, and she'll be running much of the proceedings today as we go forward. And Kristy Chew on Jennifer Nelson's right, as well, is the

1 Technical Adviser to the Commission on Siting Matters. And
2 then finally Roy Dixit --

3 HEARING OFFICER COCHRAN: Raj.

4 COMMISSIONER MCALLISTER: Oh, Raj, I'm sorry.

5 HEARING OFFICER COCHRAN: He's in the back.

6 COMMISSIONER MCALLISTER: Oh, great, he's over
7 there. So Raj is back in the back helping us today, as
8 well.

9 Also I wanted to call out Alana Matthews who is
10 the Public Adviser who is over there with her hand up right
11 now. And she makes sure that all members of the public and
12 anyone else who wants access to the proceeding and to
13 participate knows exactly what they want to do to do so.

14 So let me know ask the parties to please introduce
15 themselves and their representatives at this time, starting
16 with the Petitioner.

17 MR. O'KANE: Thank you. I'm Stephen O'Kane with
18 AES Southland Development. We have Robert Mason, the
19 Project Manager of CH2M Hill who's doing out environmental
20 assessment work and (inaudible) Petition of Amend. And to
21 my left is my Counsel Melissa Foster with Stoel Rives.

22 Also, I if may, in the audience I've got from AES
23 our Operations Manager for California, Mr. Wade Warda
24 (phonetic), President of AES Southland and our Market
25 Business Leader and my boss, she was here, Jennifer Didlo,

1 and our Director of Engineering Ruben Soroeta.

2 COMMISSIONER MCALLISTER: Thank you. Now go to
3 Staff.

4 MR. HEISER: John Heiser from the California
5 Energy Commission. I'm the Project Manager on the Petition
6 to Amend in our Siting Division.

7 MR. BELL: And with Mr. Heiser here today is
8 Senior Staff Counsel Kevin Bell.

9 COMMISSIONER MCALLISTER: Thank you. Do we have
10 any public agencies with us today, and I guess federal
11 agencies, we'll start with. I saw a couple hands go up, so
12 we'll get to you.

13 Federal government agencies? It looks like not.

14 Officials representing Native American tribes or
15 nations, do we have any of those here?

16 Elected or appointed officials from state, county
17 or local jurisdictions? Would you like to say anything?
18 No? Okay.

19 And then we have one, I think, maybe -- oh, we
20 have somebody -- somebody raised their hand.

21 MR. LEE: Yes. Just local government. Air
22 Quality Management District.

23 COMMISSIONER MCALLISTER: Oh, great. Okay.
24 That's -- that's terrific.

25 So I'm wondering, Coastal Commission, nobody here

1 from the Coastal Commission, either, I guess, do we have
2 live anybody online here?

3 HEARING OFFICER COCHRAN: I don't believe so.

4 Raj, if you could not share the screen so we can
5 see what the WebEx looks like?

6 This meeting is also being carried on WebEx.
7 Actually, you need to -- at the very top, see the green bar,
8 press the green bar. And then it says "stop sharing" to the
9 far left. That's it. And it doesn't look like anybody has
10 called in.

11 COMMISSIONER MCALLISTER: Okay. So we have only
12 the Energy Commission on this. Okay.

13 HEARING OFFICER COCHRAN: Yes.

14 COMMISSIONER MCALLISTER: Is there anybody from
15 South Coast? Mr. Lee, we just heard, that's you. Okay.
16 Great.

17 City of Huntington Beach? Okay. Okay. So you --
18 you are representing the city. Great.

19 Are there other nearby cities or towns
20 represented? Okay.

21 So welcome. And, obviously, if you want to make
22 comments in your official capacity you're more than welcome
23 during the course of the proceedings and then as public, as
24 you desire.

25 So did I miss any representative of an agency or a

1 government? No? Okay. Great.

2 So at this time I will hand over the conduct of
3 the hearing to Susan Cochran.

4 HEARING OFFICER COCHRAN: Thank you, Commissioner
5 McAllister.

6 Raj, if you could share our screen again and start
7 the PowerPoint presentation please? Thank you so much. So
8 start slide show.

9 I'm going to talk while they start the slide show.
10 This Informational Hearing, Environmental Scoping Meeting
11 and Site Visit is designed to inform members of the public
12 about the proposed project and the Energy Commission's
13 siting amendment process.

14 Because this is meeting -- this meeting is being
15 broadcast and is being recorded, please be sure to speak
16 into the microphones. Apparently that was an issue earlier
17 today.

18 We have already completed the site visit portion
19 of the event. And during the site visit the Applicant had a
20 map that was handed out to those participants.

21 If the Applicant could please docket that map,
22 that would be kindly appreciated as part of the record.
23 Thank you so much.

24 So on September 10, 2015, AES Southland LLC
25 (phonetic), who I'm going to refer to as either AES or the

1 Petitioner, submitted a Petition to Amend, that I'm going to
2 call the Petition, to the California Energy Commission, that
3 I'm going to call the Commission, seeking permission to
4 amend the previous license granted to AES for the Huntington
5 Beach Energy Project. The petition proposes to reduce the
6 nominal generation capacity of the project from 930
7 megawatts that was approved on October 29th, 2014 to 844
8 megawatts. That -- those 844 megawatts are made up of two
9 different technologies; 644 megawatts generated from
10 combined-cycle technology, and an additional 200 megawatts
11 from simple-cycle technologies. That's what I'm going to
12 refer to as the amended project for the rest of the evening.

13 The amended project site is located in the City of
14 Huntington Beach, just north of the intersection of the
15 Pacific Coast Highway and Newland Street (phonetic). The
16 project would be located entirely within the footprint of
17 the existing Huntington Beach Generating Station and
18 Operating Power Plant.

19 If you could advance two slides please.

20 What you see on the screen today is today's
21 agenda. And we already -- already did the site visit. And
22 this shows the rest of the order. The purpose of today's
23 hearing is to provide information about the proposed
24 amendment to the power plant project that was approved last
25 year, to describe the Commission's process in reviewing the

1 Petition to Amend, to provide information on opportunities
2 for the public to participate in this process, and to
3 comment on any aspect of the proposed amendment, to inform
4 the Committee, the parties and the community about the
5 project, its progress to date in the amendment process, and
6 perceived issues that need resolution, and finally to meet
7 and confer about the project's schedules.

8 Notice of today's Site Visit, Environmental
9 Scoping Meeting and Informational Hearing was mailed to all
10 parties, adjoining landowners, interested governmental
11 agencies and other individuals. It was also posted on the
12 Energy Commission's website on November 23rd, 2015. The
13 Public Adviser's Office will explain in a moment how you can
14 follow these proceedings on the internet.

15 This is today's agenda. We've already had the
16 site visit and the Commissioner's opening remarks. I will
17 describe the Commission's role, the ex parte rules, and the
18 way the Committee and the Commission will review the
19 petition.

20 Next, the Petitioner will describe the proposed
21 amendment.

22 After that the Energy Commission staff will
23 explain the environmental review process and the issues they
24 have identified at this juncture.

25 Next, the Public Adviser will describe the

1 services available from her office to support public
2 participation in our process.

3 After that the Committee will discuss proposed
4 schedules from Staff and the Petitioner, as well as any
5 issues that the Committee has identified so far in the
6 amendment proceeding.

7 Finally, we will take any questions or comments
8 from the public and/or agencies present here this evening,
9 and who may have also -- well, which at this point we don't
10 have anybody.

11 Next slide please.

12 The California Energy Commission, a state agency,
13 has exclusive jurisdiction to license or certify new power
14 plants that generate 50 megawatts of electricity or more,
15 and also to handle amendments of this nature because they
16 are -- because this project has an existing license.

17 The Commission considers the project's compliance
18 with three broad categories, engineering, environmental and
19 applicable laws, ordinances, regulations and standards, what
20 we refer to as LORS. As it relates to the environmental
21 part of the analysis, the Commission is considered the lead
22 agency under the California Environmental Quality Act which
23 most people know as CEQA.

24 Today's hearing is the first in a series of formal
25 Committee events that will extend over the next year-ish. I

1 can't tell you exactly how long, sometime in the next 6 to
2 12 months. This Committee will eventually hold evidentiary
3 hearings and issues a Presiding Member's Proposed Decision
4 containing recommendations for the full five-member Energy
5 Commission to either approve, deny or modify the proposed
6 project.

7 To be clear, the Huntington Beach Energy Project
8 Amendment's Committee is made up of two Commissioners,
9 Commissioners McAllister and Douglas, and includes by
10 extension their advisers and me, the Hearing Adviser --
11 Officer.

12 Next slide please.

13 It is important to emphasize that the law requires
14 that the PMPD be based solely on the evidence contained in
15 the public record. To ensure that this happens and to
16 preserve the integrity and impartiality of the Commission's
17 power plant siting process, the Commission's regulations and
18 the California Administrative Procedures Act expressly
19 prohibit off-the-record contacts concerning substantive
20 matters between the participants in this proceeding and the
21 Commissioners, the Committee, their advisers, and me.

22 Next slide please.

23 The prohibition against off-record communications
24 between the parties and the Committee is known as the ex
25 parte rule. This means that all contacts between interested

1 parties and the Committee regarding any substantive matter
2 must occur in the context of a public discussion such as
3 today's event, or in the form of a written communication
4 that is distributed to all parties. The purpose of the ex
5 parte rule is to provide full disclosure to all -- all
6 participants about any information that may be used as a
7 basis for the Committee's future decision on this project.

8 You'll note that I said substantive matter. There
9 will be times that you may have procedural questions. Those
10 should be directed to me. And you may always direct
11 additional substantive questions to the project manager.

12 Next slide please.

13 The Energy Commission staff is a party to these
14 proceedings in the same way that the Petitioner or any
15 Intervener is a party. Even though the staff and the
16 Committee members are both part of the California Energy
17 Commission, we are completely separate entities for purposes
18 of these proceedings. The ex parte rule is binding on the
19 Energy Commission staff in the same way that it is binding
20 on the Petitioner or Interveners.

21 Additional opportunities for the parties and
22 governmental agencies to discuss substantive issues with the
23 public will occur in public workshops to be help by the
24 Commission staff. Those workshops may be held either here
25 in Huntington Beach or at the Energy Commission in

1 Sacramento. Most of the time we utilize WebEx for those so
2 that people don't necessarily have to fly from Huntington
3 Beach to Sacramento in order to participate.

4 The Committee will not attend staff workshops.
5 There was a staff workshop earlier today that none of the
6 Committee members attended.

7 Information regarding other communications between
8 the parties and governmental agencies is contained in
9 written reports or letters that summarize such
10 communications. These reports and letters are posted on the
11 website and made available to the public. Information
12 regarding hearing dates and other events in these
13 proceedings will also be posted on the Commission's website.

14 Next slide please.

15 The process of amending a power plant certified by
16 the California Energy Commission is a public proceeding in
17 which members of the public and interested organizations are
18 encouraged to actively participate and express their views
19 on matters relevant to the project. The Committee is
20 interested in hearing from the community on any aspect of
21 this project.

22 Members of the public are also eligible to
23 intervene in the proceeding. And if there are potential
24 interveners we encourage you to file Petitions to Intervene
25 as soon as possible to allow for full participation.

1 Generally a Petition to Intervene will be granted by the
2 Committee if the grounds for intervening meet the
3 requirements set forth in the Commission's regulations,
4 specifically section 1207.

5 The Committee's scheduling order that will follow
6 this proceeding will establish the deadline for filing a
7 Petition to Intervene. By and large, that is also set by
8 our regulation as being 30 days before the date that an
9 evidentiary hearing is scheduled. The Public Adviser will
10 assist members of the public who would like to become
11 interveners in the amendment proceedings.

12 In the original proceedings leading up to the 2014
13 decision there were two interveners. However, intervener
14 status does not carry over to an amendment, so that prior
15 interveners will need to reapply to be interveners in this
16 amendment proceeding.

17 Next slide please.

18 The Energy Commission is the lead agency under
19 CEQA and must consider the potential adverse impacts to the
20 environment before the amendment can be approved. CEQA
21 consists of statutes found in the Public Resources Code and
22 Regulations, referred to as the CEQA Guidelines, found in
23 the California Code of Regulations in Title 14. There are a
24 number of court decisions that explain and apply CEQA.

25 Next slide please.

1 Under CEQA, specifically guidelines -- next slide.
2 That's the one. Thank you. Under CEQA, specifically
3 Guidelines section 15162, additional environmental review to
4 supplement the 2014 Huntington Beach decision is required
5 only where the Committee can find one of three things, that
6 there have been substantial changes in the project,
7 substantial changes in the circumstances surrounding its
8 undertaking, or new information previously unknown which
9 would result in new significant environmental effects or a
10 substantial increase in previously identified significant
11 effects, mitigation measures or alternatives previously
12 found to be infeasible which are now feasible.

13 The Committee directs that for each of the topics
14 that contains the CEQA analysis, staff must include a
15 discussion on whether or not supplementation of the previous
16 EIR is necessary under section 15162 and describe the
17 substantial changes or new information, the resulting new or
18 increasing effects, and new or newly feasible mitigation
19 measures or alternatives.

20 Next slide please.

21 Although we may not revisit the environmental
22 analysis for some topics, the LORS, the laws, ordinances,
23 regulations and standards I referred to previously, analysis
24 is not subject to section 15162 and must be updated to the
25 extent necessary to analyze the compliance of the amended

1 project with LORS.

2 The City of Huntington Beach has already provided
3 a comprehensive list of LORS from its ordinances that it
4 believes are applicable, but there be others. The City of
5 Huntington Beach's letter has been published in the docket
6 and can be found at TN206752.

7 Are there any questions about any of what I have
8 just gone over with all of you? Don't rush the podium.
9 Okay.

10 Seeing none, next slide please.

11 We will now ask the parties to make their
12 presentations in the following order. First, the
13 Petitioner, AES Southland LLC, will describe the proposed
14 Huntington Beach Project Amendment and explain its plan of
15 developing the project site.

16 Commission staff will then provide an overview of
17 the Commission's amendment permitting process and its role
18 in reviewing the proposed Huntington Energy Project
19 Amendment.

20 After that we'll hear from the Public Adviser
21 explaining her office's role in supporting public
22 participation and outreach.

23 Finally, we will discuss issues addressed in
24 Staff's Issue Identification Report and the parties'
25 proposed schedules.

1 Upon completion of these presentations we invite
2 interested agencies and members of the public to offer
3 comments and ask questions. This will be a somewhat
4 informal process.

5 So before we get -- begin, are there any questions
6 about today's agenda? You see now that the magic screen
7 tells us to pause for Petitioner's presentation, so
8 Petitioner's presentation please.

9 MR. O'KANE: Thank you. Okay. Are these mikes
10 on? Okay.

11 HEARING OFFICER COCHRAN: It doesn't sound like
12 it.

13 MR. O'KANE: No microphone?

14 THE REPORTER: No.

15 MR. O'KANE: Are there's mikes on?

16 THE REPORTER: Nope.

17 MR. O'KANE: Okay.

18 COMMISSIONER MCALLISTER: Just grab -- those are
19 mobile, so just grab one.

20 MR. O'KANE: How's this? I prefer to do it this
21 way anyway. Okay.

22 Have you got my presentation queued up?

23 I would like to briefly go over and explain to the
24 members of the public and everybody attending here who
25 exactly AES is. Some of you may not know who AES is. You

1 don't receive an electric bill from us (inaudible). Explain
2 to you why we want to modernize and upgrade the Huntington
3 Beach Generating Station in the first place. And then get
4 into the changes in the project design which has
5 necessitated this amendment for our project.

6 Could we go to slide -- no, there we go. Let's
7 see, they said this would work remotely. It does. Okay.

8 AES. The AES Corporation. We are a local power
9 company, Fortune 200 local power company operating in 18
10 countries around the world. We are a generator and we are
11 the utility. If you lived in a place like Indiana or Ohio,
12 you will get a bill from AES Company, or -- or Brazil.

13 We have about 35 gigawatts of generation in our
14 global portfolio, serving millions -- 11 million customers
15 and a workforce of about 18,500. We have a diverse
16 generation mix, including natural gas as the Huntington
17 Beach Energy Project is, as well as a significant renewable
18 portfolio, as well as coal and other fuels. We -- one
19 generation technology we do not participate in or use is
20 nuclear.

21 Oh, there we go. Uh-ho. Okay.

22 Well, the next slide is AES in California. Who is
23 AES here in California? We've been in California since our
24 very early years. Our first plant that we ever developed
25 was in Newhall, California, Placerita Generation Plant which

1 has since -- since been sold and now retired.

2 In 1998, after the deregulation of the electrical
3 sector and the divestiture of the Southern California Edison
4 assets, AES bought the Huntington Beach Generating Station,
5 along with the Alamitos Generating Station and Redondo Beach
6 Generating Station. In total that's over 3,700 megawatts
7 capacity that serves Western Los Angeles liability area, a
8 very critically important, very critically located power
9 plants that can share electrical reliability for this part
10 of the grid in this very transmission-constrained area.

11 In California we also have about 153 megawatts of
12 renewable energy. If you go out to Palm Springs you'll see
13 our wind farms. And whoever is the -- the CEC staffer with
14 the wallpaper there, the windmills, those are actually ours
15 by chance.

16 We supply about 15 percent to Southern California
17 Edison's peak demand. So if you receive a bill from
18 Southern California Edison you rely on AES every day to
19 ensure the lights are on.

20 So why build a new modern plant here at the
21 Huntington Beach Generating Station? First and foremost is
22 for reliability. It is critically located in an aging
23 infrastructure that's necessary to maintain grid
24 reliability. We have a significant population here.
25 There's nothing to the west of us, obviously, we have an

1 ocean, so there's no transmission lines coming from that
2 direction. So if we're going to serve the people that live
3 here we -- we either have to wheel that power in through
4 transmission lines from distant areas or have -- and/or have
5 facilities that can supply the demand locally.

6 Huntington Beach is four times more effective than
7 other inland locations to serve this coastal demand. What
8 does that mean? Well, if you have 100 megawatts here in
9 Huntington Beach, well, you'd need 400 megawatts if you had
10 it east of here, say in the City of Industry, to serve the
11 same demand.

12 There was also something that happened during,
13 basically, during the original licensing proceeding that was
14 the permanent -- permanent retirement and closure of the San
15 Onofre Nuclear Generating Station just south of here, 2,300
16 megawatts of baseload generation which unpredictably was
17 permanently retired. It made the Huntington Beach location
18 that much more critical.

19 Secondly, what's changing is electrical
20 characteristics. And modern efficient technology reduces
21 the amount of fuel we use, reduces our greenhouse gasses
22 while also operating flexible operating characteristics is
23 what we need for the changing grid and the future of
24 California.

25 California has a lot of ambitious goals. We have

1 renewable energy portfolio standards, a 33 percent by 2020,
2 pushing that to 50 percent by 2030. Renewable energy is
3 intermittent. It -- we only get the power from Mother
4 Nature when she allows, when the sun shines, when the wind
5 blows, when -- when geothermal is working properly, when
6 hydroelectricity is -- demand is there, when we don't have
7 droughts. We want to reduce our greenhouse gasses in this
8 state significantly.

9 You know, the ultimate goal is 80 percent below
10 the 1990 levels by 2050. That means reducing systemwide
11 impacts from -- from the electrical sector. Part of that
12 means eliminating our reliance on coal in the state. The
13 state, it still relies significantly on coal, out-of-state
14 coal to keep our lights on. As we go forward utilities are
15 not -- will not be allowed to sign long-term contracts with
16 any out-of-state coal facilities. So as those existing
17 contracts start to taper off, they will not be replaced.

18 We also have new limits on once-through cooling.
19 The coastal plants use a cooling system for their -- for the
20 steam. A once-through cooling uses ocean water for cooling.

21 The way we can use ocean water has significantly changed,
22 there are new rules on that, and the Huntington Beach
23 Generating Station is facing a 2020 deadline for changing
24 its once-through cooling, its OTC system.

25 Nuclear, I left some question marks there. I

1 already mentioned San Onofre. We've lost that -- that, one
2 of only two nuclear generating stations in the state. And
3 the future of the Diablo Canyon, I won't speculate on.
4 You're the Energy Commission.

5 All those -- all those items I talked about are
6 how the sources of energy are changing. On the other side
7 is how we use electricity is changing. We're using it now
8 for different purposes. Already our -- our peak demand is
9 not driven by industrial, manufacturing, commercial uses,
10 middle of the day. Our peak demands in California are
11 driven by residential. And we're now moving to other --
12 other uses, using -- wanting to significantly change our
13 energy mix in the transportation sector. That's a change in
14 how we use and put that demand on the system. It also makes
15 it more difficult to control -- difficult to serve, not
16 control, sorry.

17 There's an entire system evolution going on, the
18 things we call the demand-side management where you sign up
19 to have your power turned off, basically. Smart meters so
20 we can better control our own uses. And more consumer
21 choices. So we have a hugely changing system. The sources
22 of electricity are changing. The way we use electricity is
23 changing. The means the technology we need to employ to
24 get -- to make all these -- make all these goals has to
25 change. We cannot rely on the old steam-generated

1 technology we have today at Huntington Beach.

2 So current project status, the Hearing Officer
3 briefly talked about where we're -- where we are. We have
4 submitted an application for certification to the Energy
5 Commission in June 2012. And that, after significant
6 review, discussion, the -- all of the environmental
7 attributes of the project, that was -- the license was
8 approved, the project license, in October 2014.

9 In a parallel -- parallel to that, another
10 parallel-type proceedings, there is a California Public
11 Utility Commission long-term procurement and planning
12 process where they're looking -- providing the authority for
13 the utilities to procure new generation in the state.
14 That -- that was -- this is a parallel process that went --
15 went along. Basically, our customers were figuring out how
16 much they could buy of what and when.

17 In 2012 the CPUC, the Public Utilities Commission,
18 authorized the utilities -- or Southern California Edison to
19 procure new energy sources. And through that request for
20 offer, AES was awarded -- awarded a contract to supply
21 energy for the Huntington Beach Generating Station for --
22 for 20 years. In that process the utility gets to choose
23 what kind of equipment they would like -- how much they want
24 to spend, using what type of technology from which -- which
25 places.

1 So AES submitted multiple -- multiple bids to
2 Southern California Edison, including the licensed project,
3 the technology that was it the licensed project. However,
4 Southern California Edison chose a different type of
5 technology and instead awarded a contract to us for 644
6 megawatts from a combined-cycle power plant of a different
7 design than the one that was licensed.

8 So we had an approved project for 939 megawatts
9 combined-cycle natural gas turbine project, but we won a PPA
10 with Southern California Edison to supply power from a
11 combined-cycle natural gas turbine power project, but it's
12 not the same one. It's not exactly the same technology.

13 And while we are PPA for generation that's
14 decidedly less than what the amendment is for, we -- we see,
15 and I think other entities see, additional need for capacity
16 in Orange County is likely in future years. So we are
17 submitting a Petition to Amend our license for a revised
18 project to meet the current needs of Southern California
19 Edison and some potential future need. So a revised project
20 of 844 megawatts will satisfy the local area with
21 reliability requirements and is -- and it will be consistent
22 with the original project objectives, and fit within the
23 Commission's certification already approved by this
24 Committee and basically fit within that same environmental
25 envelope.

1 What exactly is it? Well, I'll show you some
2 pictures which will help explain it, because a lot of this
3 is a lot of -- a lot of technical discussion that I'm sure a
4 lot of you are having a hard time following.

5 So it's two three-on-one combined-cycle gas
6 turbine power blocks have now being changed to one two-on-
7 one combined-cycle gas turbine power blocks, plus two
8 advanced technology aeroderivative simple-cycle gas turbines
9 for -- for extra peaking power. With the revised project
10 there will only be one air-cooled condenser needed, as
11 opposed to two in the original project.

12 With this change in technology we are actually
13 driving the efficiency. It will be -- it will be a more
14 efficient project. It means less greenhouse gasses per
15 megawatt produced. And it will also use less water than we
16 had originally approved.

17 Basically, in this -- exactly the same location.
18 There's a slight change and I'll point that out, but it's
19 all within the same fence line of the Huntington Beach
20 Generating Station.

21 One of the things we've also done, while
22 redesigning the project to meet the specific needs of the
23 utilities, is got into the details of how do we actually
24 handle the logistics of construction in such a tight
25 confined space. One of the things we have to do here at

1 Huntington Beach is maintain generation at all times. We
2 have to keep the existing generator going while we would
3 construct the new one, which means we don't have a lot of
4 space. And so as we walk through a lot of the details of
5 construction we realize we're going to need additional
6 temporary space for construction of combined -- a new
7 combined-cycle plant.

8 Because it's a different technology it's going to
9 look different, which means the design that we worked so
10 hard at with -- with our partners in the city, the aesthetic
11 design, we're going to have to redo. And we're in the
12 process with the city of coming up with a new design that
13 fits this new project.

14 I've already mentioned that we -- we don't propose
15 any significant changes to our existing conditions of
16 certification. There will be some minor adjustments as to
17 the tables and numbers. But basically all of the
18 commitments we made to the community, we've kept. All of
19 the limits that we -- we discussed and analyzed and came up
20 to ensure that the project would have not significant
21 environmental effects after any mitigation, those -- all of
22 those can be kept and met. And the new project will fit
23 within that approved environmental envelope of the -- of the
24 previously approved project.

25 So let's get to some pictures which makes it much

1 easier to explain the differences. Here is the existing AES
2 Huntington Beach Generating Station. And the blue outlines
3 the area we have, you know, for development of the new power
4 project plant.

5 Now I said the -- the project would be essentially
6 in the same footprint. One very, very small slight change,
7 this little piece, this little triangle right here, we
8 recently acquired that from Southern California Edison. In
9 fact, we -- from our perspective and -- and constructability
10 and design standard was a significant change to -- to our
11 project to be able to put -- fit our project in here. We
12 now own this little piece of asphalt here, which is within
13 the boundaries and fence line of the existing station. So
14 from a public perspective there's not much real change in
15 the footprint.

16 And even in our originally reviewed and approved
17 project, we always looked at using this piece of land, at
18 least for construction but weren't going to actually
19 physically put anything on it permanently. We will now.

20 So this is the existing station. There's the
21 boundaries. The next picture I'll show you here is the
22 previously approved and licensed Huntington Beach Energy
23 Project. There it is. It was two three-on-one --
24 there's -- there's one, two, three -- three-on-one, one
25 there, one there, combined-cycle air cooled, there's the air

1 coolers, combined-cycle gas turbine projects totaling 939
2 megawatts not on -- not on conditions, set in this location,
3 and then over here. The idea would have been to build this
4 first block while the existing units were still in
5 operation, tear down one, build this one, then finally tear
6 down the -- the last set of units.

7 I'm going to switch from -- from this to the newly
8 proposed amended project, and there it is. Now we've --
9 what we've really done here is concentrated the generation
10 over in this part of the site, now 644 megawatts right here,
11 and then two small peaking aeroderivative advanced
12 technology gas turbines over on this side of the facility.
13 So it's significantly different. We've really moved a lot
14 of the big equipment that used to be over here. It's now
15 been concentrated here. I'll let everybody let that sink in
16 a little bit because I think this is the best way to explain
17 the changes. Okay.

18 I've got a few shots now. I will show you the
19 existing site, then I'll show you the previously approved
20 project, and then -- from that same angle, and then the
21 newly proposed amendment.

22 So there it is today from the beach. This is a
23 picture of the previously approved project, two three-on-
24 ones. And this is the amended project with the two-on-one
25 in the back and the two simple-cycle peakers in the front.

1 This is -- this is a view from Magnolia looking
2 north -- north -- northwest -- northwest on this view.
3 There is the previously reviewed and approved project. And
4 there's the new one. You can see that all this generation
5 has really been moved back off of PCH, which is over here.

6 This is a view from Newland. This one is quite
7 striking. This is from basically the other side of the
8 property. This is the previously approved project. You see
9 a very large air cooled condenser. The combined-cycle unit
10 is right there along Newland. Significantly different from
11 this view with the revised project.

12 This might be our last shot. Here we are, another
13 oblique angle from the -- from the beach. This one is a bit
14 misleading from the -- on the right part because this
15 one's -- this one unit's hiding -- sort of hiding the other
16 unit behind it. And there's the amended project. Okay.

17 So that -- that explains the design difference and
18 why we need to come for amendment.

19 The other -- the other part that's probably
20 important to the city and our -- and our local residents is
21 how are we actually going to construct it, particularly the
22 first part when we're building that larger two-on-one
23 project right here. A significant workforce, a fair amount
24 of land needed for storage of material, parking for the
25 contractors. And while we had always contemplated using a

1 piece of land here, using some land over here for parking,
2 and even some parking within this Plains All American
3 property, we need more space.

4 And so part of this amendment, we propose to use
5 essentially all of this tank farm area. The tanks -- these
6 tanks here could be removed. We could park our people here.
7 We can store materials here. And as part of the -- part of
8 our proposal is to walk our employees across this existing
9 footbridge, across the road/pathway heading into the
10 construction site. It's good for logistics reasons, it's
11 good for safety reasons. It keeps our operating -- our
12 operating units separate from our construction site. It
13 keeps control and the security of the site. And it reduces
14 traffic in the neighborhood. We had originally proposed to
15 park people here and then drive them around like into --
16 into our construction site. By using this footprint we can
17 eliminate all of that bussing of people back and forth, back
18 and forth.

19 As we look at -- we looked at the use of this
20 site, we also realized that the existing Plains All American
21 site is a single -- a very narrow cart track almost on a
22 blind corner, and very close to residents here. We proposed
23 to reconfigure the vaning ability of the intersection and
24 build an entire new entrance through here. This keeps it --
25 this keeps all of our -- our vehicle traffic out of the

1 residential area. We've got buffers on both sides of the
2 road. There's actually -- the houses that are not up
3 against, right up against, they are in this area, there's --
4 there's a buffer on either side. We have a controlled
5 intersection, great line of sight for the vehicles turning,
6 signalized intersection, et cetera. And we find -- feel
7 that will be a safe, efficient way for us to park -- park
8 our contractors and store material here.

9 This will -- this will require cooperation with
10 the city, meeting design requirements on the reconfiguration
11 of this intersection, turning lanes, signalization, et
12 cetera. Currently on this site there already exists a Coast
13 Development, approved Coast Development for the -- for the
14 removal of these three tanks and the associated equipment
15 with that.

16 COMMISSIONER MCALLISTER: Mr. O'Kane --

17 MR. O'KANE: Go ahead.

18 COMMISSIONER MCALLISTER: -- can I ask a question?
19 So -- so you talked about parking your people over there and
20 walking across the footbridge. What about sort of big
21 pieces of equipment, heavy equipment, construction
22 equipment, are you going to park that there and have to
23 drive it around, or are you going to life it over the canal
24 or what?

25 MR. O'KANE: Material that we would store here we

1 would drive around. Equipment? Equipment would be
2 generally kept onsite. We do have space here. We have the
3 space in -- this -- all this space would be cleared out with
4 the removal of this tank, this tank, this old peaker
5 building, this maintenance shop. We'd keep -- generally
6 keep the equipment, I'm thinking you're talking about
7 cranes, welders --

8 COMMISSIONER MCALLISTER: Yeah.

9 MR. O'KANE: -- those are the things that would be
10 onsite. And generally we would be keeping material over
11 here; right?

12 COMMISSIONER MCALLISTER: Okay. Material would be
13 driven in?

14 MR. O'KANE: But we do have to drive the material
15 around. So in the previous approved project we did have
16 designated vehicle routes that would extend from Magnolia
17 and back around into the site this way. Delivery routes
18 from PCH to Newland into our main gate. Down -- down Beach
19 Boulevard to PCH would be a designated heavy haul routes.
20 Down PCH from -- from the Port of Long Beach and the rail --
21 the rail sidings there, that's the other designated heavy
22 haul routes. We do not propose to have traffic, truck
23 deliveries use any of these roads to the north on Newland or
24 to the north on Magnolia, and can really control traffic and
25 keep it outside of the residential areas.

1 We also propose on this footprint here fenced,
2 gated security, not only just for security but protection of
3 the wetlands here.

4 Looking -- looking at my colleagues here to see if
5 I missed anything? Okay. All right.

6 So the next step, you've heard from the Hearing
7 Officer what the next step of the Petition to Amend process
8 was. We've already filed -- AES has already filed some
9 detailed project descriptions and accompanying environmental
10 analysis drawings, specifications, new air quality modeling,
11 water balances, heat balances. All of that technical data
12 has been submitted to the staff and they are diligently
13 reviewing that and analyzing all that information.

14 There will be very minor revisions proposed to the
15 Condition of Certification. No new or additional mitigation
16 necessary, but there will be -- because it's like a
17 different design time areas, there will be some small
18 changes to those Conditions of Certification. For example,
19 say the water -- the water, we took the limit in our
20 condition not to use -- to not use more than 130 --

21 MS. FOSTER: One hundred and thirty-four.

22 MR. O'KANE: -- 134 acre feet of fresh water a
23 year. We're going to change that and reduce it down to only
24 120 acre feet. So it's changes like that, and that's what I
25 mean by staying within the established environmental

1 envelope of the existing project.

2 So emissions were smaller. Capacity has gone from
3 939 megawatts to 844 megawatts and increased efficiency
4 overall. So therefore our -- our emissions are reduced.

5 Plus we are voluntarily taking a lower cap on
6 emissions for the site. Previously we had limited all
7 maximum PMs for the site to 100 tons. Now it will be
8 limited to 70 tons potential to emit. So we're reducing our
9 total emissions, reducing our water.

10 The CEC piece of it, you've heard already.
11 We're -- we've already -- this petition starts, like the
12 discovery period, we've got public meeting, Staff analysis
13 to see, eventually a recommendation by this Committee and --
14 and the whole Commission.

15 In parallel, we are preparing our technical
16 treatments for the revised project. That was a -- we don't
17 propose any changes to the Conditions of Certification for
18 visual resources, which included a condition for us to
19 design and build an aesthetic treatment consistent with the
20 city resolution. We still intend to do that. Obviously,
21 the design will be different. And we -- we intend to ask
22 the city to amend that resolution to incorporate the new
23 design. So we're in consultation with the city and we'll
24 work through that design process, getting their input, and
25 eventually get the city council to approve our aesthetic

1 treatment revisions. We expect that in -- in about March --
2 March or April time.

3 I think that really concludes my presentation.
4 I'm willing to take questions now or later. But that gives
5 you a good idea of what the amendments we have submitted
6 are.

7 HEARING OFFICER COCHRAN: We'll let people make
8 public comments so we can keep moving along.

9 Also, again, I would ask that this PowerPoint
10 presentation be docketed so that the public can have access
11 to it.

12 So if we can switch back now to the other
13 PowerPoint presentation. And we will now turn to Staff's
14 presentation.

15 Before we do that, though, I want to let the
16 public know that if you wish to speak, the Public Adviser
17 has blue cards to fill out. You do have the ability to
18 speak to us anonymously if you'd like. But the blue cards
19 help us follow up and make sure that you're -- you have been
20 able to speak.

21 So without much further ado, Staff's presentation.

22 MR. HEISER: Okay. Thank you, Susan.

23 John Heiser again, Project Manager. I noticed
24 there was an area that discussed the amendment process, but
25 I think you pretty well covered that, Susan. Staff did

1 conduct an Issues Identification and Scoping Report. And I
2 believe you have the outline or the items on your
3 presentation, Susan?

4 HEARING OFFICER COCHRAN: Yes.

5 MR. HEISER: Do you want me to start going through
6 that maybe?

7 HEARING OFFICER COCHRAN: So you'll need to go
8 forward about two or three slides, I believe. Keep going.
9 Go a little further. This is agency coordination.

10 MR. HEISER: Again, yes, we do work with other
11 governmental agencies, for example, the City of Huntington
12 Beach, the Water Steward (phonetic), the South Coast Air
13 Quality Management District, California Department of
14 Transportation, Santa Ana Region 8 of the Water Quality
15 Control Board, California Department of Fish and Wildlife,
16 California Coastal Commission, along with Native American
17 tribes to solicit their input on the project as we go
18 through the analysis phase and to meet the requirements of
19 CEQA, et cetera.

20 HEARING OFFICER COCHRAN: Next slide please. Keep
21 going. Keep going. Next slide.

22 UNIDENTIFIED MALE: (Off mike.) Is your
23 microphone on?

24 HEARING OFFICER COCHRAN: Yes.

25 UNIDENTIFIED MALE: Okay.

1 MR. HEISER: Okay. The purpose of the Issues
2 Identification Report is to inform the participants and
3 parties to the proceedings, Committee, Interveners,
4 Applicant, agency representatives or potential issues that
5 may require extra analysis and mitigation or could maybe
6 totally impact the project schedule. We like to have an
7 early focus on important topics requiring Committee
8 direction and agency collaboration.

9 Next slide please.

10 Staff's potential issue areas, in this particular
11 Issues Identification Report, that has been docketed on our
12 Energy Commission's website under the project for Huntington
13 Beach compliance is air quality and environmental justice
14 population.

15 Next slide please.

16 The potential issues on air quality, schedule and
17 timing is the Preliminary Determination of Compliance or the
18 PDOC anticipated in mid-July 2016, and a Final Determination
19 of Compliance, FDOC, anticipated in October of 2016. This
20 is in response to the Air District saying that the
21 Applicant, the Petitioner, has been requested to provide
22 additional information for the Air District to continue
23 their analysis. We also use that information as part of our
24 analysis in the documentation process.

25 The Energy Commission staff will utilize the PDOC

1 and FDOC in their air quality analysis and Conditions of
2 Certification, the timing of which will impact the proposed
3 schedule from the Applicant, as well as our draft schedule
4 for producing Staff's Preliminary Staff Assessment and our
5 Final Staff Assessment, and ultimately reaching an Energy
6 Commission final decision. The PSA and FSA are, for
7 example, are equivalent to an EIR, Environmental Impact
8 Report. We have a preliminary which would be like a draft
9 which includes the public, interveners, agencies, comments
10 and how those are addressed. And the FSA would be the Final
11 Staff Assessment based on all the information we requested
12 and all the workshop information and agency input, and as
13 well as the public's.

14 Next slide please.

15 So based on the potential issues under
16 environmental justice population, the 2010 census data shows
17 39 percent of the total population living within the six-
18 mile buffer of the project site constitutes and
19 environmental justice population. We have Staff working on
20 that issue to review that information and to provide their
21 analysis and the PSA and the FSA. Staff will then, again,
22 review the impacts resulting from the construction and
23 operation of the proposed project to determine impacts and
24 necessary mitigation.

25 Next slide.

1 Staff will work with the Hearing Officer and
2 Public Adviser on public outreach regarding the project and
3 its impacts.

4 Next slide.

5 Post-licensing project-to-plant oversight. The
6 purpose of the project as approved, if the project is
7 approved, is to assure compliance with all Conditions of
8 Certification, applicable LORS which were laws, ordinances,
9 regulations and standards, and building codes. We have a
10 Compliance Project Manager, a CPM, who provides compliance
11 oversight of construction, operation and ultimately closure,
12 so there's still coordination efforts between our staff, the
13 CPM and the Applicant, and the construction phase, as well
14 as the deconstruction or the demolition part of -- component
15 of this project.

16 Next slide please.

17 MR. HEISER: Therefore, the Petition to Amend
18 document was also mailed to the following libraries, so
19 there's hard copies. And as you see up there, we also have
20 copies, the hard copies available at the Energy Commission
21 library. We brought one of the hard copies in the binder
22 down here at the Public Adviser's Office. We also have ten
23 CD-ROMs of the document if you'd like to take one home. The
24 Application for Amendment is also available online under the
25 project on the Commission's website if you would like to

1 look at the .pdf and all the other docketed items.

2 There's also a process that if you want to provide
3 your comments on the project, you can submit those through
4 the docket, and they're also available.

5 Next slide please. All right.

6 HEARING OFFICER COCHRAN: Thank you very much.
7 And now we'll turn to the Public Adviser who will discuss
8 the public's participation in this project.

9 THE REPORTER: Wait just a second. You're going
10 to need this.

11 MS. MATTHEWS: Thank you. Good evening. My name
12 is Alana Matthews and I'm the Public Adviser for the
13 California Energy Commission.

14 Can I just see a show of hands, how many members
15 of the public or anyone who is not affiliated with either
16 the Applicant or the Staff, can you just raise your hand so
17 I can get an idea? Okay. Thank you.

18 Just very briefly -- next slide please.

19 The Public Adviser is an individually appointed
20 attorney who helps the public understand the processes --
21 these are the three main objectives -- recommend the best
22 way to be involved, there's a formal way and an informal way
23 to participate, and assist in successful participation. So
24 if you decide you want to participate formally you have to
25 file a Petition to Intervene, so we can give guidance.

1 Next slide please.

2 So another option or another responsibility for
3 the Public Adviser's Office is to have outreach or an
4 informational hearing and site visit. So who we reach out
5 to is listed up there, and how do it through newspaper
6 articles. If there's a particular segment of the community
7 that doesn't speak English or they have special needs, then
8 we'll try to research that and develop that.

9 I should also say that one thing the Public
10 Adviser is not is an attorney for any particular party. So
11 independent of the Commission, but also independent of any
12 other participant or party. We really focus on the
13 procedures so that it's just not this big bureaucratic
14 mystery in how to participate.

15 Next slide please.

16 So one thing I like to stress is the importance of
17 public participation for public comment. As I mentioned
18 earlier, there are two ways to participate, formally and
19 informally. The informal way is through public comment.

20 You can hit enter. I believe there's -- next
21 slide or -- yeah. And you can just hit -- maybe hit enter
22 to or three times. Normally I have a clicker so I can do
23 this myself.

24 Public comment is very important because it's
25 considered by the Commissioners -- oh, yeah, it's considered

1 by the Commissioners, the decision makers. They help inform
2 the Commissioners and Staff. Sometimes Staff may not be
3 aware of particular issues or concerns that effect the
4 community and the residents. They're necessary to
5 understand those concerns. And they are not considered
6 evidence but are a part of the official record.

7 Next slide.

8 The first level, again, the informal participation
9 is public comment. So how do you do that? You can do that
10 by making verbal comments in public meetings. These blue
11 cards that our Hearing Officer just mentioned, you just come
12 to the back and complete one of those and they'll call you
13 up. Again, if you don't want your name, if you want to do
14 it anonymously, you can just say Person Number One, but just
15 realize when they say Person Number One that you need to get
16 up and speak.

17 We also have an opportunity to provide -- for you
18 to provide electronic comments through the Energy
19 Commission's e-filing system, but it's actually an e-
20 commenting system. So when you go through the website there
21 is a part that says submit e-comment, and you can do that.
22 If you have any questions, you can always call the Public
23 Adviser's Office.

24 And then written comments, the third way you can
25 give your comments, you can hand deliver that to me or any

1 representative from my office, or you can mail it to the
2 Dockets Unit.

3 Next slide please.

4 The second level is formal participation, and it's
5 formal, not because it's more important but just because
6 there's a little bit more responsibility that's required
7 with that. As an intervener you're a party to the
8 proceeding. It means you have to file a Petition to
9 Intervene. And all of the responsibilities that the
10 parties, either Staff or the Applicant have, you have as
11 well. So that includes submitting status reports or other
12 formal documents, responding to motions.

13 You do not have to be an attorney to intervene.
14 You don't necessarily have to have an attorney, but that's
15 part of my job sometimes. I can make a recommendation as to
16 whether or not you may need that. We can provide -- my
17 office can provide a sample of a Petition to Intervene. Not
18 many people have that in their repertoire. So the petition
19 is considered by the assigned Committee and you get a
20 determination within 30 days.

21 And one thing that's important to note if you are
22 thinking about petitioning to intervene is that to keep the
23 proceedings efficient the Committee has the ability to --
24 they have the ability to focus your intervention into one
25 area so that if you have expertise in one particular field

1 such as biology or air quality, then that's where your input
2 will be most helpful to the decision makers. And so it
3 doesn't mean that you can't submit other comments during
4 public comment to share your views and thoughts, but that's
5 important to know so that when you petition to intervene it
6 may be focused on just one particular area and not every
7 other area or all areas that are considered.

8 Next slide please.

9 So how can you participate? Well, anything that
10 you want to know what's going on, you would go to the Energy
11 Commission's website, www.energy.ca.gov, and then you see
12 those tabs where it says "Home, About, Efficiency, Power
13 Plants?" If you mouse over "Power Plants" and then drop --
14 there's a drop-down menu, and you'll get an alphabetical
15 list of the power plant projects. It's pretty simple
16 enough. I usually -- sometimes I'll go through it and
17 demonstrate, but I don't think I have to. Unless someone
18 really wants me to demonstrate that I'll skip that.

19 But we also have this sheet right here that's back
20 on my table that you can complete and it signs you up for
21 our building list. So you fill this out and then my staff
22 will go ahead and add you. So any document that's filed,
23 any meeting, any notice that goes out, you will
24 automatically get it, but it's a two-step process. So once
25 you sign up and we enter you to the Listserv, you'll get an

1 email to confirm that subscription. So if you don't confirm
2 it then you won't get the notices, so just know that.

3 Next slide.

4 Oh, that's just showing what I've explained.

5 So the things that you can do is sign up for the
6 Huntington Beach Energy Project Amendment Listserv by
7 signing this form. Or I have a laptop if you want to just
8 sign yourself up, you can do that. You can submit written
9 comments, provide comments. We're going to open it up for
10 public comment shortly. And then attend all public-private
11 events. Because without your input the Committee, the Staff
12 and the Applicant won't know all of the concerns.

13 And then again, if there are any special
14 accommodations or for people with disabilities or non-
15 English speakers, you can always call my office and we can
16 help facilitate that.

17 Next slide.

18 I think that's it. I have one more slide with my
19 information, so if you want to take down those numbers. I
20 also have cards in the back if you would like to take that
21 with you. Thank you.

22 HEARING OFFICER COCHRAN: Thank you very much.

23 If we could move to the next slide please.

24 So at this point the Committee is going to talk
25 about issues identification that it has -- has seen, as well

1 as we'll talk about the schedule which appears to be a large
2 issue given what we received from the Applicant and the
3 Staff.

4 Turning first to the -- to some of the issues that
5 will inform the schedule, at this point there is no rule
6 about discovery. Usually in an AFC there is 100-day limit
7 on discovery. Is -- is there much more discovery that the
8 parties are anticipating at this point? I know you had a
9 workshop today. Are there going to be an additional round
10 of data requests?

11 MR. HEISER: There may be. I know that the data
12 responses came in. The Applicant has suggested that -- or
13 indicated they will provide additional information by the
14 14th --

15 HEARING OFFICER COCHRAN: Okay.

16 MR. HEISER: -- of this month. So, yeah.

17 HEARING OFFICER COCHRAN: Generally -- if you
18 could go to the next slide please.

19 Data -- discovery requests would close 100 days
20 after the petition is filed. By my calculations that's
21 December 18th. So if there's something that the parties
22 want that's different than that, you might want to let us
23 know. Because -- because -- because the specific regulation
24 doesn't apply to an amendment there are some Presiding
25 Member discretion on how much discovery time you would like

1 to allot the parties.

2 Could you go to the next slide please? Thank you.

3 MR. BELL: Before you move on there's --

4 HEARING OFFICER COCHRAN: Sure.

5 MR. BELL: -- there's one -- one item that I think
6 we can address here, and it is visual treatment plan for the
7 facility.

8 HEARING OFFICER COCHRAN: Yeah.

9 MR. BELL: Of course, we discussed that in the
10 underlying proceeding earlier today. I can tell the
11 Committee, we had some discussions on that, as well. And I
12 don't know if Mr. O'Kane knows a date that the city council
13 will be reviewing their proposed treatment plan?

14 MR. O'KANE: We don't have a date scheduled yet.
15 I can only give you the general timeline I gave before. And
16 I guess we have to think about how -- how that effects
17 discovery and Staff analysis. Do they really need that to
18 finish their staff analysis or is just merely part of the
19 conditions for the project? I think that -- I figure that's
20 where the discussion should be is that does the staff see a
21 need for anything beyond what the city would like to see for
22 aesthetic treatment on the -- on the plans.

23 MR. BELL: You know, I can't answer that question
24 right now without actually seeing what -- what's proposed,
25 and without having our staff analyze what's proposed. I

1 couldn't say.

2 Instead of the substantive issue of what it's
3 going to be I'm just more concerned with the timing of
4 getting it. It's conceivable that it could be beyond our
5 100-day discovery window. But at some point, if the
6 Committee would entertain, you know, an agreement by the
7 parties to get that information to us before we have to
8 conduct our analysis, that -- that would be fine with us.
9 We don't have to have a date certain for that. But when it
10 comes in we -- we need to see it.

11 COMMISSIONER MCALLISTER: Well, there's a party
12 that's important here that's either of you, it's the city.
13 So there's a counter-party issue here where we need to get
14 to some point where we have enough information so that we
15 can close that loop.

16 COMMISSIONER MCALLISTER: Right. So this will be
17 one item that will sort of be pending after this meeting?

18 MR. BELL: That's out of our control. And to some
19 extent it's out of the Applicant's control, as well, on how
20 fast the city moves on that and what they get back from the
21 city, so we understand that.

22 HEARING OFFICER COCHRAN: I believe Ms. Foster --

23 MS. FOSTER: Thank you. It's also -- is this on?

24 HEARING OFFICER COCHRAN: It didn't sound like.

25 COMMISSIONER MCALLISTER: It didn't sound like it,

1 yeah.

2 MS. FOSTER: Thank you. It's also our position
3 that Staff does not need the architectural design treatment
4 to do their analysis. Looking at the simulations of the
5 amended project compared to the licensed project, Staff is
6 able to their analysis, the requirement for the
7 architectural design mitigation measure that's incorporated
8 into BIZ-1 (phonetic). And so it's always been our position
9 that that's something that's separate from the analysis of
10 the proposed project, it's above and beyond.

11 And the amended project is an improvement over the
12 licensed project from a visual resources perspective. So we
13 would recommend and request that visual resources staff
14 conduct their analysis with the information that they're
15 provided of the amended project. And then we will docket
16 when it's available, and it sounds like it's going to be
17 towards the end of the first quarter of '16, information
18 that the city has related to architectural design.

19 MR. BELL: And then, of course, you know, speaking
20 for Staff, I know that -- and you'll recall, I'm sure, Ms.
21 Foster, that there was some strong disagreement between
22 Staff and Applicant on the issue of visual resources. And I
23 can state on behalf of our staff, it is their strong
24 preference and their opinion that they do need to see the
25 visual treatment plan prior to doing their analysis. Now

1 that's not to say that they won't conduct an analysis on the
2 project as -- as is proposed, but they may be much farther
3 away from where they need to be without the visual treatment
4 plan.

5 So, you know, I think it's premature to -- you
6 know, for the -- the Committee, you know, to start getting
7 into the substantive issue of actually what is required and
8 let's just -- you know, let's -- I would like to keep the
9 discussion limited to schedule and when -- when we're going
10 to see a treatment plan. Because it sounds like that's
11 something that you're working on with the city, in any
12 event. So -- and if so, if we are going to see something at
13 some time in the future, then we may be arguing over
14 nothing.

15 MR. O'KANE: Well, the -- right. We're going to
16 see it. I don't want to see the discovery extended to the
17 point where we're finished with the review process and input
18 process from the city. And I don't think we're talking
19 about substantive issues. I think we are talking about
20 something procedural here. We're asking that the staff
21 conduct their analysis of the project, not for the staff to
22 conduct an analysis of the mitigation they propose.

23 In what other discipline do you ask -- do you
24 impose a condition and then -- and then wait for the -- say
25 we need to continue and wait to see if the mitigation is

1 going to be appropriate or not?

2 MR. BELL: I completely understand Applicant's
3 position, and I hope you understand Staff's. This is one
4 where we have to simply agree to disagree on that
5 substantive issue. The timing, however, we're not proposing
6 that discovery be extended out past the date, except on if
7 we have a pinpoint issue where we know that there's going to
8 be some information that we may need at some time in the
9 future that we not be precluded from receiving that
10 information in a timely manner because the discovery period
11 has lapsed.

12 HEARING OFFICER COCHRAN: Well, and either party
13 can always bring a motion for -- to reopen discovery on --
14 on limited issues, as well. So that -- that's another
15 option available to the parties.

16 I know that the City of Huntington Beach, as I
17 mentioned, did submit a rather large comment letter that is
18 available on the docket. And I know --

19 COMMISSIONER MCALLISTER: Let's see, I kind of --
20 I want to defer, actually, to the representative from the
21 city, Jane James, the Planning Manager. And, you know, this
22 issue may be something you want to comment on. But I want
23 to basically thank the city for -- for the really
24 substantive letter on the issues and giving -- giving us a
25 sort of roadmap for many of those issues. So if you wanted

1 to comment generally or on this issue, you're welcome to do
2 that now.

3 (Colloquy)

4 MS. JAMES: Can you hear me?

5 HEARING OFFICER COCHRAN: You need to --

6 COMMISSIONER MCALLISTER: Maybe move it a little
7 bit --

8 HEARING OFFICER COCHRAN: When you --

9 COMMISSIONER MCALLISTER: -- towards you a little
10 bit.

11 HEARING OFFICER COCHRAN: You need to --

12 COMMISSIONER MCALLISTER: Yeah.

13 HEARING OFFICER COCHRAN: You need to speak really
14 clearly. We've got this feedback from the few folks online,
15 one of whom is my boss, saying that he can't hear us. So
16 the more we talk right into the microphone the better it
17 will be. Thank you.

18 MS. JAMES: I did prepare some general comments on
19 the overall Petition to Amend, but I'm happy to cover all of
20 them now. Or you prefer that I help you with the discussion
21 on the visual resources, I'm happy to limit my comments to
22 that.

23 COMMISSIONER MCALLISTER: Yeah. Why don't -- if
24 you can help on the visual resources now, and then we'll
25 sort of slot you in on the more general comment when we have

1 further discussion. I don't want to sort of -- I want to
2 give you the benefit of now seeing what we talk about, and
3 other issues as well.

4 MS. JAMES: Great. So my name is Jane James. I'm
5 the Planning Manager with the City of Huntington Beach. And
6 I can confirm that we've been working with AES on an
7 alternative visual resources plan. They have shared their
8 plan with us. We're currently reviewing it. We anticipate
9 providing comments back to AES within the next two weeks or
10 so. And then we do anticipate scheduling a review by our
11 Design Review Board for feedback in early 2016, and then
12 ultimately taking it to the city council for feedback at a
13 study session, probably in March of 2016. So we believe
14 that we can provide the feedback to AES and the Energy
15 Commission with concrete identifying of whether or not
16 there's additional issues or whether or not we're
17 recommending approval of it.

18 HEARING OFFICER COCHRAN: Okay.

19 COMMISSIONER MCALLISTER: And then you would need
20 to bring that to the city council at some point?

21 MS. JAMES: We would like to bring it to the city
22 council to get their feedback.

23 COMMISSIONER MCALLISTER: Oh.

24 MS. JAMES: The city council reviewed the previous
25 visual screening plan. And so we anticipate following the

1 same review by the Design Review Board and Council that we
2 did at the last go around.

3 COMMISSIONER MCALLISTER: Okay. Well, I mean, I
4 think we can work out a process where it will -- it's new
5 information, it's one little piece, and we can deal with it
6 when it comes in.

7 HEARING OFFICER COCHRAN: Right.

8 MS. JAMES: The second part of it that I would
9 mention is that the city council did take formal action on a
10 resolution regarding variants for height. This is actually
11 a higher, a taller proposal than the previous resolution
12 identified. So we would anticipate taking that resolution
13 and revising it. As well, if the recommendations are for
14 approval, we would ask the council to take action on that.

15 HEARING OFFICER COCHRAN: And do you think that
16 that would happen at about the same time as you're looking
17 at the visual enhancements?

18 MS. JAMES: Yes. It makes sense to do it
19 together.

20 COMMISSIONER MCALLISTER: Okay. Great. Thank you
21 very much.

22 HEARING OFFICER COCHRAN: Thank you very much.
23 That takes care of one of my issues.

24 One lingering issue out there, too, that we sort
25 of glossed over is during the last proceedings we received

1 some comments from the California Coastal Commission that
2 we'll just, for shorthand purposes, refer to as the 30413(d)
3 report. I'm not foreclosing anyone from arguing whether
4 there is one necessary in this proceeding by that statement.

5 My question though is do -- has anyone had any
6 contact with the Coastal Commission? You'll recall last
7 time that that report came in while we were having
8 evidentiary hearings, I believe, or shortly before. Do we
9 know if the Coastal Commission is going to be participating
10 this time, submitting anything in writing, what their timing
11 is? Do we have any idea at all?

12 MR. HEISER: I know that our biological staff has
13 been in communication with the Coastal Commission. And I
14 can follow up with their findings to date. (Inaudible.)

15 HEARING OFFICER COCHRAN: Okay. Because,
16 obviously, that will affect the schedule, as well.

17 MR. HEISER: And I also wanted to mention the air
18 quality modeling files have not been coming in as recently
19 as yesterday. So our staff needs to go through those. It's
20 quite a bit of information.

21 HEARING OFFICER COCHRAN: Okay. And that -- it's
22 almost as though you're looking at my outline up here,
23 because that was the next thing, obviously, and what you can
24 see on the screen is South Coast Air Quality Management
25 District, the applicable AQMD, issuing the PDOC. Now in

1 Staff's proposed report -- or Staff's proposed schedule it
2 discusses mid-July of 2016 for the PDOC, with the FDOC in
3 October of 2016.

4 And I believe someone from the Air District is
5 here. If you would be willing do you know if that's still
6 the schedule? Has there been a change? Are we looking at
7 anything? I don't think Mr. Lee wants to come talk to me.
8 Okay. I won't -- this is not a commitment on your part.
9 And I understand that you, you know -- just roughly.

10 MR. LEE: Good evening. John Lee with the South
11 Coast AQMD.

12 As far as the schedule goes, we are -- well, I'll
13 just put it this way, what we are -- we're in the process
14 right now. We did receive the applications in early
15 September, similar to your amendment. And we have reviewed
16 that or what we determined as what we call completeness,
17 which is probably similar to your data adequacy. We did
18 provide the Application with comments and -- on our first go
19 around, and they did supply some additional information. We
20 also -- we did a second round, and they just submitted some
21 additional information to us last week, Friday, which we are
22 reviewing. At this point in time we haven't yet made our
23 determination on completeness, but we hope to, in working
24 with the Applicant, to come up with an answer soon.

25 HEARING OFFICER COCHRAN: Okay.

1 MR. LEE: But once we do come up with that, then
2 our clock starts as far as when we're going -- when we're
3 required to complete these for our analysis. Mid-July is --
4 I haven't seen the date, but it's certainly a date which we
5 will bear in mind while we do our process.

6 HEARING OFFICER COCHRAN: Okay.

7 COMMISSIONER MCALLISTER: What's your requirement
8 time frame for finishing?

9 MR. LEE: Our required time typically is 180 days
10 past the time that we deem the applications complete.
11 And -- and also it's -- there also is a provision for a time
12 frame which occurs after the CEQA documents are approved.

13 HEARING OFFICER COCHRAN: Okay.

14 COMMISSIONER MCALLISTER: Then that gets you to
15 the FDOC or that's just the PDOC, the six months or the 180
16 days?

17 MR. LEE: That generally is to the FDOC.

18 COMMISSIONER MCALLISTER: Okay. Okay. Great.

19 Thank you very much.

20 HEARING OFFICER COCHRAN: Thank you very much.

21 MR. LEE: You're welcome.

22 HEARING OFFICER COCHRAN: Did you want to talk
23 about --

24 COMMISSIONER MCALLISTER: Are there any other
25 issues? I guess, so we have visual and we have air that are

1 going to have information coming in, in the future
2 (inaudible) so that we may have to make accommodations. I
3 guess are there any other -- well, at least we need to keep
4 that discussion going here.

5 Are there any other issues that might be in that
6 bucket?

7 MR. HEISER: Yeah. I think -- I know that our
8 socioeconomic staff member had some concerns over the
9 construction schedule and demolition schedule timing and
10 then to analyze that, and it wasn't very clear in the
11 amended document. But I'm not sure if that information was
12 derived recently.

13 MS. FOSTER: Yeah. And there was information in
14 the (inaudible) responses that were provided late Friday
15 afternoon in response to those questions.

16 MR. HEISER: Okay.

17 MS. FOSTER: And I know your staffer wasn't able
18 to come to the workshop today. So --

19 MR. HEISER: Right.

20 MS. FOSTER: -- have her let Robert -- let Robert
21 know --

22 MR. HEISER: Okay.

23 MS. FOSTER: -- if she needs the visual
24 information.

25 MR. HEISER: Okay.

1 COMMISSIONER MCALLISTER: Should I jump in with
2 some questions? Okay.

3 So I have a question for Staff. Actually, you
4 mentioned the EJ issue and your calculation on that. I
5 guess has anything changed between the original project and
6 this one? Did you use updated census data or are you
7 just -- you're looking, you're just actualizing that?

8 MR. HEISER: Just looking at those, the previous
9 information. So I know that know that our staff is updating
10 it.

11 COMMISSIONER MCALLISTER: Okay. But it's not that
12 you have reached a different conclusion where you're just
13 kind of updating the analysis?

14 MR. HEISER: Yeah.

15 COMMISSIONER MCALLISTER: Okay. Let's see here --

16 MR. O'KANE: May I ask a question?

17 COMMISSIONER MCALLISTER: Yeah.

18 MR. O'KANE: I guess related to schedule then, we
19 do continue to talk very much like an AFC. And we talk --
20 we haven't specifically said anything about a staff
21 assessment, whether it be a Preliminary Staff Assessment and
22 a Final Staff Assessment. We did mention it in terms of the
23 determination of compliance from the AQMD. But is it the
24 intention of this Committee to do both types of documents or
25 just a single Staff Assessment?

1 HEARING OFFICER COCHRAN: That has not been
2 determined yet. Part of what is driving our thinking,
3 though, is that it -- it may be something where we might
4 wish to bifurcate the document so that we can get some of
5 the work done ahead of time if the air quality issues are --
6 are longer term than some of the other things that we're
7 looking at.

8 But as a general proposition we usually like to
9 have both the PSA and an FSA. I know that the proposed
10 schedule that the Applicant filed had only a single Staff
11 Assessment document. And so that's -- in other amendment
12 proceedings we're still looking at the PSA, Preliminary
13 Staff Assessment, and a Final Staff Assessment, as opposed
14 to just one document.

15 COMMISSIONER MCALLISTER: Well, I guess -- I guess
16 the -- the -- functionally having -- if the schedule gets
17 stretched out anyway, then why not get to a point with the
18 rest of the analysis, you know, with a preliminary and then
19 incorporate everything and make it a final. So that may --
20 that may be the right path in any case. Yeah.

21 HEARING OFFICER COCHRAN: So then did you want to
22 talk about substantive issues?

23 Raj, if you could pull up the -- the letter that
24 was docketed from the --

25 COMMISSIONER MCALLISTER: From the ISO?

1 HEARING OFFICER COCHRAN: -- California Integrated
2 System Operator to the CPUC regarding clutches. That's it.

3 COMMISSIONER MCALLISTER: So the Independent
4 System Operator?

5 HEARING OFFICER COCHRAN: Yeah.

6 COMMISSIONER MCALLISTER: So actually I have one
7 other question. I guess, can you -- so -- so, you know, you
8 said it's smaller and it's more efficient, and I think
9 that's great. And technology has, you know, incrementally
10 improved and, you know, your equipment selection is
11 different this time, I guess.

12 Could you put, for a number of the combined
13 cycles, 56 percent efficient at the anticipated capacity
14 factor? Those include running, you know, running at a
15 relatively high capacity much of the time, I guess. Could
16 you sort of place that in context for us in terms of your
17 equipment selection and the relative efficiencies that you're
18 achieving in your reading the market out there?

19 MR. O'KANE: Okay. Well, relatively, where it
20 goes quantitatively. Okay.

21 COMMISSIONER MCALLISTER: Uh-huh.

22 MR. O'KANE: I guess the -- well, I'll start this
23 with every piece of equipment, generation equipment, needs
24 to be specified for the specific objective that it has.
25 It's not -- you know, you can't gloss over these things very

1 easy with a certain capacity factor, the number of -- is how
2 that capacity is spread out over the year, the number of
3 hours per start we need to -- we need to do really moves you
4 from one technology choice to another.

5 So the new combined cycle, we're anticipate it to
6 have more hours per starts and then if we need it longer,
7 every time you start it up than we previously proposed
8 project. That's what sort of what kicked us into that --
9 that design phase.

10 COMMISSIONER MCALLISTER: That was based on --
11 that was based on the procurement --

12 MR. O'KANE: (Inaudible.)

13 COMMISSIONER MCALLISTER: -- (inaudible)?

14 MR. O'KANE: That's right. We have a market view
15 as an innovative generator. But ultimately our customer,
16 the utility, is the one that really knows exactly how it
17 plans -- predicts the dispatch of that unit over the next 20
18 years. So we provide them with a number of options and they
19 say, you know what, this is the one the depicts our view of
20 the future.

21 So we took our best guess at it but they didn't --
22 they didn't like three-on-one. They wanted the two-on-one;
23 right? And in a different situation they might have said,
24 well, we don't either one of those, we want -- we simply
25 want peakers that have a very short amount of hours per

1 start in a completely different application, and that's the
2 life. And so how you -- it's not just how the unit is
3 designed that makes it efficient but how that unit is used
4 in what makes it efficient.

5 I always make the analogy of stop-and-go traffic
6 versus highway; right? Your -- your efficiencies drop
7 significantly when you're in stop-and-go as opposed to
8 highway. So if you -- if you're a delivery guy doing long
9 hauls, you get a big long haul, 18-wheel truck, that's the
10 best way and most efficient way to do it. If you're -- if
11 you're a UPS driver you need a different kind of truck to
12 make all those stops and goes in the city. So that's the
13 one thing I have to say about efficiency and those
14 equipment.

15 And a relatively -- how efficient is the -- the
16 new GE 7FA.05 in combined cycle? It is almost the most
17 efficient thermal product we can put online. There are
18 slightly larger ones. This is what we call an F -- F rated
19 machine. There are Gs and Hs which are even bigger which
20 are -- which would, again, be for a slightly different use.

21 Those would be for pure baseload applications, we'd go to
22 the next level up. But this is the most efficient for the
23 application in hand.

24 And putting it in perspective, it's -- it's going
25 to be about 3,000 points, heat rate points, BTUs per

1 kilowatt hour better than the existing units at its -- at
2 their most efficient state. So it's -- it's a significant
3 step forward in efficiencies. And we are -- we are
4 proposing the most efficient equipment for the project at
5 hand.

6 I don't know if you want me to keep going, because
7 you did mention the letter on the project.

8 COMMISSIONER MCALLISTER: Yeah. No. This was
9 sort of a previous question to that, but, you know --

10 MR. O'KANE: Okay.

11 COMMISSIONER MCALLISTER: -- they're not --
12 they're not linked. I not --

13 MR. O'KANE: They're not linked? Okay.

14 COMMISSIONER MCALLISTER: (Inaudible.)

15 MR. O'KANE: Okay. Then I'll stop here. I'll
16 stop here on efficiency. And I'll -- I'll lean over to my
17 left to see if my Director of Engineering has anything to
18 add?

19 COMMISSIONER MCALLISTER: I guess the point -- the
20 point you're making is that by stepping up to bigger
21 machines you're getting some efficiency right there--

22 MR. O'KANE: Right.

23 COMMISSIONER MCALLISTER: -- with the two-on-one?

24 MR. O'KANE: You're getting more efficiency and
25 you -- and you are fitting the project to the -- to the

1 right -- to the objective at hand.

2 COMMISSIONER MCALLISTER: Is that -- so --

3 MR. O'KANE: This machine -- this same machine
4 could be inefficient if it was -- if it was constantly run
5 at its minimum load all the time.

6 COMMISSIONER MCALLISTER: But if it's asked to do
7 a lot of ramping, then that might change; right?

8 MR. O'KANE: Ramping is okay. It's where -- where
9 it ends up sitting --

10 COMMISSIONER MCALLISTER: Sitting, yeah.

11 MR. O'KANE: -- for that period most of its time.

12 COMMISSIONER MCALLISTER: Yes. Okay. Great.

13 Okay. Thanks.

14 So I wanted to -- I definitely want to delve into
15 this issue of synchronous condensers and clutches. And I
16 guess, you know, if we have a synchronous condenser at this
17 facility already, you know, I'm wondering -- well, first of
18 all, let's just talk about, you know, so we have this letter
19 from the ISO. And you know, we have, in various contexts,
20 we have discussion of providing sort of ancillary services
21 to the grid independent of that generation itself. And so
22 we have these, you know, generators sitting that could
23 provide those services without actually, you know, being
24 part of a power plant.

25 So I guess the -- the ISO, in its letter, you

1 know, is recommending that -- to the PUC, not to the Energy
2 Commission, but it's recommending that the PUC really look
3 heavily at -- at clutches for potential future use of a
4 power plant as a synchronous condenser. So I guess what is
5 your view on that and its implications, if that were to be
6 the case at this point what would be its implications to the
7 site and sort of the, you know, the overall project?

8 MR. O'KANE: Sure. Okay. A couple of things,
9 since you know a little something about synchronous
10 condensers, there's one in operation at that site right now.
11 So the letter is a bit strange in that it's a bit of a
12 blanket statement.

13 COMMISSIONER MCALLISTER: Uh-huh.

14 MR. O'KANE: And they are recommending we look at
15 it in procurement. I think most synchronous condensers have
16 been very location specific. It wouldn't -- it wouldn't be
17 wise policy to mandate synchronous condensers and clutches
18 on every single project because it would be completely
19 useless in some locations. They're just not needed. So
20 that wouldn't be a wise deployment of capital.

21 For this specific project installment, on the
22 combined-cycle units the -- the 7FAs, the -- the gas
23 turbines, you're only looking -- you'd be looking at --
24 you'd be looking at putting the clutches on those gas
25 turbines. That commercial --

1 COMMISSIONER MCALLISTER: You would not -- you
2 would not put it on -- on the --

3 MR. O'KANE: But it could be put on --

4 COMMISSIONER MCALLISTER: -- the steam generator?

5 MR. O'KANE: -- potentially on the steam turbine,
6 as well. But, you know, we'd be looking at the gas turbines
7 there, one of the -- one of the bigger units. But there
8 is -- our vendor, General Electric, does not have the
9 product, does not offer that product, does not warrant a gas
10 turbine and rotor that is detachable and things, so that it
11 doesn't exist for those units, those combined-cycle units.
12 And we've had some discussions. They've been resistant to
13 look at that for these frame engines, as we call them.

14 A bit different on the aeroderivative, peaker
15 units that we're looking at. We were proposing almost
16 LMS100 GE aeroderivative units. There's more of a potential
17 there. And it would make more sense, too. On the unit
18 that's going to have high dispatch capacity, why would you
19 be putting a clutch on it because you're going to be needing
20 it all the time; right? However, on a peaking unit there's
21 more of a potential -- potential for it there.

22 So you know, there really has to be a very close
23 look at the location. Does it make -- even make sense to
24 have synchronous condensers there and having reactive power
25 supply to the grid when -- when no generation is online?

1 When -- when the actual generator is online they're
2 supplying that same reactive power even more.

3 And then secondly, can it -- is it actually
4 feasible to fit it to the type of equipment -- equipment
5 there? So I think it's wise to look at those options. I
6 think going forward in the electrical system the one thing
7 we cannot do is mandate a one-size-fits-all.

8 COMMISSIONER MCALLISTER: Yeah.

9 MR. O'KANE: Everything is available and we should
10 be looking at that. So --

11 COMMISSIONER MCALLISTER: So on --

12 MR. O'KANE: So I wouldn't -- what I'm saying, I
13 wouldn't exclude it from the aeroderivative side. There's
14 still potential for that. And certainly in our timeline of
15 development we might -- you know, could we work with a venue
16 over the time -- by the time we get to that phase of the
17 project? But on the -- the combined-cycle 7FA and gas --
18 steam turbine side, that is not commercially feasible at
19 this -- at this stage.

20 COMMISSIONER MCALLISTER: Okay. So I want to talk
21 a little bit about the one that's in. So you know,
22 obviously, the one that's here now. And what's important at
23 the time, at the moment, given the San Onofre events, et
24 cetera, and you know, I think it was a big roll up your
25 sleeves effort to get that done, you know, including with,

1 you know, many people outside California. So how is that
2 being used now? I guess, are you selling ancillary -- is
3 there -- is it deriving value in terms of its operation and
4 is there a need for it? Are you getting called? All right
5 you providing -- are you providing reactive power? How is
6 it getting used today?

7 MR. O'KANE: Yes, it is being dispatched. It is
8 currently on contract through the CAISO (inaudible). And it
9 is considered a transmission resource --

10 COMMISSIONER MCALLISTER: Yeah.

11 MR. O'KANE: -- to the -- to the grid. And it
12 is -- it is being dispatched, particularly in the high-low
13 days. And it's assisting a lot with the north-south
14 distribution of power in the San Diego County, L.A. County.
15 That's where -- that's where they react in the substations
16 from which the lines connect, that's where -- that's where
17 it's needed.

18 Curiously, we did talk about that a little bit
19 today. And I asked the question, have the synchronous
20 condensers ever been dispatched when the thermal generation
21 of the actual -- the generating units are not online?

22 COMMISSIONER MCALLISTER: Are not online? Okay.

23 MR. O'KANE: And we couldn't -- we couldn't
24 definitively say, no, but nobody could remember a time when
25 that ever has happened in the couple of years that we've had

1 it in service.

2 COMMISSIONER MCALLISTER: So you're using it
3 alongside the generation --

4 MR. O'KANE: Yeah.

5 COMMISSIONER MCALLISTER: -- is that what you're
6 saying?

7 MR. O'KANE: So it's being used alongside with the
8 generation, right, for the most part. I --

9 COMMISSIONER MCALLISTER: Is that just because
10 it's there or is there some technical reason?

11 MR. O'KANE: We don't dispatch it. It's
12 dispatched at -- by the CAISO, and they're calling it;
13 right?

14 COMMISSIONER MCALLISTER: Oh. Okay.

15 MR. O'KANE: We don't -- we don't dispatch any of
16 our units, and nor would we in our -- our future use. We --
17 we build to capacity and are made available to be dispatched
18 by the utility in the event that --

19 COMMISSIONER MCALLISTER: So the ISO is also --
20 let's see. So they're -- they're dispatched independently?

21 MR. O'KANE: Yes.

22 COMMISSIONER MCALLISTER: Completely
23 independently?

24 MR. O'KANE: Yes.

25 COMMISSIONER MCALLISTER: Okay. So in spite of

1 the fact that you could actually get the same bundle of
2 resources out of the generators themselves without the
3 synchronous condensers?

4 MR. O'KANE: Well, they just need a little bit
5 more -- on those high impact days they just need a little
6 bit more --

7 COMMISSIONER MCALLISTER: Yeah.

8 MR. O'KANE: -- reactive power.

9 Now the indication we've had from the CAISO is
10 that there are other -- there are -- a synchronous condenser
11 isn't the only way that -- to fix it. You -- capacitors and
12 there's other upgrades that can be done to use it. And the
13 indication we've seen so far is that those synchronous
14 condensers that are in -- in service now won't be needed
15 once -- once the new units are operating, or even before the
16 new units are fully commercially available.

17 COMMISSIONER MCALLISTER: Okay. And that's based
18 on the --

19 MR. O'KANE: That's based on their --

20 COMMISSIONER MCALLISTER: -- the ISO transmission
21 planning?

22 MR. O'KANE: -- their planning --

23 COMMISSIONER MCALLISTER: Okay.

24 MR. O'KANE: -- their -- right. There's only so
25 much we have on the inside of the -- of the system; right?

1 COMMISSIONER MCALLISTER: Yeah.

2 MR. O'KANE: They -- they hold all the cards, and
3 so --

4 COMMISSIONER MCALLISTER: Not all the cards, but,
5 yeah. So what -- what's the time frame for pulling out the
6 synchronous condenser? Is that just with the demo of one
7 and two or what's the --

8 MR. O'KANE: Well, they're -- the synchronous
9 condensers are on Unit 5 --

10 COMMISSIONER MCALLISTER: Okay. I'm sorry.

11 MR. O'KANE: -- I mean, 4, 3 and 4.

12 COMMISSIONER MCALLISTER: Yeah. That's right.
13 So --

14 MR. O'KANE: Well, currently the -- the forecast
15 is that they -- we don't -- we -- the indications are that
16 it wouldn't be needed, actually, beyond 2017.

17 COMMISSIONER MCALLISTER: Okay.

18 MR. O'KANE: That's -- that's the indication for
19 the day. You know, there's a lot of -- the indications
20 today are that we -- we don't need other procurement. But a
21 lot of things, a lot of pieces have to -- to come to play,
22 have to happen before we can definitively say things can be
23 retired permanently. So I don't want to sound like I'm
24 weaseling out of anything.

25 But answering your question, what we know today is

1 that it does look like beyond 2017 the synchronous
2 condensers will be needed. However, that date is contingent
3 on a number of other system upgrades that are -- that are
4 occurring.

5 COMMISSIONER MCALLISTER: So when -- in your, just
6 remind us, in your construction timeline when are you
7 anticipating pulling that out of service, that one -- that
8 one unit?

9 MR. O'KANE: Oh, you mean like physically pulling
10 them out? That -- we would do that in the 2020 time frame.

11 COMMISSIONER MCALLISTER: 2020? Okay.
12 (Inaudible.)

13 MR. O'KANE: So you got the same thing. Yeah,
14 absolutely.

15 COMMISSIONER MCALLISTER: Okay.

16 MR. O'KANE: They'd be available still; right?

17 COMMISSIONER MCALLISTER: Okay. Okay. So I think
18 I got my itch scratched here, so thanks very much.

19 HEARING OFFICER COCHRAN: And I would just look at
20 Staff and think that this might be something for an
21 alternatives analysis or something of that nature to make
22 sure that -- that the Committee and the public has the
23 information on this.

24 MR. HEISER: Correct.

25 COMMISSIONER MCALLISTER: Yeah. Let's see, do

1 we -- is there anybody else who -- do you have any other
2 questions on your last note? No other questions? Okay.
3 did you want to ask --

4 HEARING OFFICER COCHRAN: Oh, did you -- do we
5 want to talk about schedules more? I think, at this point,
6 I think we know the parties respective positions.

7 Are -- given what's looking -- I'm looking at
8 Applicant. Given what's looking like the time frame to get
9 at least some feedback from the city, are you -- are you
10 still looking at a decision being made on the project as a
11 whole?

12 MS. FOSTER: To reiterate the point I made earlier
13 about -- we think that visual resources staff can do their
14 analysis without the architectural design. We also believe
15 that air quality staff on the CEC side can do their CEQA
16 analysis and look at the project with the modeling that
17 we've provided and the information we've provided. And when
18 the District issues their determination, that can be added
19 to the record and supplemented into the information that's
20 in the evidentiary record. So we would like this to proceed
21 with the schedule proposed.

22 HEARING OFFICER COCHRAN: But, obviously, we can't
23 adopt a final decision until members of the public have been
24 allowed to comment on the information that was put into the
25 record from the Air District.

1 MS. FOSTER: Right.

2 HEARING OFFICER COCHRAN: So --

3 MS. FOSTER: And we -- none of us have a crystal
4 ball to determine when the Air District does its thing. We
5 do know that we need the Air District to issue a
6 determination before this PTA can be approved.

7 HEARING OFFICER COCHRAN: Correct. Okay.

8 MS. FOSTER: However, we do not believe that Staff
9 needs to wait to do their either air quality analysis or
10 visual resources analysis for the --

11 HEARING OFFICER COCHRAN: Okay.

12 MS. FOSTER: -- information from the District or
13 information on the architectural design.

14 COMMISSIONER MCALLISTER: And we know what Staff
15 thinks about that issue, as well, which we heard a little
16 while ago.

17 MR. BELL: Yes.

18 COMMISSIONER MCALLISTER: Okay.

19 MR. BELL: I don't need to restate it --

20 COMMISSIONER MCALLISTER: Yeah.

21 MR. BELL: -- unless you'd like me to.

22 COMMISSIONER MCALLISTER: No, no, no. That's
23 fine.

24 HEARING OFFICER COCHRAN: Thank you.

25 COMMISSIONER MCALLISTER: That's fine. I mean, I

1 guess I'm trying to be pragmatic here and just, you know,
2 acknowledge the fact that it looks like we have some issues
3 that -- that we're going to need to treat down the road.
4 And, you know, if -- if our processes improve and it doesn't
5 when our -- it doesn't force our timeline, it's not a matter
6 of forcing our timeline out further because we already have
7 these issues that we have to wait for. And, you know, I
8 think the process -- process enhancement and having two
9 stages might be the way to go, but I think we'll talk about
10 that a little bit more.

11 MR. BELL: And these aren't -- these aren't -- we
12 don't see these as fatal flaw issues.

13 COMMISSIONER MCALLISTER: Yeah.

14 MR. BELL: These aren't show stoppers. It's just
15 something that we need to get done so that our CEQA
16 equivalent document is complete.

17 COMMISSIONER MCALLISTER: So anyway, I'm not going
18 to, you know, make a decision now. The Committee has to get
19 together (inaudible) put out an order on the schedule. And
20 there are other issues on the schedule we need to talk
21 about, now or should we do public --

22 HEARING OFFICER COCHRAN: I think that at this
23 point the schedule. I think that what we will probably do,
24 given some of the still open issues, is that we'll have
25 status reports monthly and we'll probably schedule status

1 conferences every other month so that that way we can all
2 check in with one another, including any agencies who would
3 like to participate, as they've been known to do. So -- and
4 I would think that those status reports would begin probably
5 February 1st, given the timing of this and -- and things
6 that are still happening quickly.

7 So -- so with that, we will put the PowerPoint
8 presentation that we used this evening into the docket,
9 which the Public Adviser talked about.

10 And I think now is the time for public comment.

11 COMMISSIONER MCALLISTER: Great. So I'm going
12 to -- we only have Jane James again as our only public
13 official, I believe, who's -- who's lined up to talk. And
14 then the other only blue card we have is from Cheryl --

15 MS. HAPGOOD: Had good.

16 COMMISSIONER MCALLISTER: What's that?

17 MS. HAPGOOD: H-A-P-G-O-O-D, Hapgood.

18 COMMISSIONER MCALLISTER: Hapgood?

19 MS. HAPGOOD: Hapgood.

20 COMMISSIONER MCALLISTER: Okay. Great. So you
21 can -- you'll be next.

22 MS. HAPGOOD: Okay.

23 COMMISSIONER MCALLISTER: Thank you.

24 So Jane -- Jane James first.

25 MS. JAMES: Good evening. Thank you again. My

1 name is Jane James, the Planning Manager with the City of
2 Huntington Beach. Other staff members that were here
3 earlier in the evening with me were Antonio Graham
4 (phonetic) from our city manager's office, and Steve Arrows
5 (phonetic) from our fire department.

6 Thank you for holding the workshop in Huntington
7 Beach and providing the opportunity to comment on AES's
8 petition to amend their project. And the City of Huntington
9 Beach reviewed the petition and provided comments in our
10 letter dated November 20th, 2015, as was stated earlier.

11 We have one request that we would like to schedule
12 a conversation with the CEC regarding offsite improvements
13 and an explanation of the permitting authority and
14 permitting process for the offsite improvements that are now
15 proposed with the Petition to Amend. From your description
16 earlier it sounds like my best contact is Mr. Heiser to go
17 over the permitting process when the proposal included
18 improvements outside of the boundary of the AES property.
19 So that's something that I would intend to follow up on with
20 Mr. Heiser, unless I receive different instruction.

21 HEARING OFFICER COCHRAN: As a general
22 proposition, yes, because the Energy Commission can usually
23 issue permits. We're supposed to be not necessarily a one-
24 stop shop, but we are supposed to be able to issue all
25 permits. However, my understanding is that this relates to

1 the reuse of the American Tank Farm site, I'm messing up the
2 name, I know, that is already the subject of an approval
3 from the city. Am I understanding that correctly?

4 MS. JAMES: There is an approved Coastal
5 Development Permit and Mitigated Negative Declaration for
6 the removal of the tank farms, yes.

7 HEARING OFFICER COCHRAN: And does that include
8 the -- I'll speak into the microphone. Does that include
9 the roadway improvements that were talked about during the
10 applicant's presentation?

11 MS. JAMES: It does not.

12 HEARING OFFICER COCHRAN: Okay. I don't -- I
13 don't know if -- I don't know if Staff has scoped that yet,
14 if that's going to be part of perhaps traffic and
15 transportation discussion in the staff analysis?

16 MR. HEISER: Yes. The intersection discussed, to
17 the tank farm, has -- is being looked at. And there are
18 five technical staff on the transportation issue.

19 HEARING OFFICER COCHRAN: Okay.

20 COMMISSIONER MCALLISTER: Are there other offsite?
21 Is that the main -- that's the main one offsite?

22 MS. JAMES: That the main, yes.

23 COMMISSIONER MCALLISTER: Okay. So that is
24 correct, right, that --

25 MR. HEISER: Yeah.

1 COMMISSIONER MCALLISTER: -- Mr. Heiser, you're
2 the contact?

3 MR. HEISER: I'm the Project Manager and I can
4 submit that information over to the appropriate staff member
5 for status updates.

6 COMMISSIONER MCALLISTER: Okay.

7 MR. HEISER: And we can do that.

8 HEARING OFFICER COCHRAN: The difficulty in
9 answering this, obviously, is that when the city -- when
10 work is being done near a public right of way the city is
11 acting both as a regulator and as the property owner. So
12 it -- it complicates our analysis but we still need it. So
13 talk to Mr. Heiser.

14 MS. JAMES: Thank you. The city's comment letter
15 identified code requirements and conditions that would apply
16 to the project if the city did have permitting -- permitting
17 jurisdiction and authority over the project instead of the
18 California Energy Commission.

19 In summary, our letter identified a few issues,
20 and this is a very general summary over the letter. The
21 planning division identified that the tank removal and
22 temporary use of the Plains All American site should comply
23 with the previously approved Coastal Development
24 Permit and Mitigated Negative -- Negative Declaration. The
25 issuance of the actual grading permits, the demo permits,

1 the street improvement plans, intersection modification, all
2 of those types of permits is what I'm discussing with the --
3 the discussion about who has the actual permitting authority
4 over those types of improvements.

5 And the fire department in general commented
6 regarding fire access roads, turning radius, abandonment of
7 oil wells, and other typical standards, and also where the
8 proposal appears to lack compliance with our local
9 regulations regarding those items.

10 The public works identified typical grading, water
11 quality, street improvement requirements that would apply to
12 the project. And additionally, the public works department
13 identified the need to provide a traffic impact analysis of
14 the proposed signalized intersection modification at
15 Magnolia and Banning Avenue (phonetic).

16 Finally, city staff did describe in our letter the
17 recommendation that the Petition to Amend should address
18 cumulative impacts of demolition, construction, access, the
19 new intersection modification, traffic plan, and the
20 grading, hauling and construction activities associated with
21 nearby projects, in particular the remediation currently
22 planned at the Ascon site and potentially the Poseidon
23 Project. There are a number of large projects that are
24 converging all at the same time, and we've had some feedback
25 from our community that the cumulative impacts of all of

1 those construction activities to the street system, to the
2 neighborhood should be analyzed. And at this time, since
3 the project is becoming -- coming a little bit closer to the
4 adjacent neighborhood and the adjacent projects, we feel
5 that a cumulative analysis of those impacts should be made.

6 Thank you for the opportunity to provide comments.

7 COMMISSIONER MCALLISTER: Thank you very much for
8 being here.

9 So Cheryl Hapgood.

10 MS. HAPGOOD: Good evening. Thank you for letting
11 me speak.

12 THE REPORTER: (Inaudible.)

13 COMMISSIONER MCALLISTER: Yeah. Sorry.

14 MS. HAPGOOD: Hi. Good evening. Cheryl Hapgood.
15 Thank you for listening to me. You don't need to answer me,
16 but I just wanted to say a few things. I have a little bit
17 of ridiculous history with trucking. So my questions are
18 pretty much for AES.

19 You mentioned that you were going to truck from,
20 you know, basically the plant or the system down to Long
21 Beach via PCH. And my question to you is the impact that
22 will have on our tourist industry and many main streets for
23 many communities, conventions, Long Beach, Huntington Beach,
24 Seal Beach? Why aren't we going either up Magnolia or Beach
25 to the 405 to the 710 out of town?

1 MR. O'KANE: Do you want to do a bunch of
2 questions or answer this one now?

3 MS. HAPGOOD: I don't know.

4 MR. O'KANE: Okay. I don't mind. If it's not too
5 many, I don't mind doing it this way.

6 HEARING OFFICER COCHRAN: Actually, it would be
7 best if you just sort of put all -- put all of your comments
8 and, you know --

9 MS. HAPGOOD: Okay.

10 HEARING OFFICER COCHRAN: -- concerns in. And
11 then continue to watch the process to see how it unfolds.

12 MS. HAPGOOD: That would be great.

13 HEARING OFFICER COCHRAN: You might want to look
14 at the original decision because there was a lot of
15 discussion about this, and that is still available online in
16 the docket.

17 MS. HAPGOOD: Okay.

18 HEARING OFFICER COCHRAN: So that might answer
19 some of your questions.

20 MS. HAPGOOD: Okay.

21 HEARING OFFICER COCHRAN: But please stay
22 involved.

23 COMMISSIONER MCALLISTER: So a couple things. So
24 Alana can help you locate those -- those --

25 MS. HAPGOOD: Okay.

1 COMMISSIONER MCALLISTER: -- those passages and
2 where that's discussed previously.

3 And then so, you know, by speaking here you're
4 going on the record, and those questions then go on the
5 record.

6 MS. HAPGOOD: Good.

7 COMMISSIONER MCALLISTER: And then there -- there
8 must be answers. So --

9 MS. HAPGOOD: Good.

10 COMMISSIONER MCALLISTER: So maybe not
11 immediately, but that's the process.

12 MS. HAPGOOD: As long as we have -- we have --

13 COMMISSIONER MCALLISTER: So -- so thanks.

14 MS. HAPGOOD: (Inaudible.) I just happen to know
15 a lot about trucking.

16 So another question I would have is you're from
17 New York? Is that close to New York, AES?

18 MR. O'KANE: No.

19 MS. HAPGOOD: Or --

20 MR. O'KANE: No. I'm not from New York, no.

21 MS. HAPGOOD: It doesn't matter.

22 MR. O'KANE: Long Beach. AES's corporation
23 headquarters is Arlington, Virginia. And our U.S.
24 headquarters for the U.S. portion of the business is in
25 Indianapolis.

1 MS. HAPGOOD: Okay. Well, in New York, I think --
2 I'm pretty sure it's New York, anyway, they're starting --
3 and I don't want to say a deregulation of trucking, but it's
4 the Uber style of trucking. And be it I'm a local resident,
5 and when the light load or the light trucks come down they
6 use Newland. And they are, in my opinion, going too fast,
7 and they're not evenly spaced for the local traffic. So
8 you'll get two and three, you know, either righting and
9 lefting. It is just too many at a time. So if we could
10 just look at that factor, it would be great.

11 And when the trucks come in light, is that the
12 permit process, as well, as opposed to heavy going out? In
13 other words, if they're all going to be -- if we get a lot
14 of independent trucks and Uber gets their way, the trucking
15 goes that way, then you'll find trucks parked outside of our
16 city, and then they'll be waiting for hauling to Long Beach,
17 I really -- rather than going 710 straight in. And I can't
18 imagine that many -- all those trucks on PCH, because it
19 could very easily happen.

20 And let me see what else I had. That AQMD, of
21 course, everybody works out at the beach.

22 An here's my favorite. Helicoptering, is that
23 crazy to think that we could just, for the steel removal
24 anyway, just use military maneuver and just off to a barge
25 and let everybody else continue their summers and whatnot

1 here on the coast? I know it sounds stupid, but I know
2 there's a lot of steal. And scrap is a huge business. And
3 then there's a lot of asphalt we're talking about, which is
4 sand coming in, very heavy loads.

5 So I think I've rambled enough, but I think you
6 guys got the gist of it. And I appreciate the time.

7 HEARING OFFICER COCHRAN: Thank you.

8 COMMISSIONER MCALLISTER: Thanks for being here.

9 MS. HAPGOOD: Uh-huh.

10 COMMISSIONER MCALLISTER: So we did get another
11 blue card. Tamara Zeier or Tamara. Sorry if I mangled it.

12 MS. ZEIER: Hi. Yes, I'm Tamara Zeier. And it
13 sounds like you may not have the answer to this question,
14 but I thought I'd ask just in case. I had a schedule
15 question about the intersection work on Magnolia and
16 Banning. And if you have -- it sounds like you may not know
17 when that work may occur or how long that might take.

18 COMMISSIONER MCALLISTER: Okay. We'll take note
19 then. I guess -- well, we're going to have the schedule
20 discussion on the proceedings, but then that's really a
21 construction and sort of project schedule question, which is
22 further out still. So we'll make sure that gets -- that
23 gets -- I guess I'll ask the Applicant to make sure you
24 cover the schedule in some detail.

25 MR. O'KANE: Certainly, I can -- you could say at

1 this point that it would be one of the first things that we
2 would need to do as part of our construction part. The --
3 the site preparation is the first thing we do.

4 MS. ZEIER: Probably pretty short, a short amount
5 of work to -- to -- for the intersection work, I would
6 assume?

7 MR. O'KANE: Yes, I think so, yeah.

8 MS. ZEIER: Okay.

9 MR. O'KANE: Let's hope so.

10 MS. ZEIER: Thanks.

11 COMMISSIONER MCALLISTER: Thank you. So should
12 we -- is that it -- do we have anybody online? I guess we
13 probably don't, but we have to be able to ask.

14 HEARING OFFICER COCHRAN: Can you go back to the
15 main screen for WebEx? And I don't believe that we've muted
16 anybody that -- anyone that -- those who appear to be muted,
17 muted themselves. Stop sharing. If you'll stop sharing it
18 will go back to the other screen.

19 COMMISSIONER MCALLISTER: (Inaudible.)

20 HEARING OFFICER COCHRAN: And so that's the
21 recorder and that's my boss. I don't think he's going to
22 make any comments.

23 COMMISSIONER MCALLISTER: So great. Let's --
24 let's move on then to the schedule discussion.

25 HEARING OFFICER COCHRAN: I think --

1 COMMISSIONER MCALLISTER: Or are we done?

2 HEARING OFFICER COCHRAN: I think we're done.

3 COMMISSIONER MCALLISTER: Okay. Great.

4 HEARING OFFICER COCHRAN: So like I said, the
5 PowerPoint will be put into evidence and that will be put
6 into evidence. And we would like to thank you all for your
7 participation and attention to this. And with that --

8 COMMISSIONER MCALLISTER: We are adjourned.

9 (The meeting Energy Resources Conservation and Development
10 Commission adjourned at 6:47 p.m.)

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CERTIFICATE OF REPORTER

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 14th day of January, 2016.



MARTHA L. NELSON

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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 and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

January 14, 2016