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BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT

COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of:)
)
Application for Certification for)
the ALAMITOS ENERGY CENTER) Docket No. 13-AFC-01
_____)

COMMITTEE STATUS CONFERENCE

CALIFORNIA ENERGY COMMISSION
CHARLES IMBRECHT HEARING ROOM
(HEARING ROOM B)
1516 NINTH STREET
SACRAMENTO, CA 95814

WEDNESDAY, FEBRUARY 11, 2016
9:00 A.M.

Reported by:
Kent Odell

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Samantha Pottenger, Ellison, Schneider & Harris, LLP
Stephen O'Kane, AES Southland Development, LLC
Jerry Salamy, CH2M Hill

ALSO PRESENT (VIA WEB-EX)

John Yee, South Coast Air Quality Management District
Vicky Lee, South Coast Air Quality Management District

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P R O C E E D I N G S

FEBRUARY 11, 2016 9:05 a.m.

HEARING OFFICER CELLI: Good morning. This is Hearing Advisor Kenneth Celli, CELLI, with the California Energy Commission on the Status Conference of the Alamitos Energy Center.

We have not got our full committee here yet, so there will be a short pause while we wait for everyone to come.

(Pause for attendee arrivals.)

COMMISSIONER DOUGLAS: Good morning, everybody. This is a Status Conference conducted by the Committee for the California Energy Commission regarding the Alamitos Energy Center. I'd like to welcome you all here.

The Energy Commission has assigned a Committee of two to oversee these proceedings. I'm Karen Douglas, Presiding Member of the Committee. Janea Scott, the Associate Member is to the right of the Hearing Officer.

To my right, Hearing Officer Ken Celli, to my left my advisers, Jennifer Nelson and Le-Quyen Nguyen. And then to the right of Commissioner Scott are her advisors, Courtney Smith and Rhetta DeMesa.

So let me see, do we have the Public
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52 Longwood Drive, San Rafael, California 94901 (415) 457-4417

1 Advisor's Office? Hi, Shawn. All right, Public
2 Adviser's Office is here.

3 And let's see here, let me ask the Applicant
4 -- did I not mention -- sorry, Kristy. Kristy Chew,
5 she's the Technical Adviser on Siting for the
6 Commissioners.

7 So with that, let me ask the Applicant
8 first, if you could introduce yourselves for the
9 record.

10 MR. HARRIS: I thought I was going to get to
11 introduce Kristy, but okay. I'm Jeff Harris with
12 Ellison, Schneider & Harris on behalf of the
13 Applicant.

14 To my left is Mr. Stephen O'Kane, who's the
15 head of all things AES and Alamitos, for the company.
16 And to his left is my colleague, Samantha Pottenger,
17 who's the brains of the operation. Jerry Salamy, back
18 here with CH2M Hill handles all of our various data
19 responses.

20 And I think that's it for our team.

21 COMMISSIONER DOUGLAS: Thank you, and staff
22 please?

23 MR. MEYER: Good morning, Christopher Meyer,
24 I am Staff Project Manager for the AES Project for
25 the Energy Commission. I have Jared Babula with me as

1 Staff Counsel. Also Michelle Chester is assisting
2 Jared on this project. Under them I also have Nancy
3 Fletcher as Air Quality Expert and any larger
4 questions on siting, the Office Manager Chris Davis
5 has joined us here as well.

6 We also have Mark Hesters with the Senior
7 for Transmission System Engineering on the phone for
8 any questions on that subject.

9 COMMISSIONER DOUGLAS: Great. Thank you, very
10 much.

11 Intervenor Los Cerritos Wetlands Land Trust;
12 are you on the phone?

13 (No audible response.)

14 HEARING OFFICER CELLI: Los Cerritos Land
15 Trust, are you on the telephone? Please speak up.

16 COMMISSIONER DOUGLAS: Well, it sounds like
17 they're not on yet.

18 And so let me ask for agencies, first in the
19 room, are there any representatives of public
20 agencies in the room: federal, state, local or Native
21 American tribes?

22 (No audible response.)

23 What about on the phone? If you represent a
24 public agency on the phone, could you please speak
25 up?

1 MR. YEE: Yes, good morning. This is John Yee
2 and Vicky Lee from the South Coast Air Quality
3 Management District.

4 COMMISSIONER DOUGLAS: That's great. Thanks
5 for joining us this morning.

6 Anyone else?

7 (No response.)

8 All right, at this time I'll hand over the
9 conduct of the hearing to the Hearing Adviser Ken
10 Celli.

11 HEARING OFFICER CELLI: Thank you,
12 Commissioner Douglas and thank you everyone for being
13 here this morning. Good morning.

14 This status conference was scheduled in a
15 Notice that was dated January 26th, 2016. This is the
16 second status conference on the Alamitos Energy
17 Center Project since the Applicant filed its
18 Supplemental AFC.

19 The purpose of today's conference is to
20 inform the Committee about any changes made to
21 Alamitos Energy Center's AFC. And when I'm talking
22 about an AFC I'm talking about the Application for
23 Certification. So today we're going to discuss
24 changes, if any, that were made to the AFC and the
25 progress the parties are making on the project.

1 Today we will try to help resolve any
2 procedural issues that may exist, as well as to
3 assess how well the parties are keeping to the
4 schedule. The procedure is simply this, we will first
5 hear from the Applicant followed by staff and then
6 followed by Intervenor Los Cerritos Wetlands Land
7 Trust regarding the current status of the case.

8 Is anyone on the telephone from Los Cerritos
9 Wetlands Lands Trust?

10 (Colloquy off mic.)

11 All right, well if anyone is listening from
12 the Los Cerritos Land Trust we would love to hear
13 from you, so please speak up.

14 We will then, after we hear from the
15 parties: the Applicant, staff and Intervenor, we will
16 then have general -- we will open it up for general
17 public comment first in the room, and then on the
18 telephone. So that's how we're going to proceed
19 today.

20 For the people in the room, the microphones
21 require that you speak right into them the way I am
22 right now, as if it's a lollipop and I'm about to
23 bite the head off it. So that's the way you treat
24 your microphone when you're speaking, okay?

25 So first let's hear from the Applicant.

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MR. HARRIS: Good morning, thank you. I'm going to reintroduce myself as Jeff Harris, because you're not going to recognize me, because I'm very happy right now.

Things are going very well in this case. I want to thank the Committee for the Scheduling Order that was published. It has an end date that I think, if we are able to hold that end date, we'll all be able to harvest the fruit of our collective labor then. So it's all very positive.

I want to thank you for noting in the schedule that we should consider these outside dates and try to better them. That looks like I wrote that, so of course I love it. I very much appreciate that.

I also liked the Potential for Bifurcation Notice, but I actually think it's not going to be necessary. And we will do everything in our power to make sure it's not necessary.

We're working very well with the Air District folks. I think we've got everything turned into them that we owe them. Their process, as you know, takes time and I'll let them speak to that. But the relationship there, I think is very good. And so we're very happy about progress being made on that

1 front.

2 The substantive issues in the Scheduling
3 Order, I was asked about the decommissioning. I think
4 that generally has it correct the way that it's put
5 forth. We don't have any problem with the idea of the
6 staff looking at it as potentially coming down,
7 because of the MOUs being reasonably foreseeable.
8 Although I tend to giggle when it comes to this
9 issue, because I think if you found a significant
10 impact the mitigation would be to not tear it down.
11 And that would be a very interesting condition to
12 read. Somebody suggested maybe we have to make it
13 larger, but I don't think that's going to happen
14 either.

15 So I'm not really worried about those
16 substantive issues, so we can just appreciate that.

17 So in terms of any other issues moving
18 forward, I think overall we're happy with the way
19 things are proceeding. We like the idea of the
20 monthly status reports. That's something we think is
21 going to be very important.

22 In terms of just minor issues going forward
23 we've had some discussions with the staff back and
24 forth on the project. One thing that's coming out of
25 the project is the construction access off of Loynes

1 Road. We've been talking about that. That was put in
2 as a second construction access. And just to kind of
3 cut to the chase, the property owner there is not
4 interested in that option for us. But the information
5 that's required to do the analysis, it is in the
6 Supplemental AFC already, so there's not a data gap
7 there. I think that's the one thing I kind of want to
8 emphasize there.

9 HEARING OFFICER CELLI: Excuse me, Mr. Harris
10 what was the name of the road, Moyne?

11 MR. HARRIS: Loynes and Studebaker, L-O-Y-N-
12 E-S, for the report, sorry -- Loynes and Studebaker.

13 So that's sort of the one issue. I guess I
14 do want to highlight, and again this is Jeff Harris,
15 that we're working very well with staff. Chris and
16 Jared have been very accessible to us. We've had some
17 informal exchanges, which will obviously get docketed
18 when we get to that point. And to me that tells me
19 they're working very hard to try to get the documents
20 out in a timely manner. And I appreciate the
21 professionalism and the sense of humor from both of
22 them.

23 So that's all good, so I guess I'm
24 (indiscernible) as you see me in these proceedings
25 and enjoy it. And we'll see what happens at our next

1 status conference.

2 Stephen doesn't have anything to add other
3 than he's just happy to be here.

4 Transition engineering was mentioned as
5 well, I just want to touch on that issue. We have to
6 go through an affidavit process at the ISO. That's
7 about a 60 or 90-day process if things go correctly
8 at the ISO. We know that this is doable for this
9 project, because we did it with the AFC. We just
10 basically have to resubmit it with the Supplemental
11 AFC process.

12 We're not expecting that at all to become a
13 scheduling issue for us. We're anticipating that
14 we'll make that filing this month. That's always easy
15 to say, but it's going to happen. And again, 30 to 60
16 days, which should line it up very nicely with the
17 current schedule, because it would be about the time
18 of the workshop for the PSA, I believe. And in plenty
19 of time for the FSA, so that issue which is
20 identified in your report is also moving forward.

21 So other than that Stephen's happy to be
22 here. We're happy about this week, so I'll go ahead
23 and stop there and take any questions from anyone.

24 HEARING OFFICER CELLI: Thank you, Mr.
25 Harris.

1 Now, let's hear from the staff, Mr. Meyer?

2 MR. MEYER: Yes, Christopher Meyer with
3 Energy Commission project staff.

4 Thank you, Jeff. And I sort of will echo
5 that we've had good communication with the
6 Application, with Jerry Salamy from CH2M Hill, on
7 getting information that we are still working on.
8 Actually tomorrow we'll have five data requests,
9 which are basically a follow-up on transmission
10 system engineering, on the revisions (indiscernible)
11 Data Responses 160, 161 and 163 on Monday.

12 So those are under review right now, they've
13 actually been written. We just have to get them
14 reviewed and out to data support (phonetic) by
15 tomorrow. So those are just some clarifications on
16 some of the transmission system engineering
17 questions, but we think we have them 99 percent
18 there. We just want to make sure we've got a complete
19 understanding.

20 Okay. And just to clarify, the process of
21 the ISO, have you filed already or are you getting
22 ready to file?

23 MR. HARRIS: We are working on that filing
24 and I think we intend to file this month, so the
25 affidavit process at least.

1 MR. MEYER: Okay. Thank you.

2 Otherwise, staff as you can imagine, we're
3 doing a little bit of shuffling right now with some
4 of the technical seniors and are recognizing where
5 there might be some conflicts with staff working on
6 other projects such as Huntington Beach that have an
7 earlier filing date than this one, so the staff are
8 focused on that. So they've been working on getting
9 additional resources or in some cases switching staff
10 around to make sure that they have people that can
11 focus on this project.

12 There has been a slight slip in some of the
13 dates where the information will come to me, the
14 drafts will come to me. But I'm working with my boss,
15 Chris Davis, and other people in our review cycle to
16 sort of get the efficiencies there to avoid a slip in
17 the PSA publication date.

18 But it really -- what I'm sort of focused on
19 most right now is getting information from the South
20 Coast AQMD on their PDOC and so tracking that date,
21 which will affect air quality and public health. So
22 I'll have a better idea when we hear more from South
23 Coast AQMD as far as will there be any slip in the
24 date for air quality.

25 Now, are there any questions?

1 COMMISSIONER DOUGLAS: Yeah, I was just going
2 to say I appreciate that. And, of course, we are
3 aware that there are other projects going on at the
4 same time, at least one of which has a pretty similar
5 schedule. But I just appreciate hearing you say that
6 you're looking at how to solve problems in
7 engineering whether that involves getting more some
8 more technical support of reassigning certain issues
9 or whatever it takes. We appreciate your work in that
10 (indiscernible)

11 MR. MEYER: Yeah. I have to give a certain
12 amount of credit to people like Amanda and other
13 people, the seniors, they've been doing a great job
14 working with us on that.

15 HEARING OFFICER CELLI: I have a question. So
16 today is the 11th and we have the Applicant filing
17 data responses on 2-15, but you're actually going to
18 be putting out data requests on -- what is it Monday?

19 MR. MEYER: We're looking at getting the data
20 requests out tomorrow. They're actually written. They
21 just need to go through management review and out.
22 There's all of five data requests and they're really
23 follow-ups.

24 And these are, as Jeff mentioned, these are
25 discussions back and forth trying to clarify

1 responses from earlier, so these are issues that the
2 Applicant is aware. They're aware of our questions.
3 Their technical people have been talking to our
4 technical people trying to make sure that they're
5 using the same language. But we just go to the point
6 where we started thinking there might be more
7 technical issues involved, so we wanted an official
8 data request on these.

9 Anyway, so from our understanding I don't
10 believe that AES is going to need 30 days to respond
11 to these issues, but I'll let AES talk about that.

12 HEARING OFFICER CELLI: And I wanted to ask
13 before you answer that question -- and also whether
14 you've received any data requests from Los Cerritos
15 Wetlands Land Trust?

16 MR. HARRIS: We have not received anything
17 from Los Cerritos Land Trust, nor are we anticipating
18 that.

19 I think Chris has properly characterized it,
20 there's maybe five. We haven't seen them yet, so we
21 don't have the answers. But they seem to be in the
22 nature of technical questions that will have actual
23 answers as opposed to explaining the theory of sea-
24 level rise or something where there's a lot of
25 speculation. These are going to be actual

1 engineering-type questions as I understand it.

2 I don't think it affects the other
3 disciplines, which is important. So other than
4 transmission, I think that we can have those
5 disciplines continue to move subject to their
6 constraints obviously. And I don't see that as
7 causing a problem with your schedule, I guess is my
8 bottom line. I think we're on track, very much so.

9 And I actually guess giving staff credit
10 here too, rather than holding all of their data
11 requests for like a big second round, they've been
12 giving them to us when they're ready to be reviewed.
13 And that's been very helpful, one of the things that
14 help us hold to the schedule.

15 MR. MEYER: Yeah, and just to clarify. Yeah,
16 you're right, these are very specific transmission
17 system engineering questions on what conductor type
18 ratings, things of that nature, that are specific to
19 transmission and system engineering that are not
20 going to affect any of the other technical areas or
21 have any other delays.

22 And even in speaking with the transmission
23 system engineering staff they're not looking at
24 waiting a week or two to get these responses, having
25 any impact on their ability to meet our overall

1 schedule.

2 HEARING OFFICER CELLI: Thank you.

3 Now, I'm going to ask that we unmute
4 everybody, because I need to hear whether anyone from
5 Los Cerritos Wetlands Trust -- is Elizabeth Lambe on
6 the phone? Or anybody representing the Los Cerritos
7 Wetlands Land Trust, please speak up.

8 (No response.)

9 Okay. Well, there is a transcript, we have a
10 court reporter. Hopefully they'll have a chance to
11 read it and I want to emphasize that today is
12 February 11th. By my reading of the schedule
13 discovery closes on March 1st and so I want to
14 emphasize in the record that apparently Los Cerritos
15 has not propounded any discovery requests or data
16 requests. And this is -- they have about 15 days to
17 do so, so I'm going to emphasize that they need to
18 get on it if they want to participate in the
19 discovery process.

20 Now, next I guess we would like to hear from
21 the South Coast Air Quality Management District.
22 Mr. Yee, if you could give us a status, sort of
23 what's going on with the PDOC, please?

24 MR. YEE: Yes, so our analysis is proceeding
25 according to schedule. Our staff continues to work

1 very well with the Applicant. We do have clarifying
2 questions as we go through this and they've been very
3 responsive to our questions.

4 We typically will send out at least a
5 clarifying question, at least a set of questions to
6 them at least weekly or if not, when we encounter
7 them. And they're very responsive, so we do
8 anticipate no significant delays on the schedule.

9 We haven't heard back yet from -- even
10 though we have sent the information to the Federal
11 Land Managers we have not heard back from them yet on
12 their review for the PSD.

13 HEARING OFFICER CELLI: Okay. So our schedule
14 shows an April 20th date for the filing of the PDOC.
15 And I was just wondering whether maybe is it
16 ridiculous to wonder if it might be able to come in
17 sooner than that?

18 MR. YEE: No, I don't think it's ridiculous.
19 I think it's what we were striving -- to actually
20 save as much time as complete our PDOC sooner than
21 that date. But I understand those are the dates that
22 are on the scheduling order.

23 HEARING OFFICER CELLI: I appreciate that.
24 The PDOC triggers a lot of activity and so that's
25 very important.

1 Anything further from the South Coast Air
2 Quality Management District?

3 MR. YEE: No. I believe at least from this
4 point, no. And then with the recent Supreme Court
5 Decision that happened on Tuesday it doesn't seem to
6 affect this facility that much.

7 HEARING OFFICER CELLI: That's true, because
8 as far as I can tell I don't think they're going to
9 be burning a lot of coal. So that's the good news.

10 MR. YEE: Well, actually -- you're right, and
11 then but still the 111(b) still applies, but 111(d)
12 (phonetic) does not.

13 HEARING OFFICER CELLI: Well, we're following
14 that.

15 MR. YEE: (Indiscernible)

16 HEARING OFFICER CELLI: So thank you for your
17 comments, Mr. Yee.

18 Is there anyone on the telephone now,
19 hopefully, from the Los Cerritos Wetlands Land Trust?

20 (No response.)

21 Okay. Well, then at this time unless there's
22 anything further from Applicant or staff then I'm
23 going to move to public comment.

24 I'm going to look around the room, I have
25 the Public Adviser, and see if there's any members of

1 the public here today that would like to make a
2 public comment? Mr. Pittard is shaking his head in
3 the negative, so no. There's nobody here.

4 So let's go to the phones and ask if there's
5 anybody -- first lets ask if there are any members of
6 government or governmental agencies, anyone on the
7 phone who'd like to make a comment at this time
8 please speak up.

9 (No response.)

10 Hearing none -- and the record should
11 reflect we have unmuted everybody -- if there are any
12 members of the public who would like to make a public
13 comment and speak to the Committee who's going to be
14 making the decision in this case please, this is your
15 opportunity, so please speak up?

16 (No response.)

17 Anyone, anyone, going, going, okay. Well,
18 you have that opportunity.

19 At this time then, having heard from --
20 well, not really heard from anybody, but given them
21 the opportunity to speak, I would turn the status
22 conference back over to the Commissioner Douglas to
23 adjourn.

24 COMMISSIONER DOUGLAS: All right, well I just
25 want to thank everybody. It sounds like this is going

1 as really all parties have said, in a positive and
2 constructive direction.

3 And I particularly want to thank the
4 representatives of the South Coast Air for working
5 well with us and with the Applicant on what I know is
6 a tight schedule. So let me see if there are any
7 comments?

8 All right, well in that case we'll look
9 forward to hearing from the parties in the not-too-
10 distant future and we're adjourned.

11 (Adjourned at 9:26 a.m.)

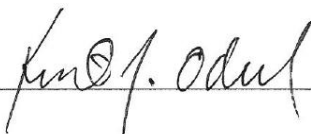
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Kent Odell
CER**00548

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of February, 2016.



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