

DOCKETED

Docket Number:	12-AFC-02C
Project Title:	Huntington Beach Energy Project - Compliance
TN #:	212392
Document Title:	Transcript of the 04/19/2016 Committee Status Conference
Description:	N/A
Filer:	Cody Goldthrite
Organization:	California Energy Commission
Submitter Role:	Committee
Submission Date:	7/22/2016 1:39:15 PM
Docketed Date:	7/22/2016

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

Petition to Amend)
) Docket No. 12-AFC-02C
Huntington Beach Energy)
Project)

HUNTINGTON BEACH ENERGY PROJECT AMENDMENT COMMITTEE
STATUS CONFERENCE

1516 9TH STREET, ART ROSENFELD HEARING ROOM
SACRAMENTO, CALIFORNIA

TUESDAY, APRIL 19, 2016

1:30 P.M.

Reported by:

Peter Petty

APPEARANCES

COMMISSIONERS:

Karen Douglas, Associate Member

ADVISORS:

Jennifer Nelson, Advisor to Commissioner Douglas

Le-Quyen Nguyen, Advisor to Commissioner Douglas

Pat Saxton, Advisor to Commissioner McAllister

Kristy Chew, Technical Advisor for Facility Siting

HEARING OFFICER:

Susan Cochran

PUBLIC ADVISER:

Alana Mathews, Public Adviser

CEC STAFF PRESENT:

Kevin W. Bell, Esq., Senior Staff Counsel

John Heiser, Project Manager

Matthew Layton, Supervising Mechanical Engineer

Alana Mathews, Public Adviser

PETITIONER/APPLICANT:

Stephen O'Kane, VP for AES Southland Development

Kristen Castaños, Esq., Stoel Rives

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P R O C E E D I N G S

1
2 APRIL 19, 2016

1:30 P.M.

3 COMMISSIONER DOUGLAS: We're for a status conference
4 for the Huntington Beach Energy Project Amendment.

5 The Energy Commission assigned a Committee of two
6 Commissioners to conduct these proceedings. I'm Karen
7 Douglas, the Associate Member of this Committee.

8 Andrew McAllister, the Presiding Member of the
9 Committee, is unable to be here today.

10 I'm going to start by introducing some of the people
11 here today. My Advisors, Jennifer Nelson to my right, and
12 Le-Quyen Nguyen, to her right.

13 And our Hearing Officer is to my immediate left,
14 Susan Cochran. Patrick Saxton, Advisor to Commissioner
15 McAllister, is to her left. And Kristy Chew, Technical
16 Advisor to the Commission on siting matters to his left.

17 Alana Mathews, the Public Adviser, is here in the
18 back of the room.

19 And with that, I will ask the parties to introduce
20 themselves, starting with Petitioner.

21 MR. O'KANE: Good afternoon, Steven O'Kane with AES
22 Southland Development.

23 MS. CASTAÑOS: Good afternoon, Kristen Castaños with
24 Stoel Rives, counsel to the Applicant.

25 HEARING OFFICER COCHRAN: Thank you very much.

1 And now, staff.

2 MR. BELL: Good afternoon, Kevin Bell, Senior Staff
3 Counsel. With me here is Project Manager John Heiser. And
4 we have various and sundry staff present, as well.

5 COMMISSIONER DOUGLAS: Thank you. And now, I'll
6 turn to public agencies who may be in the room or on the
7 phone. Is anyone here representing federal, state or local
8 government agencies, or on the phone, or WebEx?

9 If you are, go ahead and speak up.

10 Are there any officials representing Native American
11 tribes or nations or, again, any federal, state or local
12 government agencies or jurisdictions?

13 All right. Well, at this point, I will turn this
14 meeting over to the Hearing Advisor, Susan Cochran.

15 HEARING OFFICER COCHRAN: Thank you very much and
16 good afternoon.

17 This is the second status conference on the amended
18 Huntington Beach Energy Beach Project that I will refer to as
19 the original license. AES Southland, LLC, who I may refer to
20 as AES or the Petitioner, is seeking permission to amend the
21 previous license granted to AES for the Huntington Beach
22 Energy Project.

23 The petition proposes to reduce the nominal
24 generation capacity of the project from 939 megawatts to 844
25 megawatts, with 644 megawatts generated from combined-cycle

1 technology and 200 megawatts from simple-cycle technologies.

2 The project site is located in the City of Huntington
3 Beach, just north of the intersection of the Pacific Coast
4 Highway and Newland Street.

5 The project would be located entirely within the
6 footprint of the existing AES Huntington Beach Generating
7 Station and Operating Power Plant.

8 On January 14, 2016, the Committee docketed its
9 scheduling order, setting this status conference and other
10 milestones for the project. The scheduling order required,
11 among other things, the filing of status reports on the first
12 of each month.

13 The Committee would like to thank the parties and the
14 South Coast Air Quality Management District for their timely
15 filings. It helps us keep abreast of developments in the
16 case.

17 On February 16, 2016, the Committee held a status
18 conference. Since that time there have been several
19 developments that may impact the schedule. And I would like
20 to go through those today and talk about how we are going to
21 continue to move this matter forward.

22 The first topic I want to discuss is air quality. On
23 March 9, 2016, following discussion at the prior status
24 conference on February 16, the Committee filed an amended
25 scheduling order. The primary change was to create a softer

1 deadline for the filing of the Preliminary Staff Assessment,
2 what we usually refer to as the PSA.

3 The PSA is now required to be filed three weeks after
4 South Coast Air Quality Management District, and to save
5 myself time, I'm just going to call them South Coast or the
6 District, filed its Preliminary Determination of Compliance,
7 or PDOC.

8 The schedule that you see on the screen is that
9 amended schedule. And you'll see that it now has a deadline
10 for the PDOC of April 1, 2016 or earlier. And then the
11 Preliminary Staff Assessment to be published three weeks
12 after the issuance of the PDOC.

13 I think when we last adjourned, we anticipated that
14 we would be a few days from the issuance of the PSA. I'm
15 going to look at Mr. Bell and ask, is it likely that we're
16 going to see a PSA on Friday?

17 MR. BELL: I wish I could say that it was.

18 HEARING OFFICER COCHRAN: Thank you. I'll take that
19 as a no. Which makes sense because in early March, AES
20 submitted changes to South Coast regarding the operating
21 profile for the proposed project.

22 And if you would like to see what those changes look
23 like, you can find them on the Energy Commission's docket at
24 transaction number, or TN, 210807.

25 AES has revised the number of monthly and annual cold

1 starts for the combined cycle combustion turbine units and
2 revised the maximum monthly and annual auxiliary boiler fuel
3 consumption and emissions.

4 These changes would also alter the emission rates for
5 the turbines, both during commissioning and during
6 operations. These changes are also memorialized in a filing
7 that AES made with the Committee -- or the Commission, excuse
8 me, on April 6, 2016. And that can be found at TN201969.

9 Based on these changes, South Coast, in its status
10 report dated March 31st, stated that it would not be issuing
11 the PDOC on April 1st. And that a better estimate of the
12 PDOC's issuance would be included in its May status report.

13 I'm going to look, again, to see if anyone from South
14 Coast has phoned in or is available online today. South
15 Coast, anyone?

16 Seeing none, I guess the first question I would ask
17 of the Applicant is why were the changes to the operating
18 profile not discussed at the last status conference? I know
19 that there was some indication that the PDOC was soon to be
20 issued and a few weeks later we get these changes, which has
21 now sort of taken the rest of the schedule someplace else.

22 MR. O'KANE: Certainly. Thank you, Hearing Officer.
23 The reason we filed that was the imminent filing of the PDOC
24 and through discussions with South Coast we had a better
25 understanding of how they would write the permit conditions,

1 which would be very specific to the operating profile
2 presented to them.

3 So we, in order to have the appropriate amount of
4 flexibility in the operating profile, we needed to revise the
5 number of cold starts that could be possible in a single
6 month.

7 If you follow the submission very closely, we've
8 actually now proposed something that's almost physically
9 impossible. But if they're going to restrict you to a
10 certain number of starts, certain number of cold starts,
11 certain number of hours of operating in a month, you need to
12 have all that lined up. Well, you can't really have 15 cold
13 starts in a month and operate the unit every hour and every
14 day. Needless to say, that's the way the South Coast does
15 their analysis.

16 So, understanding that, we made those submissions.
17 And in further conversation with the South Coast, I believe
18 the PDOC will be ready imminently. I believe it's under
19 their review, final management review. Unfortunately,
20 they're not on today.

21 And, hopefully, their May 1st status update will be
22 that they filed it.

23 HEARING OFFICER COCHRAN: Okay. And so, I think you
24 just answered what my next question was going to be, but I
25 just want to make sure. That you say that it's due

1 imminently, but we don't have a firmer fix than that, as we
2 sit here on the 19th.

3 Are there any outstanding data requests or anything
4 of that nature that would --

5 MR. O'KANE: There are no outstanding data requests,
6 no information left for the Applicant to provide.

7 HEARING OFFICER COCHRAN: So, the schedule was
8 predicated on having a decision or a PSA probably later this
9 week, which Mr. Bell has now said he'd like to tell us, yes.
10 And, obviously, that's not going to happen.

11 Paul, if you could scroll up just a little bit so we
12 can see some of the later dates, then, in the schedule? So,
13 you can see that the rest of the schedule, then, is basically
14 assuming that the PSA was going to come off about April 23rd,
15 that there would be staff workshops and such.

16 Do we have a discussion, then, about what is going to
17 happen with the rest of the scheduling order? And in this
18 discussion that we're about to have, I would like to know how
19 this delay may affect power delivery under the PPA and
20 whether this may have any impact on the elimination of once-
21 through cooling.

22 In other words, was the approval and then
23 construction and operation of the amended HBEP going to
24 allow, then, other plants to be retired that are still
25 reliant on OTC?

1 I also know that HBEP, the amended HBEP has been a
2 big priority, both with the Commission and the District, who,
3 in some cases the exclusion of other projects, like Alamitos.
4 And the question is, you know, are we going to continue in
5 that vein?

6 And I will open that up to whoever would like to
7 speak first.

8 MR. O'KANE: If I may, we hope this delay doesn't
9 affect the schedule. You know, for us it's the end date,
10 2016 approval in our -- in our schedule, I think we have a
11 tentative October or November final decision.

12 HEARING OFFICER COCHRAN: I believe October. It's at
13 the very end of the schedule.

14 MR. O'KANE: There we go, thank you. October 2016.
15 Provided we can reach decision, final decision within 2016,
16 it would fit.

17 I'd like to make a couple of comments. Forgive me if
18 it was this Committee or the Alamitos Committee, when we did
19 explain some of the scheduling issues. That there is
20 coordination of commissioning, operation and subsequent
21 shutting down of units. There's more than the end date, the
22 final. We really have to look out when these things happen.

23 We certainly can't take units off in the peak
24 California season. So, we are -- we need to maintain the
25 schedule of conducting the commissioning and the last stages

1 of the construction of this project in the winter of 2019 and
2 2020 in order to meet the 2020 summer schedule.

3 We pushed that. We're going to have to wait because
4 we need to make sure there's enough capacity online during
5 the peak times.

6 So, all that being said is you slip a few months, you
7 could slip an entire year. There's a certain stage you go
8 over. But we should be able to maintain an approval schedule
9 here for 2016, then that would be acceptable.

10 I would like, very much strongly like to try and
11 maintain the October deadline, the October date, considering
12 that this is a petition to amend. We're still on the same
13 site. We still are a gas-fired power plant. We've actually
14 downsized it somewhat.

15 And the differences in the environmental attributes
16 between the approved project and the new project are very
17 minor.

18 And then I'd also like to address one of the comments
19 you made there, that you said the Committee and this agency
20 has put a priority on Huntington Beach over projects,
21 including Alamitos. And that is a bit of a troubling
22 statement. One in that we either don't see any difference in
23 priority between the two projects, Alamitos and Huntington
24 Beach, or if anything, the Alamitos project should take
25 priority of Huntington Beach in that is still in an AFC

1 process and not in a petition to amend.

2 Both of these projects are under the same schedule.

3 These are the only capacity planned to replace the once-
4 through cooling in Western Los Angeles. So, if I was an
5 agency planning my resources, I would be strongly considering
6 how the Alamitos project is going.

7 This isn't the Alamitos hearing, but I did want to
8 address that comment a little bit.

9 HEARING OFFICER COCHRAN: Thank you very much.

10 Mr. Bell, did you have anything you wished to offer?

11 MR. BELL: I do. I do wish I could say that the PSA
12 would be filed this Friday. I can tell you that staff has
13 been working diligently in each of the technical areas. And
14 most of those sections have been completed and are going
15 through the final review right now.

16 It's out of our hands when the PDOC is going to be
17 done and we're really not in a position where we can file a
18 PSA without that PDOC, nor do we have control over when the
19 FDOC will be filed at the end of the process.

20 But I can tell you, staff is doing everything we can
21 to move this along.

22 HEARING OFFICER COCHRAN: Aside -- if we were to
23 bifurcate, when do you foresee that the rest of the PSA,
24 exclusive of those sections reliant on the PDOC, when might
25 those be publishable?

1 MR. BELL: It would just be a guess, a pure guess.
2 At this point, I really can't speak to the review process as
3 it goes through final review before we're able to publish it.

4 But I can tell you that the sections have been, for
5 the most part, complete. There are a few outstanding issues
6 that we're dealing with right now, and in addition with the
7 PDOC.

8 I'm not sure that bifurcating, from staff's
9 perspective, would be our preference. I think we would like
10 to have a single document that comes out. Because I don't
11 see that speeding up or slowing down the process at all. We
12 would just end up with two documents being filed, but still
13 stuck with the same timeline that we have now.

14 I shouldn't say stuck to the same timeline. Sticking
15 to the same timeline that we have right now, we would just
16 have two different documents that are filed.

17 HEARING OFFICER COCHRAN: Okay.

18 MR. BELL: And, of course, that could require more
19 conferences and possibly more hearings, in addition to what
20 we already have. Staff's perspective, I think, is that we
21 keep it all together.

22 HEARING OFFICER COCHRAN: I appreciate that. And I
23 would like to remind the parties, and especially staff, that
24 in both the PSA and the FSA, as we set forth in our orders
25 after the prehearing conference -- not the prehearing

1 conference, after the site visit, that what the document and
2 analysis, I think that the Committee is looking largely for,
3 is something akin to what we saw in Carlsbad, where the focus
4 truly was on those changes between the approved project,
5 which has not been approved for very long, and whatever the
6 changes are that might be wrought because of the proposed
7 amendments.

8 And I know that previously we've identified areas,
9 such as air quality, public health, maybe bio resources,
10 traffic to a certain extent, land use because of the height
11 of the buildings, those types of things. And that staff
12 would really sharpen their pencils on those issues and focus
13 on those.

14 Because I think what Mr. O'Kane said is true, is that
15 this is an amendment, as opposed to the full-blown AFC that
16 Alamitos is.

17 MR. BELL: Right. And, of course, staff appreciates
18 that direction. Our practice has been with amendments,
19 whether it's a Committee-assigned amendment, or an amendment
20 that's reviewed by staff and presented to the Commission,
21 without having a committee assigned, is to look at those
22 incremental changes between the licensed project and the
23 project as proposed.

24 Of course, you know, we still look at all the other
25 possible impacts, such as cumulative impacts, as well.

1 HEARING OFFICER COCHRAN: Correct.

2 MR. BELL: We're really looking at the incremental
3 changes.

4 HEARING OFFICER COCHRAN: Okay. I just like to
5 make --

6 MR. BELL: If any.

7 HEARING OFFICER COCHRAN: I just like to make a pitch
8 for that, whenever possible, because it will also then, in
9 some ways, make the drafting of the PMPD easier on us, as
10 well, as we just focus then on those things that truly are
11 changes that may be significant impacts on the environment,
12 or for some other issue.

13 MR. BELL: Right. And we really do want to focus on
14 those changes. We don't want to provide any third-party or,
15 you know, anybody else who's involved in the proceeding the
16 opportunity to reopen something that's already been
17 litigated. You know, not only would that be improper, but
18 that's also not a good use of the Committee's time, either.

19 HEARING OFFICER COCHRAN: Okay. Thank you very much.
20 So, at this point, then, let's move on to something
21 else that may affect the schedule, and that is --

22 I'm sorry, go ahead.

23 COMMISSIONER DOUGLAS: No, I was just going to -- oh,
24 no problem. I was just going to ask you a quick question,
25 Mr. Bell, when you say that all of the sections, aside from

1 air quality, are for the most part ready and under review,
2 are there any significant issues where you're waiting on
3 information, or where you've got gaps you're trying to fill
4 in the other sections? Or, are those really under review
5 and --

6 MR. BELL: I don't believe so right now. For the
7 sections that I personally reviewed, I can say that staff has
8 all the information that they need.

9 I know with air quality, you know, of course we'll
10 need to take a look at the PDOC. But if I can have just a
11 second?

12 No, staff's not waiting for any information that's
13 really going to cause a "C" change in our analysis at all.

14 COMMISSIONER DOUGLAS: Okay, thanks. I just want to
15 encourage you. I mean, we are not seriously considering
16 bifurcating the analysis. Obviously, we -- there are
17 significant benefits to having one single document move
18 through the process. And at the same time, I just really
19 want to encourage you to not -- to get the other sections
20 wrapped up as soon as possible so you can really focus in on
21 the air quality section, when the PDOC's ready, and get that
22 one done and out.

23 And I do think that will help us hold to the schedule
24 as well as we can.

25 MR. BELL: As I said, the staff has been working

1 diligently on all those technical areas. And their efforts,
2 thus far, have been a model of efficiency.

3 COMMISSIONER DOUGLAS: Thank you.

4 HEARING OFFICER COCHRAN: Moving on, then, to another
5 area where we're, in some ways, reliant on another agency,
6 other than ourselves, and it's always good to be self-
7 reliant, if we can. And that concerns the City of Huntington
8 Beach.

9 You'll recall that last time they adopted a
10 resolution that helped us in our findings for variance when
11 the buildings were over-height, as well as approving, in some
12 ways, the visual enhancements. While the Committee -- the
13 Commission obviously retained the ultimate jurisdiction on
14 the visual enhancements, getting the buy off of the
15 jurisdiction that's going to be most affected by them is very
16 helpful.

17 In AES's March status report, they indicated that the
18 revised architectural treatment was considered by the City's
19 Design Review Board on March 10th. And that the Design
20 Review Board recommended approval of the plans. And here
21 they are.

22 It also indicated that the City Council was going to
23 have a study session on them yesterday, I believe.

24 Can someone update me on where we are on that? And
25 what this is showing is the sphere wall that is to replace

1 the surfboard treatment from last time. And the spheres are
2 24-inch blue, plastic spheres on cable netting. And I think
3 that's a detail there.

4 So, can someone let me know, did the study session
5 occur? What was the outcome? And when is the Council
6 scheduled to take any formal action? For example, the
7 adoption of a new resolution?

8 MR. O'KANE: Steven O'Kane again, with the Applicant.
9 That's correct. On the Design Review Board meeting of
10 Huntington Beach, I could say that they unanimously approved
11 the design for Huntington Beach, very enthusiastically,
12 actually, that the new screening and architectural treatment
13 for the project, by that committee.

14 It was moved on to the City Council study session
15 yesterday, which I attended, and presented with the Senior
16 Planning staff of the City of Huntington, to the Council.
17 They could ask questions, take a look at it. It was received
18 positively, but there's no action that comes out of a study
19 session.

20 HEARING OFFICER COCHRAN: Right.

21 MR. O'KANE: That's sort of their pre-application.
22 And the May 2nd City Council meeting, the intent -- Senior
23 City Planning staff did make a statement they would proposed
24 an amended resolution on the May 2nd, City Council staff --
25 agenda, sorry. As the resolution was worded, should they --

1 but for this Committee's authority, they would approve the
2 height variance and the architectural treatment. So, that
3 will be on as an administrative item on the May 2nd, City
4 Council meeting.

5 HEARING OFFICER COCHRAN: Thank you very much.

6 And, staff, if you ever want to jump in, just jump
7 in.

8 MR. BELL: Staff is aware of and appreciates the
9 efforts of the project owner to mitigate any potential
10 significant adverse environmental effects. And also, to
11 conform with the applicable Coastal Act provisions.

12 Staff is waiting to see the final design plans. I
13 believe we have a condition or two that covers that.

14 And on a personal note, I will miss the surfboards.
15 But we're looking forward to seeing this come to a
16 conclusion.

17 HEARING OFFICER COCHRAN: Thank you.

18 Turning now, then, to yet another agency that may
19 weigh in on the proceedings, and that's the Coastal
20 Commission. I noted that the docket discloses a number of
21 communications and contacts between Energy Commission staff
22 and the Coastal Commission that seem to reference the Coastal
23 Commission is going to file a report, or something of that
24 nature.

25 Do we have any update on the status of that, like the

1 timing of it? When it might be considered at a Coastal
2 Commission meeting? I know that that can be difficult
3 because of their meeting schedule versus ours.

4 MR. BELL: I'm not aware of the timing of the report,
5 if a report's even going to be filed. I do note that they
6 did file the report that they're required to, in the
7 underlying proceeding, itself. Whether or not they're
8 planning on filing -- no, we're not aware of any efforts by
9 the Coastal Commission to update a report or file a new
10 report.

11 We have had some communications from the Coastal
12 Commission and we're working out issues with them.

13 HEARING OFFICER COCHRAN: Right, that was all the
14 storm, the run up, the tsunami, you know, the sea level rise,
15 those types of issues.

16 MR. BELL: Yeah, we can say that the Coastal
17 Commission does have some issues with the Poseidon
18 desalinization plant next door. And it does appear to staff
19 that the Coastal Commission is confusing the two projects.

20 In fact, the Coastal Commission's position has been,
21 all along, that this is one project site and we should be
22 analyzing the entire project site. We made it very clear
23 where the boundaries of our project site are.

24 Poseidon, while we may be considering cumulative
25 impacts between and amongst the two projects, the Poseidon

1 project is a separate project, under a separate jurisdiction,
2 and will have its own, separate licensing phase.

3 So, while the Coastal Commission may have some issues
4 with Poseidon's analysis for a tsunami and flooding issues,
5 staff's analysis for -- our staff's analysis for the
6 Huntington Beach Energy Project is thorough and robust.

7 HEARING OFFICER COCHRAN: Okay, thank you.

8 Applicant, did you want to offer anything or moving
9 on?

10 MS. CASTAÑOS: We agree.

11 HEARING OFFICER COCHRAN: Thank you.

12 So, having reviewed all of the documents, I do have a
13 couple of sort of off-the-wall questions that may or may not
14 be answerable today, but that I hope we can get some
15 clarification on.

16 In AES's April 6th filing, in Section 5.1.2 there's a
17 reference to the access to the site using the bridge over the
18 Huntington Beach Channel and walking path being contingent
19 upon a suitable access agreement.

20 Who's that access agreement with? How is that going
21 to come into play? What happens if there is no such
22 agreement forthcoming?

23 MR. O'KANE: Steven O'Kane, with the Applicant,
24 again. Good question. Yes, the plan was to use, where we
25 could, to reduce some traffic. While we don't find

1 significant impacts to mitigate as a reason to use that
2 bridge, it would be -- it would help with local community and
3 with our own logistics to potentially use that as a
4 pedestrian bridge.

5 However, that is a -- that's private property.
6 That's the Huntington Beach Wetlands Conservancy. If we
7 can't reach an agreement to use such a bridge, we would not
8 need it, nor does the project depend on it, or would it
9 change any of the potential impacts from the project should
10 we not get access to that.

11 So, it is fully contingent on the landowner, as with
12 any of our -- we have some offsite areas which we intend to
13 use for parking and laydown areas. Those two are the -- the
14 underlying assumption there is that we come to a suitable
15 agreement with the private landowner.

16 And I can report that those discussions are going
17 well, so we don't have any other project changes coming.

18 But that land bridge, no, it's not a necessity to the
19 project, nor would the exclusion of that from the project
20 description cause any change to project impacts.

21 HEARING OFFICER COCHRAN: And does staff agree with
22 that?

23 MR. BELL: Yes, staff is aware of the issue and it's
24 something that we're tracking.

25 HEARING OFFICER COCHRAN: Okay.

1 MR. BELL: But we don't believe that that's going to
2 affect the schedule.

3 HEARING OFFICER COCHRAN: Okay. And since you
4 brought it up, we did receive a letter, yesterday, from the
5 Huntington Beach Wetlands Conservancy. Does anybody wish to
6 speak to that, comment on it? Will that be included in
7 staff's analysis?

8 They raised a number of points, that's why I bring it
9 up today.

10 MR. BELL: Assuming any comments received by any
11 other party, government agency, or individuals will be
12 addressed by staff.

13 HEARING OFFICER COCHRAN: Okay.

14 MR. BELL: In some form.

15 HEARING OFFICER COCHRAN: Perfect, thank you.

16 I know that we've had -- last time we had a
17 significant discussion about the use of clutches, synchronous
18 condensers, whatever you want to call them, as it related to
19 the combined cycle.

20 Has there been any discussion with CalISO, because of
21 the letter they put in -- let me rephrase that.

22 Last year, in November I believe, CalISO copied the
23 Energy Commission on a letter that was being sent to the PUC,
24 about consideration of clutches and/or synchronous condenser
25 technology in the approval of power plants, sort of as a

1 generic basis.

2 So, has anyone made contact with CalISO about such
3 improvements? Not for the combined cycle, but for the
4 simple-cycle portion of this project? Is it being considered
5 as an alternative in the PSA? Are we -- so, two questions.
6 Has anyone contacted CalISO and, if so, what was the outcome
7 of that?

8 And second, is this something that we might be
9 considering in an alternatives analysis on the simple-cycle
10 portion, only? I think Mr. O'Kane was very specific last
11 time that it would not work in the combined cycle portion.

12 MR. LAYTON: Good afternoon.

13 MR. BELL: Matt Layton can address that.

14 MR. LAYTON: No, we have not talked to the ISO. The
15 letter talks about procurement decisions. We still struggle
16 with whether or not this is a need assessment that somehow
17 staff is deciding that there are mega bars needed and,
18 therefore, a synchronous clutch might be appropriate.

19 In past proceedings, we've looked at the physical
20 constraints about putting a clutch in. I think you might be
21 able to fit a clutch there but, again, I don't -- the PUC has
22 not authorized anybody to pay for that clutch. So, I think
23 it's still hard for us to suggest that it's a good idea for
24 AES to do it.

25 I think we would have a very generic discussion, as

1 we have in other cases. Yes, it would be limited to -- if a
2 clutch might be feasible on the simple-cycle and what that
3 might mean, but that would be very limited and very general.

4 In other discussions with the ISO, I think we'd be
5 hard-pressed to get them in here to offer very many
6 specifics.

7 HEARING OFFICER COCHRAN: I appreciate that. Thank
8 you so much.

9 Did you want to say anything, Mr. O'Kane or Ms.
10 Castaños? I know this is your favorite subject.

11 MR. O'KANE: Right. I'm not sure what I can add at
12 this time. But, certainly, when the time comes for the
13 simple-cycle, and that schedule, should commercially-
14 available technology be there, and we can figure out a way to
15 have the appropriate parties pay for changes, we would not be
16 -- object to looking at that kind of technology.

17 HEARING OFFICER COCHRAN: Thank you so much.

18 MR. O'KANE: Or other types.

19 HEARING OFFICER COCHRAN: Yet to be determined.

20 Finally, our next, and last currently, scheduled
21 status conference is June 22nd. Is there any thought as to
22 whether we need another status conference, maybe next month?
23 Is there a desire to have that? What's folks' availability?

24 Without South Coast being here, I don't want to have
25 a status conference and then not have that input. So, is

1 there any thoughts about a status conference next month?

2 Yes? No? Stupid idea?

3 MR. BELL: Well, it's not a stupid idea, of course
4 not. Status conferences are actually very helpful,
5 especially when we have issues that need to be resolved,
6 where we have scheduling concerns that need to be discussed.

7 But aside from the efforts of South Coast to get us a
8 PDOC, there doesn't appear to be any other issues that are
9 holding up the project right now, from staff's perspective.
10 I don't believe that additional status conferences are
11 necessary.

12 HEARING OFFICER COCHRAN: Okay.

13 MS. CASTAÑOS: This is Kristen Castaños. The only
14 minor amendment I might make is if we do hear from South
15 Coast at the next filing of status reports, on the schedule
16 for the PDOC, it may be helpful to come back and review the
17 rest of the schedule.

18 However, I think -- I don't know if there's a way for
19 us to wait until after the next status report to find out
20 what the schedule is for the South Coast issuance of the PDOC
21 in order to decide whether we need another status conference
22 in May, as opposed to June.

23 HEARING OFFICER COCHRAN: The only issue, as always,
24 is people's schedule. And the fact that we have to provide
25 at least ten days' notice, which makes us not very

1 maneuverable in terms of getting these set, as well as the
2 physical constraints of is there a conference room, you know,
3 are the players all going to be available.

4 So, that's why I asked. I try to do these things
5 earlier, rather than later. But at this point, I'm not
6 hearing a firm desire to have one, pending what South Coast
7 may have to say in the next two weeks. Okay.

8 COMMISSIONER DOUGLAS: All right. Well, this has
9 been helpful and we'll stay tuned in terms of whether the
10 parties think an additional status conference is needed.

11 If it's not needed, let's not do it. If it is
12 needed, let us know early enough that we can get all of the
13 logistics taken care of that Susan just mentioned.

14 So with that, we'll move on to public comment. Is
15 there anyone in the room who would like to make a public
16 comment?

17 Is there anyone on WebEx who would like to make a
18 public comment? Please speak up, if you would.

19 All right. With that, we're adjourned.

20 (Off the record at 2:09 p.m.)

21 (On the record at 2:09 p.m.)

22 COMMISSIONER DOUGLAS: Go ahead.

23 MR. O'KANE: Sorry about that. Perhaps I could
24 humbly suggest the Hearing Officer give the South Coast a
25 call, since they didn't join the status conference today.

1 And maybe you can get a better idea of schedules or any
2 issues that might be coming up.

3 HEARING OFFICER COCHRAN: There may be some issues
4 about ex parte and off-record discussions. I think what
5 we'll do is maybe staff would be a better avenue to contact
6 them and docket a conversation.

7 MR. LAYTON: We'd be happy to call South Coast.
8 Moisen and Andrew have been very helpful. But again, the
9 PDOC has not been delivered. But, they're always willing to
10 talk to us.

11 HEARING OFFICER COCHRAN: Thank you, Mr. Layton.

12 COMMISSIONER DOUGLAS: All right, we're really
13 adjourned this time. Thank you, everyone.

14 (Thereupon, the Hearing was adjourned at
15 2:10 p.m.)

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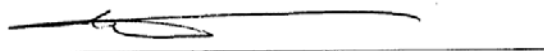
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REPORTER'S CERTIFICATE

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 22nd day of July, 2016.



PETER PETTY
CER**D-493
Notary Public

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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 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 22nd day of July, 2016.

A handwritten signature in black ink, appearing to read "Barbara Little", is written over a horizontal line.

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