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CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) Docket 13-AFC-01
ALAMITOS ENERGY CENTER)
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STATUS CONFERENCE

CALIFORNIA ENERGY COMMISSION

ART ROSENFELD HEARING ROOM

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, JUNE 8, 2016

10:00 A.M.

Reported by

Peter Petty

APPEARANCES

HEARING OFFICER

Kenneth Celli

COMMISSIONERS

Karen Douglas, Presiding Member

Janea Scott, Associate Member

ADVISERS

Le-Quyen Nguyen, for Commissioner Douglas

Jennifer Nelson, for Commissioner Douglas

Rhetta Demesa, for Commissioner Scott

CEC STAFF

Kerry Willis, Staff Counsel

Keith Winstead, Project Manager

Chris Davis, Office Manager

Matt Layton, Eric Knight, Engineering

APPLICANT

Stephen O'Kane, AES Southland Development LLC

Jeff Harris, Esq., Ellison Schneider & Harris

Samantha Pottenger, Esq.

Jerry Salamy, CH2MHill

APPEARANCES (cont'd)

PUBLIC AGENCIES

Bhaskar Chandan, South Coast Air Quality

Management District

Vicky Lee, South Coast Air Quality

Management District

Linda Tatum, City of Long Beach

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P R O C E E D I N G S

1 JUNE 8, 2016 10:00 A.M.

2 COMMISSIONER DOUGLAS: Good morning,
3 everybody. This is a status conference conducted by
4 the committee of the California Energy Commission
5 regarding the Alamitos Energy Center.

6 The Energy Commission Chair has assigned a
7 committee of two Commissioners to conduct these
8 proceedings. Before we begin, we'd like to introduce
9 the committee members to you.

10 I'm Karen Douglas, the presiding member of
11 this committee, and Commissioner Janea Scott is the
12 associate member.

13 To my left is our Hearing Officer, Ken
14 Celli.

15 To my right, my adviser Le-Quyen Nguyen and
16 my adviser Jennifer Nelson will probably be here any
17 moment.

18 To Commissioner Scott's left, Rhetta
19 DeMesa, her adviser.

20 Kristy Chew, the technical adviser for
21 siting for the Commission may appear in a couple of
22 minutes.

23 So at this point let me ask the parties to
24 introduce themselves and their representatives,

1 starting with the applicant.

2 MR. O'KANE: Good morning, this is Stephen
3 O'Kane with AES.

4 MR. HARRIS: Good morning, Jeff Harris on
5 behalf of the applicant. Also with us in the
6 audience, Jerry Salamy of CH2M Hill on behalf of the
7 applicant, and my colleague, Samantha Pottenger.

8 COMMISSIONER DOUGLAS: Great, thank you.
9 Staff.

10 MR. WINSTEAD: Good morning. I'm Keith
11 Winstead, I'm the staff project manager for the AES
12 project of the Energy Commission. I have the
13 assistant chief counsel with me, Kerry Willis, she's
14 filling in for Jared today on this project.

15 I also have my office manager, Chris Davis,
16 here available. Engineering Office managers Matt
17 Layton and Eric Knight available also.

18 COMMISSIONER DOUGLAS: Great, thank you.
19 Intervener, Los Cerritos Wetlands Land
20 Trust, Elizabeth Lambe, are you on the phone or
21 WebEx?

22 MS. TATUM: This is Linda Tatum from the
23 City of Long Beach.

24 COMMISSIONER DOUGLAS: Okay, great, thank
25 you.

1 Anyone else from public agencies?

2 MR. CHANDAN: Yes, this is Bhaskar Chandan
3 calling from South Coast Air Quality Management
4 District, I'm the supervisor of the power group, and
5 I have Vicky Lee, the permitting engineer on this
6 project.

7 COMMISSIONER DOUGLAS: Great, thank you.
8 And could you spell your name for the court
9 reporter?

10 MR. CHANDAN: Sure. B-h-a-s-k-a-r C-h-a-n-
11 d-a-n.

12 COMMISSIONER DOUGLAS: Thank you very much,
13 and thanks for being on the line.

14 Anyone else from public agencies? Public
15 agencies, Native American tribes.

16 All right, at this time I will hand over
17 the conduct of this hearing to Ken Celli.

18 HEARING OFFICER CELLI: Thank you,
19 Commissioner Douglas.

20 Good morning, everybody. This status
21 conference for the Alamitos Energy Center project
22 was scheduled in a notice dated May 19th, 2016. The
23 purpose of today's conference is to inform the
24 committee about any changes made to Alamitos Energy
25 Center's application for certification, which we

1 will refer to as an AFC throughout these
2 proceedings, application for certification.

3 We're also interested in the progress the
4 parties are making on the project. Today we will try
5 to help resolve any procedural issue that may exist
6 as well as to assess how well the parties are
7 keeping to the schedule.

8 The procedure that we will follow is that
9 first we will hear from the applicant, followed by
10 staff. We will be checking in from time to time to
11 see if anyone from Los Cerritos Wetlands Land Trust
12 calls in, but for the record nobody from the
13 intervener is here today so far.

14 We will then provide an opportunity after
15 we hear from all of the parties for the general
16 public to comment on any aspect of the Alamitos
17 Energy Center.

18 And at the conclusion of the public
19 comment, and if necessary, the committee reserves
20 the right to go into a close session if there's any
21 call for any deliberation of any sort today. We're
22 not aware of any yet.

23 At the conclusion of a closed session, then
24 I would return to reopen the record just to adjourn
25 the status conference. Otherwise, we will just

1 adjourn probably right after the public comment
2 period.

3 So with that, I'm going to ask Mr. Jeff
4 Harris what is the applicant's eye view of the lay
5 of the land for the Alamitos Energy Center project.

6 MR. HARRIS: Thank you. Appreciate being
7 here. We have always appreciated the increased
8 status conferences that the committees have agreed
9 to hold. I think it's very important.

10 Today's event will probably be, not a non-
11 event but not particularly eventful. I've used the
12 word 'event' enough so I'll stop.

13 So we appreciate you being here and having
14 the opportunity to talk with you.

15 We understand that things are progressing
16 well. The South Coast issues are coming to bear, and
17 I'll let others speak on that, but that, I think,
18 shows some significant progress.

19 I'm pleased that there are so few issues
20 that seem to be on the horizon. We've done a good
21 job with our data requests and filling in the
22 staff's requests.

23 And we're working very well with staff, and
24 so I really appreciate their whole approach to this
25 project.

1 I think this is a good project and a good
2 location. It's been relatively low profile, I think
3 because there are very few issues. And schedule,
4 schedule, schedule, that's always what you hear from
5 an applicant, and so you're going to hear schedule,
6 schedule, schedule from us all the time.

7 But I think what we're going to be looking
8 for is opportunities with the staff to basically
9 compress some of the timeframes maybe moving
10 forward. We will try to turn around our comments on
11 the preliminary staff assessment as quickly as
12 possible. We understand that that's in pretty good
13 shape, although I'll let staff speak to that.

14 We will definitely put our effort into
15 looking at the conditions. I think those are going
16 to be the biggest issue for us and making sure that
17 the conditions are properly drafted. Your standard
18 conditions are generally pretty good.

19 We're going to, at the bottom line level,
20 be looking to move as fast as possible toward
21 construction once we get your final approval.

22 So the filter, we'll look at those
23 conditions and be very much, you know, are we able
24 to move forward.

25 And there's some site preparation work to

1 removing the remaining components of former Unit 7
2 is where we're going to want to start, so we'll be
3 looking at the conditions with an eye to making sure
4 that once we have your approval and once it's final
5 and not appealable then we can actually get out
6 there and start right away.

7 And that may require us to spend some time
8 with staff even in advance of your final approval,
9 maybe doing some filings, compliance filings
10 beforehand to get them into staff's hands, and we're
11 dedicated to doing that as well.

12 So a little frustration that we're not
13 farther along, but a lot of hope about our ability
14 to make up some time going forward.

15 And I think with that, I'll go ahead and
16 take any questions.

17 HEARING OFFICER CELLI: Thank you. I just
18 want to state for the record, and it seems that
19 nobody new has called in so we still don't have the
20 intervener, but I have our original schedule which
21 called for South Coast issuing a preliminary
22 determination of compliance on April 20th, which of
23 course is the trigger for staff's PSA, which was
24 going to be due nine days after that. A PSA workshop
25 within a month, status conference, which we are

1 having, and so forth.

2 So we're now looking at a good two-month
3 slip in the calendar, so that's where we stand
4 schedule-wise today.

5 Let's hear from staff. Mr. Winstead,
6 please.

7 MR. WINSTEAD: Thank you. Staff continues
8 to work with the applicant, South Coast Air Quality
9 Management District, City of Long Beach, interveners
10 and others as needed to meet the committee's
11 schedule.

12 I'd like to talk about air quality. Based
13 on information from South Coast Air Quality
14 Management District, staff now expects the draft
15 preliminary determination of compliance for Alamitos
16 Energy Center in approximately two weeks.

17 Received a courtesy copy on June 7, 2016.
18 Staff continues to expeditiously complete work on
19 air quality public health sections of the PSA.

20 We have asked the Sacramento Air Quality
21 Management District to let us know if there is any
22 changes to the published PDOC so we can correctly
23 cite the District's analysis.

24 HEARING OFFICER CELLI: Did you mean
25 Sacramento or South Coast?

1 MR. WINSTEAD: South Coast Air Quality
2 Management District.

3 HEARING OFFICER CELLI: Okay. Because you
4 said Sacramento. It's South Coast.

5 MR. WINSTEAD: Oh, South Coast, we need to
6 get that clarified. Sacramento, yeah, we're not
7 doing that one. Okay.

8 Staff is also working on Puente, due to be
9 filed Wednesday, June 15th. Huntington Beach is due
10 three weeks from yesterday when the PDOC was issued.
11 Some staff are working on the IEPR, all of which is
12 due ahead of Alamitos.

13 We continue to have good communications
14 with the applicant, Jerry Salamy from CH2M Hill and
15 exchange information needed to complete their
16 analysis.

17 Currently there are no outstanding data
18 requests. Staff continues to work with the applicant
19 to exchange information necessary to complete the
20 PSA and to confirm and clarify data responses.

21 We also work with visual staff to address
22 and respond to the City of Long Beach comments
23 regarding landscaping and perimeter of the existing
24 site, and two unused areas of the proposed AES site
25 in the visual resources analysis.

1 Pretty much that summarizes where we're at.

2 HEARING OFFICER CELLI: Let me just ask you
3 because you mentioned you'd had contact and were
4 working with, among others, the intervener. Has
5 staff had contact from the intervener?

6 MR. WINSTEAD: There has been no contact
7 with the interveners since the -- I've only had
8 contact with Ms. Lambe early on in the project
9 before this amendment came in for changes.

10 HEARING OFFICER CELLI: So sometime last
11 year?

12 MR. WINSTEAD: Yeah, it's been quite
13 awhile. They haven't been very active. We just
14 wanted to make sure that we addressed their concerns
15 early in the project, which we made sure we tried to
16 address them, even though we didn't publish that
17 original PSA, those comments and concerns will move
18 along in this document.

19 HEARING OFFICER CELLI: Very good. And just
20 again for the record, there appears to be no change.
21 Is there anyone from the Los Cerritos Wetlands Land
22 Trust on the telephone? Please speak up if you are.

23 Okay, then, hearing none.

24 Well, simple as that. So I really
25 appreciate the comments. I just want to say that

1 it's heartening to hear that things are moving
2 along.

3 I was going to ask staff, and I see that
4 you have Chris Davis and some other people here in
5 case you wanted to check, but how etched in stone --
6 in other words, I see that you have Puente coming up
7 and you have Huntington Beach, and I understand that
8 there's a certain flow to the way things are going,
9 but if the PDOC on Alamitos comes in earlier, where
10 are they in terms of -- do we have PSAs coming out
11 on Puente and Huntington Beach? So they're way down
12 the road compared to Alamitos at this time. Okay. So
13 there's not going to be any likelihood of things
14 moving around right now to make room for a different
15 project; do I have that right?

16 MR. WINSTEAD: That's correct, yeah.

17 HEARING OFFICER CELLI: Thank you.

18 Anything further, Mr. Harris?

19 MR. HARRIS: Well, I guess once the PDOC is
20 out and the PSA, we may at one of our next status
21 conferences want to talk with you about schedule.
22 You've done a masterful job with your schedule, so
23 congratulations on that.

24 We may be looking for ways to maybe gain
25 back some time in that schedule without compromising

1 public participation, so just ask you to be open to
2 the possibility that the project may be able to move
3 more quickly than some other projects that are more
4 controverted.

5 We hope to do a whole lot of our
6 disciplines by stipulation, I guess by declaration,
7 take the testimony by declaration.

8 So assuming success and we're only talking
9 about maybe one day of hearings to create a record,
10 I hope there's some flexibility to do that
11 notwithstanding the rest of the workload the
12 Commission faces.

13 HEARING OFFICER CELLI: Okay, thank you.

14 And while we have Mr. Chandan and Ms. Lee
15 on the phone from South Coast, I wonder if South
16 Coast would care to comment and let us know how you
17 feel you're doing on the schedule for the PDOC.

18 MR. CHANDAN: You want to answer?

19 MS. LEE: I think it was Keith Winstead
20 said he received a courtesy copy yesterday. And then
21 you said something about expecting a draft PDOC in
22 approximately two weeks; am I correct?

23 MR. WINSTEAD: Let me correct myself. We
24 have a draft PDOC now and we're expecting a final in
25 a couple weeks. Thanks. The PDOC, in a couple weeks.

1 HEARING OFFICER CELLI: Did you get that,
2 Ms. Lee?

3 MS. LEE: Yes, I got that. I was expecting
4 comments. So there will be no comments from the CEC
5 that we need to incorporate?

6 HEARING OFFICER CELLI: I'll let Matt
7 Layton speak on that. Matt Layton is at the podium.
8 Go ahead, Mr. Layton.

9 MR. LAYTON: Good morning, Mr. Hearing
10 Officer. We do have a draft courtesy copy of the
11 PDOC from South Coast that came in yesterday. Staff
12 is working on that right now.

13 We had promised that if we found any issues
14 or concerns, we would bring them up with the
15 District as soon as possible. They're under a time
16 constraint as we are as well as the applicant.

17 We understand that they were planning to
18 publish by the end of this month. I don't know
19 exactly what it is going to come in, but by the end
20 of this month.

21 So I don't think any comments that we have
22 will delay the publishing of that particular
23 preliminary PDOC, but who knows if we do have any
24 comments. I don't think we do, but I just raise that
25 as they've been very generous in giving us this

1 courtesy copy. It could lead to some iteration, but
2 should be not a very lengthy one.

3 HEARING OFFICER CELLI: Ms. Lee, did you
4 hear that?

5 MS. LEE: Yes, I did hear that, and my
6 manager, Andrew Lee, has asked me to convey that
7 once we get in all the comments, depending on the
8 extensiveness and the intensity, it may be three to
9 four weeks before we could issue the PDOC.

10 MR. LAYTON: So we are trying to provide
11 any comments. And again, we don't know if there are
12 any comments, today, tomorrow, in the next couple
13 days to get this thing moving.

14 We appreciate that the District would like
15 to have a workable PDOC when they publish it, and we
16 would appreciate that as I'm sure you would as well,
17 so we're trying to turn this around.

18 HEARING OFFICER CELLI: Well, I'm heartened
19 that there's cooperation and I really want to thank
20 South Coast for the courtesy copy to staff. I think
21 that that's great. I like that the staff and South
22 Coast are working closely together. Based on Mr.
23 Layton's representations, it seems that there
24 probably aren't going to be that many comments, so
25 we'll be able to turn this thing around.

1 MR. LAYTON: We don't know that for sure,
2 Mr. Hearing Officer.

3 I do have one question. Could I ask where
4 the nine days came from between the final
5 publication of the DOC and the PSA? Because that
6 seems like a rather ambitious schedule we've never
7 seen before in any other cases.

8 HEARING OFFICER CELLI: Yeah, we had a
9 hearing on that and this was many, many status
10 conferences ago.

11 MR. LAYTON: I absolutely understand that.
12 I just hadn't -- I'm just here, I thought I'd ask.
13 Because we would hope that maybe the schedule could
14 be shortened other places besides that particular
15 preparation, because again, the documents from South
16 Coast are large and complex.

17 HEARING OFFICER CELLI: Right.

18 MR. LAYTON: And we would like to get them
19 right such that the PSA is actually a robust
20 discussion about all the issues.

21 HEARING OFFICER CELLI: A lot of what's
22 driving this schedule is the need for the applicant
23 to get a decision by October, and that was really
24 the driving force behind creating the schedule that
25 we had.

1 At the time it was Christopher Meyer was
2 the project manager, and we had discussed the
3 ability -- and it seems like it's coming to fruition
4 -- that South Coast and staff were able to work
5 closely together during the process instead of
6 waiting for South Coast to get through all of its
7 rigmarole in order for us to get their final PDOC
8 and so forth. So the idea was to work
9 collaboratively to see if we could speed up the
10 process, and with that we heard from staff that the
11 nine days was doable because the idea was that staff
12 would be ongoingingly working with South Coast
13 throughout the process.

14 MR. LAYTON: I guess I missed that meeting.

15 HEARING OFFICER CELLI: But that was the
16 understanding. And so everything now has slipped, as
17 we said in our last order, everything has slipped
18 commensurately, so for every day that we've missed
19 since the 20th of April, then day for day is we're
20 coming off.

21 So all I want to say is that it sounds like
22 staff is making its best efforts to comply with the
23 letter of the order from the Commission that they're
24 working closely with South Coast and South Coast is
25 also participating by giving a courtesy copy. I'm

1 not sure we've ever got one of those before.

2 MR. LAYTON: Yes, we got one on Huntington
3 Beach.

4 HEARING OFFICER CELLI: Okay, good.

5 MR. LAYTON: And we have gotten them on
6 other cases. But again, it can help and it can't
7 hurt because sometimes things to change, and so
8 you're working on a copy that is draft and you don't
9 want to quote that or cite that.

10 HEARING OFFICER CELLI: Right.

11 MR. LAYTON: So you want to be careful.

12 HEARING OFFICER CELLI: Well, we're not
13 trying to jam up staff, but what we're trying to do
14 is accommodate the applicant, and the applicant has
15 a very tight timeline and in this case staff is
16 doing its best and we're at the mercy of other
17 agencies and we're doing what we can.

18 So that's really what we're about. I
19 understand that there may be some slippage there,
20 too, but we certainly hope that staff can continue
21 to work with alacrity.

22 MR. LAYTON: We're working to either meet
23 or beat the schedule, yes.

24 HEARING OFFICER CELLI: That would be
25 great.

1 MR. LAYTON: For many applicants.

2 HEARING OFFICER CELLI: Mr. Harris, you
3 have a question.

4 MR. HARRIS: Matt always brings out the
5 best in me.

6 First off, I want to heap high praise on
7 everybody for this administrative draft copy. This
8 is a very good idea and I'm thankful for that
9 process, so Thank you very much. I think it does
10 help a little bit take some of the sting away from
11 the nine days because there will be some familiarity
12 with the document.

13 I guess I want to point out one thing, too.
14 There is an additional opportunity for staff to
15 provide comment to the District, and that's once the
16 document is published, once the PDOC is published
17 there's a comment period. So I'm usually the last
18 person to talk about staff getting two bites at the
19 apple, but I want to just highly recommend that they
20 see it that way.

21 What I think I heard Matt suggesting was
22 that they were going to take a look at the
23 administrative drafts at the high level, look for
24 fatal flaws, and God bless them for doing that
25 because we don't want to find out that there's a

1 mission factor that's wrong or something that would
2 cause us all very much problems.

3 But I also do hope that staff will move
4 with alacrity -- is that the word you used --
5 quickly to get their high level comments back,
6 recognizing that they'll have an opportunity during
7 the PDOC comment period to take care of any loose
8 ends that are out there as well. So we'll strive for
9 perfection but let's do that with schedule in mind.

10 HEARING OFFICER CELLI: Thank you, Mr.
11 Harris.

12 Anything further from staff?

13 MR. WINSTEAD: Yes, this is Keith Winstead.
14 I just wanted to quickly clarify that the
15 discussions based off the transcripts.

16 Basically there was discussions of a 45-day
17 publication, then we had agreed to a 30-day. After
18 that time there was a schedule published and then
19 there was another status conference and there wasn't
20 another discussion about a nine-day. Everybody just
21 kind of didn't see it or discuss it so it just kind
22 of became nine days.

23 Staff will work their best to make that
24 schedule, but there was really no discussion of nine
25 days in the record. Thank you.

1 HEARING OFFICER CELLI: I don't remember
2 that, but I'm not looking at the transcripts at this
3 time.

4 In any event, we appreciate staff's
5 attempts to comply with the committee order, the
6 scheduling order, and we're all doing our best and I
7 appreciate everybody's efforts in this regard.

8 If there's nothing further from any of the
9 parties, I would note that the public adviser is a
10 little shorthanded right now. I know that they're
11 going through some personnel transition.

12 I am looking around the room and I am
13 familiar with everybody in this room and none of
14 them would qualify as members of the public in the
15 context of this hearing, everybody is associated
16 with either staff, the committee, or the applicant.

17 I'm just going to go to the phones, then,
18 and see if there's anybody on the telephone who
19 would like to make a comment at this time, and that
20 would include Linda Tatum from City of Long Beach if
21 you wish to make a comment, now would be a good time
22 to speak up.

23 MS. TATUM: I have no comment.

24 HEARING OFFICER CELLI: Thank you, Ms.
25 Tatum, Thank you for calling in.

1 Is there anyone on the phone at this time
2 who would like to make a public comment with regard
3 to any aspect of the Alamitos Energy Center?

4 Okay, then hearing none, at this time I'm
5 going to return the conduct of this status
6 conference back to the presiding member,
7 Commissioner Douglas.

8 COMMISSIONER DOUGLAS: All right. And with
9 that, I will thank all the parties and we're
10 adjourned.

11 (Adjourned at 10:34 a.m.)

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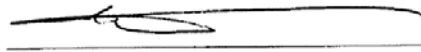
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REPORTER'S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of June, 2016.



PETER PETTY
CER**D-493
Notary Public

CERTIFICATE OF TRANSCRIBER

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

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

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



MARTHA L. NELSON, CERT**367

June 20, 2016