

NOTICE OF PUBLIC SITE VISIT, ENVIRONMENTAL SCOPING MEETING
AND INFORMATIONAL HEARING
BEFORE THE
ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the:)
)
Application for Certification)
for the Huntington Beach)
Energy Project)
_____)

Docket No.
12-AFC-02

California Energy Commission
DOCKETED
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TN # 2869
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MONDAY, SEPTEMBER 10, 2012
5:00 p.m.

Reported by: Martha L. Nelson, CERT 00367

COMMITTEE MEMBERS PRESENT

Andrew McAllister, Presiding Member

Karen Douglas, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Raoul Renaud, Hearing Officer

Eileen Allen, Commissioners' Technical Adviser for Facility Siting

CEC STAFF PRESENT

Kevin Bell, Staff Counsel

Felicia Miller, Project Manager

OFFICE OF THE PUBLIC ADVISER

Jennifer Jennings, Public Adviser

APPLICANT

Melissa A. Foster
Stoel Rives, LLP

Jennifer Didlo
AES Southland

Stephen O'Kane
AES Southland

PUBLIC SPEAKER

Don Hansen, Mayor, Huntington Beach

Connie Boardman, City Council, Huntington Beach

Mohsen Nazemi, South Coast Air Quality Management District

Jane James, Huntington Beach Planning and Building Division

Bob Wentzel

Jason Pyle, Homeowners' Group

Shawn Thompson

Al Guidotti

Merle Moshiri, Residents Responsible for Desalinization

John Ott

Milt Dardis

Joanne Rasmussen

Billy O'Connell

Ray Hiemstra, Orange County Coastkeeper

Deanne Nelson

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P R O C E E D I N G S

1 5:11 p.m.

2 PRESIDING MEMBER MCALLISTER: Let's see if we can
3 get started. We're a few minutes after 5:00, so we want to
4 try to kick off the proceedings here. We're hoping to get
5 through the formal part of this, the presentations, by 6:00
6 or so. I think things are pretty streamlined, so hopefully
7 we can do that, and then have more time for questions and
8 some public comment, if there is any of that, which I
9 assume -- I imagine there will be.

10 My name is Andrew McAllister. I'm a Commissioner
11 at the California Energy Commission. To my left is Raoul
12 Renaud who is the Hearing Officer for this application. To
13 his left is Karen Douglas, the Associate Member of the
14 committee, together with me, on the --

15 UNIDENTIFIED MALE: (Off mike.) We can't hear
16 you.

17 PRESIDING MEMBER MCALLISTER: Oh, sorry. I'll try
18 to speak louder. How about that, is that good?

19 UNIDENTIFIED FEMALE: (Off mike.) Yes.

20 PRESIDING MEMBER MCALLISTER: All right. Sorry.

21 UNIDENTIFIED FEMALE: Thank you.

22 PRESIDING MEMBER MCALLISTER: Karen and I are the
23 committee at the commission considering this application.
24 So we're here to learn from the applicant, from the public,
25 your concerns and issues and comments that come to the fore.

1 So we're very happy to be here. Thank you so much for
2 coming.

3 This is a really important part of the process.
4 It's fundamental to what the commission does in power plant
5 siting proceedings. And this is the chance, this is the --
6 this is the beginning of the -- of the opportunity for a
7 community to really get opinions into the record and -- and
8 to make your views known on this project. However, your
9 opinions are -- we -- we want to hear them. That's really
10 important. And it's -- that's the way we get the optimal
11 outcome for siting proceedings is by making sure that
12 everybody who has a say or should have a say gets that say.
13 So very happy to have you all here, and looking forward
14 to -- to the conversation.

15 Let's see, so I also wanted to acknowledge --
16 well, let's see. So we have staff, as well, and I would
17 like each staff member that's here to introduce themselves,
18 and then we'll move on to the applicant.

19 Oh, I forgot Eileen Allen. Eileen Allen is the --
20 she is the officer -- commissioners' technical advisor.
21 Yeah, sorry. I'm new to the commission so I've got to learn
22 all the lingo here. But Eileen advises the commission on --
23 the commissioners on all things siting, and is here with us
24 as well. So thank you.

25 So on to staff.

1 MR. BELL: My name is Kevin Bell. I'm the senior
2 staff counsel with the Energy Commission. I'll -- much
3 better. I'll be assisting staff with their legal review of
4 this project.

5 MS. MILLER: Felicia Miller, project manager,
6 staff for the Energy Commission.

7 MS. FOSTER: My name is Melissa Foster. I'm with
8 Stoel Rives. I'm counsel for the applicant, AES Southland
9 Development.

10 MS. DIDLO: Good evening once again. Jennifer
11 Didlo. I'm the project director for the Huntington Beach
12 development project.

13 MR. O'KANE: My name is Stephen O'Kane and I'm
14 with AES Southland Development, the applicant. I'm heading
15 up the permitting and regulatory approvals for the company,
16 and your tour bus guide.

17 PRESIDING MEMBER MCALLISTER: Thank you. And I
18 wanted to point out, acknowledge Jennifer Jennings who's the
19 public adviser. She's in the back there with her hand up.
20 And any issues you have participating, she's -- that's her
21 job is to help the public understand the process and
22 participate in it. So she is a terrific liaison for you
23 going forward. So thank you, Jennifer.

24 I wanted to ask if there are, either on the phone
25 or here in person, any public agencies, staff or officials,

1 or public officials? Yes. I also wanted to definitely
2 acknowledge the mayor, and understand he wants to say a
3 couple words, which absolutely, he is welcome.

4 So public agencies? Maybe each of you could come
5 up to the mike. We have a lot of people online here on the
6 WebEx. So it would be nice if they could hear all this.

7 So we're really pleased to have Don Hansen, the
8 Mayor of Huntington Beach. We'll give you the -- the dais.

9 MAYOR HANSEN: Excellent. Thank you. Good
10 evening, Commissioners. Welcome to the City of Huntington
11 Beach. It's my pleasure to welcome you officially on behalf
12 of my colleagues on the city council. And as we begin this
13 process I think what you'll find from the City of Huntington
14 Beach is that we have a dynamic, engaged, educated, and
15 prepared community that will be full of questions. I don't
16 know what the laughter is about. Either they don't believe
17 it.

18 UNIDENTIFIED FEMALE: (Off mike.) It could be a
19 lot worse.

20 MAYOR HANSEN: Case proven. With that said, I
21 would be prepared from this community a lot of educated,
22 direct and focused questions. And Huntington Beach
23 residents value their community. They value the public
24 input. And you'll see, I'm sure, as this process goes
25 forward this attendance grow, as well as the communications

1 grow. So I'm sure Huntington Beach won't let you down as
2 far as the process goes.

3 Just briefly, my comments on -- on part of it, and
4 I'm not sure if you get any of the medial alerts or things
5 that might come out of this, but believe it or not our local
6 paper, the Orange County Register, put out a question the
7 other days, is will you be sad to see the AES plant go? And
8 it has, in many ways, become an iconic landmark for lots of
9 folks on the coast. But the issue is, is that for most of
10 is that that -- that symbolism probably could be
11 significantly enhanced. And I think I would take this from
12 the global to the myopic as a benefit for the City of
13 Huntington Beach.

14 Obviously, from a global positioning the future of
15 the San Onofre Nuclear Generating Station and the challenges
16 that it's currently facing, and delivery of electricity
17 within the grid is of paramount importance to our entire
18 region. And the need to deliver reliable electricity to not
19 just my community but the entire state should be of
20 paramount concerns. And we obviously are working our way
21 through issues with the Edison Company and, you know, their
22 issues that they're having on bringing SONGS back online.
23 When and if that happens will -- to be determined.

24 But with that our community has been impacted by,
25 you know, the re-upping of our local generating station. So

1 if these decisions need to be made in the future for the
2 preservation and stability of the grid, obviously,
3 Huntington Beach could play a part in that.

4 With that said, a plant that's more energy
5 efficient, a plant that has a small footprint, a plant that
6 doesn't impact the view corridor, a plant that, I think,
7 provides a better sight line for the residents that have
8 grow up around the plant is beneficial. And it would be
9 something that most in our community would support.

10 And then really at the lowest level, the most
11 myopic, not that this should be a driver of any decisions,
12 but it's clear, especially in these economic times, a
13 project of this magnitude will have impacts on local
14 economies, whether it's not -- whether it's just putting our
15 engineers, as well as our construction workers back to work,
16 or providing the ancillary jobs that support it, that's
17 something that this region will always benefit from if a
18 project of this magnitude goes forward. And we would be a
19 prime beneficiary in the City of Huntington Beach of having
20 good paying jobs, of having folks back to work in a project
21 that makes sense.

22 So I think from a global aspect, obviously the
23 devil is always in the details of issues like this. But we
24 will root those out. And as you mentioned, Commissioner,
25 this is a the beginning of the beginning. And the impacts,

1 I'm sure, will be fully vetted. There will be lots of good
2 questions pondered by both commissioners, as well as my own
3 community. And we welcome this process. But in the end I'm
4 hopeful that should a project go forward that will provide
5 the benefits that I outlined, it will be good for all
6 concerned.

7 So again, welcome to Huntington Beach. And enjoy
8 your time and deliberations here, and have a good evening.

9 PRESIDING MEMBER MCALLISTER: All right. Thank
10 you very much. Thank you very much, Mayor Hansen. It's a
11 pleasure to have you here.

12 Any other public agency representatives care to
13 step forward to the mike and let us know you're here?

14 COUNCILWOMAN BOARDMAN: Good morning [sic]
15 Commission Members. My name is Connie Boardman. I'm on the
16 City Council here in Huntington Beach. In addition to our
17 mayor's comments, I would like to say that I think a lot of
18 our residents have a concern about the coupling of the new
19 plant with a proposed desal plant. And they would feel much
20 more comfortable with the idea of completely uncoupling the
21 water supply for the future development of the AES energy
22 generation facilities with the Poseidon -- the proposed
23 Poseidon desalinization plant.

24 And I would just like to say, too, that I'm glad
25 to see a plan that will produce units that will have lower

1 NOx emissions and lower -- and produce lower greenhouse
2 gasses. So welcome, again, to Huntington Beach.

3 PRESIDING MEMBER MCALLISTER: Thank you very much.

4 MR. NAZEMI: Good afternoon. My name is Mohsen
5 Nazemi. I am Deputy Executive Officer with South Coast Air
6 Quality Management District. And our agency will be doing a
7 determination of compliance for the air quality issues
8 related to the siting of this project. We have received an
9 application similar to the Energy Commission about a couple
10 of months ago. And we are in the process of evaluating the
11 air quality impacts. We have not made any decision at this
12 point. Thank you.

13 PRESIDING MEMBER MCALLISTER: You're welcome.
14 Thank you.

15 MS. JAMES: Good evening. I'm Jane James with the
16 City of Huntington Beach Planning and Building Division. We
17 also have staff from our Public Works Department here,
18 Debbie Debow and Steve Bogart. And we'll be reviewing the
19 application for certification for compliance with our local
20 jurisdictional requirements. Thank you.

21 PRESIDING MEMBER MCALLISTER: Okay. Thank you.
22 Any other public entities represented in the room? Great.
23 Well, thanks again, all of you, for coming.

24 At this point I'm going to pass it on to Raoul
25 Renaud who will manage the proceedings from here on out. So

1 thanks very much.

2 HEARING OFFICER RENAUD: Okay. Thank you,
3 Commissioner McAllister.

4 In California if you want to build an operate a
5 thermal power plant exceeding 50 megawatts you need to come
6 to the Energy Commission for a license. AES Southland has
7 done so, and that's what -- this is the kickoff proceeding
8 in connection with the environmental review process that
9 that application for certification triggers.

10 The Energy Commission sits in Sacramento and has
11 appointed Commissioners McAllister and Douglas to preside
12 over the proceedings. The eventual end of the proceeding
13 will be the issuance of a decision. The first decision is a
14 presiding members proposed decision, which is the proposed
15 decision of these two commissioners. That decision then
16 would go to the full commission for consideration and a
17 possible vote on whether to grant or deny the requested
18 license.

19 Could I have the next slide please. Let's see if
20 this works. Part of what the -- what I do is help the
21 commissioners prepare a public record. And, in fact, since
22 we started here at five o'clock we're now on the record.
23 There's a stenographic reporter sitting up here who's
24 listening to everything that goes on in the room and is
25 taking it all down. It will all be transcribed into a

1 booklet, typed format that will be available to members of
2 the public. It will be on the commission website for all to
3 see. And all proceedings that we conduct in these power
4 plant siting proceedings are transcribed and made part of
5 the public record.

6 If I could have the next slide please. So as you
7 can see, these two commissioners then really act as judges.
8 They are basically going to hear the evidence in the case
9 and make a decision. Since they are acting like judges we
10 need to make sure everything is very fair, open, above
11 board, transparent. And for that reason we have this rule
12 called the Ex Parte Rule. And it's basically the same rule
13 that applies in any court, that is that a party or someone
14 with an interest in the case can not talk to the judges
15 privately about the case. Every communication needs to be
16 in public in an open forum, such as this one.

17 The Energy Commission takes it a little bit
18 further. We don't even allow the judges to talk to each
19 other about the case, except in a public forum. And that,
20 actually, can be a little bit awkward sometimes. They have
21 to make sure not to talk, hey, what do you think about
22 Huntington Beach. They can't do that. If they're going to
23 do that they have to be doing it in front of you in a public
24 forum that we provided notice of.

25 ASSOCIATE MEMBER DOUGLAS: Or closed session.

1 HEARING OFFICER RENAUD: Yes, or duly noted closed
2 session which is a part of -- can be part of a proceeding,
3 if we made sure you all knew that there was going to be part
4 of a closed session.

5 Next slide please. So the -- the ultimate -- what
6 we're trying to do then is create a record upon which to
7 base that decision. And the review process results in the
8 staff analysis of the process from an environmental -- of
9 the project from an environmental standpoint. And
10 eventually we will conduct public hearings concerning the
11 evidence in the case.

12 Now, a couple of technicality things or
13 housekeeping things. You might have noticed when you came
14 back, there's some -- some refreshments in the back of the
15 room. We try to conduct these hearings at times that are
16 convenient for members of the public. So if it's on a
17 weekday we're going to be here in the evening so people who
18 have jobs can come after work. Unfortunately, that often
19 conflicts with mealtimes. So we ask that the -- the
20 applicant, in this case AES, supplies some sort of light
21 refreshments, just so we can keep going and not have to take
22 meal breaks. So feel free, help yourselves any time you
23 want to. It's there in the back of the room for you.

24 We are going to proceed from here into
25 presentations, first by the applicant who will describe the

1 project, and then by our staff who will discuss their review
2 process.

3 After the presentations are over we'll open for a
4 public comment period. At that time you'd be able to come
5 up to the microphone and address the commissioners with your
6 comments about the project. If you wanted to provide public
7 comment, if you would please fill out a blue card. You can
8 get those from Jennifer Jennings, the public adviser. And
9 she'll make sure they get up here, and then we have your
10 names and we can call you up one at a time.

11 So I think without further ado we should move into
12 the applicant's presentation.

13 MS. DIDLO: I think I'm on. Yes. Thank you.
14 While we're waiting for Stephen to do that, I most recently
15 worked in Houston, Texas at an AES facility, a petroleum
16 coke plant, and I had a conference room probably half this
17 size but probably twice as many chairs. And I could never,
18 ever get my guys -- most of them were guys -- to sit in the
19 front couple rows. So I took all the chairs out. So you
20 know what they did? They stood in the back. I don't know
21 what it is about being at the front of the room. But I see,
22 no matter what the forum is it's consistent.

23 So you think when you go to grade school and the
24 teachers tell you, you're going to get an A if you sit in
25 that T formation. They're trying to -- all they're trying

1 to do, really, is populate the front of the room. It's just
2 kind of what I think. Okay.

3 Welcome again. I just have a couple introductory
4 slides. And then Stephen O'Kane is going to -- is going to
5 take over. So what I wanted to do really was tell you a
6 little bit about AES, tell you a little bit about AES in
7 California, the southland, and then give you some
8 overarching objectives of what we're attempting to
9 accomplish with this project.

10 So the AES Corporation is global. We're on --
11 we're in 28 countries, 5 continents, almost 30,000 people.
12 We do both the generating of the electricity and the selling
13 and distribution of electricity. So you can see we have
14 almost 11 million customers. We have 34,000 megawatts in
15 operation, another 1,700 in construction around the world.
16 We also have a significant renewable portfolio. We have
17 hydro, wind. And you'll see here, when we talk about
18 California we also have solar. We have solar in Europe.

19 I've got some pie charts, just to give you a
20 sense. On the left-hand side you can see we're in North
21 America, Latin America, Asia, Europe. And then you can see
22 the types of fuel that we use. So about a quarter of our
23 generation comes from renewable, a third from natural gas,
24 and so on.

25 AES California includes thermal power plants, just

1 like the Huntington Beach Power Plant. We have three power
2 plants, all located in the Los Angeles Basin, Orange County,
3 L.A. County. We have about 250 megawatts of wind in Palm
4 Springs. And then up in Northern California we also do the
5 O&M for another 250 megawatts, which means we do the
6 operations and maintenance, but we don't own those turbines.
7 And then we are in the process of developing a significant
8 solar project, 360 megawatts. AES has a partnership and we
9 own half. It's called AES Solar. Redstone owns the other
10 half. So that's a little bit about AES Corporation.

11 And then we talk about AES Southland. Just to get
12 everybody grounded, AES Southland was formed in 1998. AES
13 bought three facilities from Southern California Edison.
14 I'll be done with this slide before Stephen gets to it. So
15 the Huntington Beach facility, the Alamitos facility in Long
16 Beach, and then the Redondo Beach facility. Southern
17 California Edison was forced to divest at least 50 percent
18 of their natural gas assets. So that's what caused them to
19 sell them. And what we own is about 18 percent, depending
20 on what year you look at. Like I said, nearly 20 percent of
21 Edison's on-peak needs we satisfy through those three
22 facilities, so they are important.

23 The second that we acquired those facilities we
24 entered into a long-term tolling agreement. So we actually
25 sell the power to an intermediary who sells it ultimately to

1 Southern California Edison. That is something that probably
2 will be different in the future should we proceed with this.

3 One other thing that I wanted to mention is since
4 the inception of Southland we've had exemplary operational
5 performance, in the high 90s. So when the plants are needed
6 to run we've been very successful at running them, to make
7 sure that we can keep the lights on and provide the
8 necessary services to the system.

9 So why do we want to build a new power plant?
10 There was a lot of discussion going on in the back of the
11 bus where I was, is why do you want to do this? I think
12 most primarily, and we're -- we're seeing demonstration of
13 this today, you guys when you were in the bus, you probably
14 noticed that the facility was running. And that's -- it
15 could be because it's warm. It could be because San Onofre
16 is down. But the Huntington Beach Generating Station is --
17 is critically located in the grid. So the transmission is
18 built up around it. There's a lot of load on the coast. So
19 it's a critically located facility. And it's an aging
20 infrastructure that needs to be replaced.

21 So why do it now? The State of California is in a
22 process to dramatically reduce the use of ocean water for
23 cooling and power generation. So AES is faced with a
24 decision; come the end of 2020 we need to make a significant
25 change to how we use the ocean. And as Stephen said on the

1 tour, we're no longer going to use the ocean for cooling.
2 We're going to use air through those air-cooled condensers.

3 We know that the existing facility has certain
4 operating characteristics that are inconsistent with
5 enabling more solar and wind generation, primarily. They
6 take a long time to start. They take a long time to move
7 through their load range. So they're not consistent with
8 what California needs in the future to obtain all of its
9 clean energy and clean air goals. So it's time to replace
10 that infrastructure with a more modern facility.

11 And then last, we've talked about this, this --
12 this is an opportunity for us to be environmentally
13 sensitive. We're going to reuse a site that's already an
14 industrial site. We're going to reuse all of the
15 infrastructure hooked up to the site. We're going to stop
16 using the ocean. We're going to have less emissions because
17 we're going to be more thermally efficient. So that's
18 really why we're doing this.

19 So the objectives of -- of this modernization
20 really -- and I appreciate the mayor's comments -- is to
21 develop a sustainable business that really supports what
22 California is attempting to do over the next couple decades.

23 The folks that are responsible to keep the lights
24 on, the California Independent System Operator, calls these
25 types of modernizations a three-for. So you get three for

1 one, effectively. You get generation where the load is. A
2 lot of people live on the coast for obvious reasons. You
3 need power plants near where people live. You get power
4 plants that can move fast. They can come on and they can
5 turn off. So when the wind shows up we can turn the power
6 plant down, or a cloud shows up the solar is no longer
7 producing, we can turn the power plant on. And then
8 thirdly, we can control the output of the facility. And we
9 can also, with all of that, provide energy.

10 So we provide the local need, we provide energy,
11 and we provide renewable integration, CAISO calls that a
12 three-for, as opposed to building three separate power
13 plants, each one that would do one of those things. This is
14 really, ultimately, the way to minimize customer cost.

15 So some of the key attributes, which Stephen will
16 talk about, as I mentioned, we're reusing all of the
17 infrastructure. So there's electrical connection. There's
18 gas. There's water. The land is zoned appropriately.

19 We talked a little bit about the location, as
20 demonstrated through the need of bringing Huntington 3 and 4
21 back. And then WACO (phonetic) mentioned about the
22 synchronize condensers, so location really matters.
23 Location matters.

24 We anticipate that this unit will run in what we
25 call an intermediate operating profile. So it will come on

1 and run at some minimum load, and then probably move up and
2 down and come off. We anticipate, you know, 30 to 40
3 percent capacity factor. What we've designed as the most
4 fuel efficient technology to do that.

5 We've got a plan. Stephen ran you through some of
6 the phasing, where we need to retire an existing unit to
7 enable the building of a new one from an air emissions
8 perspective, and then do that again, retire a unit to build
9 another one. So we're utilizing an existing rule to do
10 that.

11 And then we also have all kinds of regulatory
12 limits. We need to have the best controls technology
13 available. We want to minimize the emissions. We're
14 minimizing our use of ocean and fresh water. And then this
15 idea of preservation of our resources, instead of creating
16 another industrial site, right, this is a chance for us to
17 be environmentally sensitive.

18 So with that, those are the overarching
19 objectives, Stephen is going to get into the nitty-gritty.
20 Okay. I appreciate everybody's time.

21 MR. O'KANE: Okay. Thank you, Jennifer. So what
22 is it -- what is the Huntington Beach Energy Project? Well,
23 it's a 939 megawatt combined-cycle power plant that will
24 replace -- that will replace and be built on the existing
25 Huntington Beach Generating Station. It consists of two

1 three-on-one combined-cycle gas turbine power blocks, and
2 I'll show you exactly what that means. It eliminates the
3 use of ocean water. And it's -- and the specific design of
4 this is to maximize the efficiency and -- and, therefore,
5 the lowest emissions for the -- all of the projects
6 objectives, to be that local capacity, to be that energy --
7 peak energy when we need it, and to help integrate those
8 renewable resources. And -- and as Jennifer has already
9 mentioned, ensuring that continued generation in a critical
10 location.

11 Combined-cycle gas turbine. What is a three-on-
12 one combined-cycle plant? Well, this is -- this is one half
13 of it. This is what we all power -- a power block, a three-
14 on-one combined-cycle gas turbine power block. It can
15 produce approximately 500 megawatts of power from one block.
16 Now the entire site is constrained by how much transmission
17 there is. We can't actually deliver 1,000 megawatts. We
18 can only deliver 939 megawatts. That's the maximum amount
19 we can put on those transmission lines. So we're really
20 trying to maximize the use of that site.

21 Here -- here we have the schematic of that three-
22 on-one block. It consists of three Mitsubishi power systems
23 E Class 501DA gas turbines, and they'd be located there. We
24 have inlet evaporative cooling on the -- on the inlet for
25 the air that goes into those gas turbines so that when the

1 air gets hotter we can cool it down and we can actually
2 make -- keep making more power. The gas turbines power
3 output is proportional to the air density. The hotter it
4 gets the less dense the air is. So it's -- you know, we
5 need to keep the air temperature that goes into those gas
6 turbines below 65 degrees.

7 Of course, it wants to stop working for me at this
8 point. There we go.

9 So each gas turbine train can make about 122
10 megawatts or power output, that's the gross output, times 3.
11 That's about two-thirds of your power comes from the
12 natural gas, gas turbine side of the power plant. The other
13 third comes from the steam cycle. That's here. The
14 steam -- the condensing steam turbine generator produces
15 about another 151 megawatts of power. Now if add that --
16 all that -- all that up that adds up to more than 500
17 megawatts. That's because that's the gross output. It
18 actually takes power to -- to run part of the plant. So
19 this power plant produces for our use up to 500 megawatts, 1
20 block. But -- but each -- each part of it makes -- the
21 gross amount is a little bit higher than that.

22 So the steam is actually generated from the hot
23 exhaust gasses from the gas turbine. We -- this is how we
24 really make this efficient. Not only do we bring gas in a
25 turbine, to spin a turbine and spin a generator, but the

1 heat that comes out of the exhaust, just like out of a jet
2 engine, we can capture that heat and we can boil water and
3 we can turn another turbine. So we can really suck out all
4 the energy out of any of the gas we use. That comes --
5 that -- that's done in what's called a heat-recovery steam
6 generator. So there's three gas turbines, three heat-
7 recovery steam generators. That's the three part of a
8 three-on-one. The one is the steam turbine.

9 Within the heat-recovery steam generator is where
10 the pollution control system resides. It will have
11 selective catalytic reduction and oxidation catalysts will
12 actually lower -- a new -- we proposed a new lower bar for
13 the South Coast AQMD. We proposed the lowest levels ever --
14 ever been proposed for a power plant. There's actually
15 power plants under construction today elsewhere in Los
16 Angeles, and we're going to have lower emissions limits than
17 those plants.

18 I mentioned that the -- the plant, it's gross
19 output is greater than what we can actually deliver. It
20 takes power to run these things. One of the biggest power
21 sources or power loads on -- on the whole plant is the air-
22 cooler condenser. We have to run large, slow-moving fans to
23 -- to make this radiator work so that we actually -- it's
24 actually a bit of a hit on the efficiency of the power plant
25 by -- by using an air-cooler condenser versus the ocean.

1 But the tradeoff is, of course, we don't use the ocean any
2 longer.

3 Now the -- the most important thing about the
4 reason why we chose a three-on-one system is that we can run
5 it in a one-on-one mode, two-on-one mode, or a three-on-one
6 mode. A gas turbine is a lot like your car. It's most
7 efficient when you're driving at high -- you're most
8 efficient when you're driving at your highway speeds. When
9 you're in stop-and-go traffic you get terrible gas mileage.

10 A gas turbine is the same way. When it's -- when
11 it's running at full tilt you get fantastic efficiency.
12 When you turn it down to a low-low range, not getting as
13 much power out, it's terribly inefficient. So if you use
14 three smaller turbines, when we can -- we can actually turn
15 one or two off and then bring another one back on, and a
16 third one back on again. That way we can maintain an
17 efficiency rate across a very wide range of power output.

18 Alternatively, we can build a one-on-one power
19 plant that could make about 450 megawatts. That -- it could
20 be possibly more efficient at the upper end of the range.
21 But if you turn that power plant down to the two, to -- to
22 where it's making only two-thirds of the power, now it's
23 horribly inefficient. So that's why this technology is
24 matched exactly for what we need to do in the future.

25 We expect that in the future we'll have to run

1 this plant up and down, go from one-on-one to two-on-one to
2 three-on-one, back down to two-on-one. It will have to do
3 that, instead of being on full blast all the time. So if
4 there's anything you take away from it I think that's --
5 that's the part we want you to learn about a three-on-one
6 combined-cycle gas turbine, it's ability to be efficient
7 across a wide range of -- of output.

8 So this is the existing plant site. Outlined in
9 blue is the land that's available for development of this
10 new plan. We've talked about the critical location of this
11 existing plant and -- and the need for us to maintain
12 generation here. We can not just tear down the plant and
13 build a new one and be offline for four years. I think
14 we -- we -- that would cause problems. I think people would
15 -- would be up in arms if we didn't have power for certain
16 homes for four years, for the next four years.

17 So how do we do this? We've got to build this
18 plant while maintaining generation. So all of these units,
19 1, 2, 3, and 4 need to stay connected to the grid until we
20 can build one of these power blocks.

21 So the first one would go over here, where we have
22 free space. As soon as this one is constructed, then we'd
23 be able to disconnect Units 3 and 4 and tear them down.
24 Then -- then we can build the -- the second block. And
25 finally, we can tear down Units 1 and 2, such that the new

1 plant would look like this. And this way, by -- by staging
2 the construction and demolition we're always maintaining
3 generation from this site and we can always keep the lights
4 on.

5 I think people in Huntington Beach, the mayor has
6 already mentioned it, the most visceral reaction people
7 have, I think, is how does that -- what does that plant look
8 like? I can see it for miles. I'm coming -- I'm driving
9 down PCH, I can see it. What will it look like? Well, I've
10 got -- I mean, it is going to be dramatically smaller, much
11 less of a mass of -- of equipment on -- on the site. But
12 what will it actually look like?

13 This is a shot from the beach, right from the
14 state beach, the state park right in front of Huntington
15 Beach, and this is all done to scale. If you notice, the --
16 the palm trees in front, it's a dramatic change in how
17 that -- that site is going to look. Our -- our stacks go
18 from 214 feet down to 120 feet.

19 From the pier -- we can see that plant from the
20 pier. In the future, now -- now it's more consistent with
21 the hotels on the site.

22 From the backside, the people who live very close,
23 this would be a view from Edison Park over the berm. Again,
24 it reduces that profile dramatically.

25 A view from Magnolia, close to PCH, looking across

1 the restored wetlands there, pulling the -- the plant
2 farther away from the -- from the beach and from the PCH
3 side.

4 Here's another shot from Beach Boulevard. You can
5 see -- see exactly where it moved to and what it looks like
6 in the future.

7 I have one more shot. And I -- and I -- to be
8 honest, this -- when you look at what this one looks like,
9 to be honest, this -- this angle is a bit of a fluke. There
10 is actually two units. The first one is blocking the view
11 of the second one. No, I did not choose this view on
12 purpose. It just happened that this -- this rendering came
13 out this -- this way. Okay. That's the project.

14 Now, to develop the project, I mentioned we have
15 very little space. And we're going to have to have a few
16 hundred construction workers show up to that site. During
17 the peak times we'll need to find parking for 225 workers.
18 So we've identified a number of locations near the plant
19 site where we could potentially park -- park these people.
20 These would only be personal vehicles. This is not -- these
21 are not trucks. This is not material to lay down, etcetera.
22 And we do not need to use all of these sites. We've
23 identified a number of them for potentially what would be
24 available in a few years when we're ready to start -- to
25 start construction.

1 We've talked to the City of Huntington Beach.
2 Their -- their lot in front of the -- the Hyatt there, as
3 long as we stayed -- stayed off during the summer, we did
4 not use the peak times on the weekends, we only park people
5 there Monday to Friday, we work it out with them to not take
6 up any of the prime spots, that's a potential to use their
7 site.

8 There's another site at the corner of Beach
9 Boulevard and PCH, formally owned by Caltrans, now it's
10 privately owned. That's been used as construction lay-down
11 area and boat storage, etcetera. That's a potential area we
12 could use.

13 There's a site right across the street from our
14 plant that we might use. It's about three acres. We could
15 potentially look at that.

16 We've -- we've examined all of these in our
17 application to look at, well, what are the potential
18 impacts, what's the traffic, how would you manage this, not
19 that we're going to use every one of these sites. But
20 should the -- one of them be available in the future we will
21 have looked at all the potential issues. We'd be -- if we
22 do that -- do use one of these sites we would be shuttling
23 workers. We would be managing those sites. We'd make sure
24 this wouldn't have an impact on -- on the community.

25 A couple other potential areas where we can keep

1 people parked, around the backside, underneath the
2 transmission lines there's a bit of space for us. That area
3 is -- is actually -- has to be left open for the
4 transmission corridor there. There's a potential area for
5 parking some people.

6 And then the Plains MidAmerican fuel storage site
7 across the canal from us where you access from Magnolia,
8 there's a potential area for us to put some -- park some
9 people there as well.

10 Okay, our system keeps -- there you go.

11 So that's what the project would be. Some of the
12 key benefits are going to be air quality. Number one is
13 like the existing station it's a natural gas-fired pollution
14 controlled source. There is essentially no cleaner source
15 of combustion possible. There -- we're -- we are proposing
16 a new level for controlled technology here in the South
17 Coast AQMD, which is already the most stringently controlled
18 Air Quality Management District in the nation. We're
19 setting a new bar for power plants.

20 Because of the way we can operate this plant,
21 always matching the demand by going from one-on-one to two-
22 on-one to three-on-one, this means that we'll be able to
23 produce the lowest emissions for all those project
24 objectives. We do not need to be on and always on. We can
25 be on, turn it off, ramp it up, turn it -- turn it back on.

1 We can move -- move to exactly match the load that's there.

2 And that, ultimately, will minimize your emissions.

3 We looked at alternatives. And there really is no
4 other site that we've identified that will serve the need
5 that the Huntington Beach Generating Station does, that
6 location. There -- we need a site where there's
7 transmission that's -- that's here in Southern Orange
8 County, near -- near the critical point where the Huntington
9 Beach generation connects to the grid. There needs to be a
10 gas transmission. There needs to be sewer and water, and
11 none of those exist in an area nearby.

12 And when it comes to alternatives what we often
13 hear, too, is why not -- why not use solar? Why not build
14 solar plants? Why not -- why not put some wind farms up
15 there? It is not an either/or. In the future we're going
16 to need these fast reacting plants because we have -- we
17 want to do all the renewable energy. If you want to have
18 wind, intermittent wind and solar, you must have another
19 source that will -- that will fill in the gaps when those --
20 those sources of power are not available.

21 Now the more renewables we put online, and you
22 heard from Jennifer, AES is also in the business of
23 developing renewable energy, it will reduce the amount of
24 energy we might have to produce at this plant. But -- but
25 it will never be an alternative to it. We always will have

1 to build these kind of plants down here in -- in Southern
2 California. We don't have an alternative.

3 Waste management. There's going to be a fair
4 amount of waste that comes out of there. We intend to
5 recycle as much as we can from those boilers, those old
6 turbines. There's a lot of metal in there. We want to
7 keep -- we're going to avoid as much as possible to
8 landfill. And that that does have to go to landfill is
9 going to go to licensed facilities that we've already
10 identified and described in our application.

11 Water. We've said it many times, no ocean water.
12 We are not connected to any other project. Our project is
13 not dependant on -- on any -- any other project. We will
14 not use ocean water. And as far as fresh water goes, our
15 plant would -- because it's inherently designed as a
16 combined-cycle plant where it will use just a fraction of
17 the existing plant. Two-thirds of the power comes from the
18 natural gas train side, and only one-third from the steam
19 side. That in and of itself takes up less water. Add in
20 the efficiency, the newer technology, and we are -- we're
21 going to be using less than 20 percent of what the existing
22 plant does today, and that's if -- that's if we were running
23 full out.

24 Noise. For local residents, noise from the new
25 plant will be quieter. No -- no -- not hard to imagine

1 there. You leap forward 50, 60 years in technology, it's
2 going to be smaller, it's going to be quieter, it's going to
3 be more efficient, it's going to be all of those things. I
4 think this is going to be a benefit for Huntington Beach.
5 It's -- it's something that all of the stakeholders here
6 will benefit from.

7 And -- and to us, that's exactly what we believe,
8 that for this to be a successful project the Huntington
9 Beach Energy Project has got to be a project where all the
10 stakeholders benefit, the City of Huntington Beach, the
11 ratepayers for electricity, and users of the ocean,
12 globally, even on -- on the greenhouse gas side. They're --
13 we're all stakeholders and we all should benefit from our
14 project. Thank you.

15 HEARING OFFICER RENAUD: Thank you. Okay. Move
16 to presentation by Felicia Miller, a Project Manager for the
17 California Energy Commission Staff.

18 MS. MILLER: Good afternoon. I'm Felicia Miller,
19 the California Energy Commission's Project Manager for the
20 Huntington Beach Energy Project. My job is to facilitate
21 the Huntington Beach project through the Energy Commission's
22 Environmental Review and Certification Process. And my
23 presentation is an overview of that process.

24 There are three faces in the commission's
25 licensing process. The first phase is data adequacy. The

1 second is discovery and analysis. The third is committee
2 evidentiary hearings and decision.

3 In the data adequacy phase Staff reviews the
4 application for the project to determine if it meets minimum
5 requirements for our technical review. When the application
6 is accepted as complete the discovery and analysis stage
7 begins.

8 During the discovery and analysis stage activities
9 take place to help Staff acquire the required information
10 they need in order to complete their analysis. Staff --
11 Staff holds public workshops to discuss project issues.
12 Then Staff publishes two environmental documents, the
13 Preliminary and Final Staff Assessments, also known as a PSA
14 and an FSA.

15 After the FSA is published the committee will
16 begin evidentiary hearings that will include formal
17 testimony from all the participants in our process. The
18 committee will produce the Presiding Members Proposed
19 Decision. We call it a PMPD, which is a recommendation on
20 the proposed project. The PMPD will go before the full
21 commission for a final decision on the permitting of the
22 project. Okay.

23 Next slide. Okay. During the discovery and
24 analysis project Staff analysis is dependent upon input from
25 the applicant, agencies, formal interveners, and the public.

1 The Public Adviser's Office can provide assistance to
2 interveners and the public on how to participate in the
3 overall siting and permitting process for the project.

4 Staff's discovery and analysis process examines
5 the project application and determines if the project
6 complies with all laws, ordinances, regulations and
7 standards, and we call those LORS for short. Staff conducts
8 independent engineering and environmental analysis of the
9 project. This includes identifying issues, evaluating a
10 reasonable range of alternatives, including the impacts of a
11 no-project alternative, in comparison with the environmental
12 effects of the proposed project, and identifies measures
13 that could mitigate or reduce potentially significant
14 impacts. Staff also recommends conditions of certification
15 that would govern development and operation of the power
16 plant.

17 During this process Staff facilitates public and
18 agency participation in workshops, completes their analysis,
19 and produces a staff assessment which makes a recommendation
20 to the committee. And that's the FSA -- the PSA and the
21 FSA. Okay.

22 Staff's analysis and input to the committee's
23 final decision requires that Staff seek input from agencies
24 at the local, state, and federal levels. And I've indicated
25 some of those agencies on the slide. That's just a cursory

1 review. There could be other agencies that Staff will need
2 to contact, but that gives you a snapshot of agencies we've
3 identified at this time. Staff's participation with these
4 agencies assists us in identifying issues, environmental
5 impacts, and appropriate mitigation measures.

6 Next.

7 HEARING OFFICER RENAUD: So the --

8 MS. MILLER: And, well, finish your slide.

9 HEARING OFFICER RENAUD: Yes. So then the -- the
10 evidentiary hearing and decision process begins. And during
11 this process the -- the commissioners, as I said, act sort
12 of like judges. We conduct a proceeding that's something
13 like court. The parties, that is the staff and the
14 applicant and any interveners bring witnesses. The
15 witnesses are sworn in. They give testimony. Sometimes
16 it's oral, sometimes it's in writing. Witnesses can be
17 cross-examined. And it's all, as I said, transcribed. And
18 that creates the evidentiary record. And it's on the
19 evidentiary record that the committee bases its decision.

20 After the PMPD is issued a final decision is then
21 issued by the full commission. And anyone unhappy with that
22 decision can appeal it, first by seeking reconsideration
23 from the commission. And after that, if they're still
24 dissatisfied, going to the California Supreme Court.

25 After the decision and if the license is granted

1 the Energy Commission continues to monitor compliance with
2 all the conditions imposed by the decision for the life of
3 the project.

4 And now we'll turn to Staff's Issues
5 Identification Report.

6 MS. MILLER: Early in the process Staff develops
7 the Issues and ID Report, Issues Identification Report.
8 This report was docketed and issued on August 31st. There
9 are copies of the Issues ID Report on the table outside,
10 where the public adviser is. If there's not enough copies
11 the report can be accessed on the project's website. If
12 anybody needs a hardcopy later, there's contact information
13 that Staff will provide you during this workshop. And the
14 Energy Commission will be glad to mail you a copy if you
15 need a hardcopy.

16 The purpose of the report is to inform the
17 applicant, the project participants, and the committee of
18 potential issues Staff finds relating to the project. In
19 addition, the Issues ID Report provides focus on the
20 important topics that may affect the project and Staff's
21 analysis of the project.

22 The -- the criteria Staff uses for determining
23 whether something is identified as an issue includes the
24 potential for any significant impacts that might be
25 difficult to mitigate, non-compliance with laws, ordinances,

1 regulations, and standards, or if there's a conflict that
2 could affect the schedule.

3 Next slide. For the purpose of this report Staff
4 identified the following issues: Alternatives; transmission
5 system engineering; waste management; and California Coastal
6 Commission issues.

7 Next slide. CEQA requires Staff to analyze a
8 reasonable range of alternatives to the project or to the
9 location of the project which would feasible attain most of
10 the basic objectives of the project but would avoid or
11 substantially lessen the significant affects of the project.

12 Public Resources Code states that a discussion of Staff
13 alternatives is not required in the AFC for projects at
14 existing industrial sites if the commission finds that the
15 project has a strong relationship to the existing site.

16 Staff's preliminary review indicates that the
17 project meets the intent of the Public Resources Code with
18 regard to consideration of alternative sites, and has
19 determined that alternative locations would not likely be
20 feasible due to the heavily populated area, location of
21 existing infrastructure to serve the project, and the
22 critical need and gird reliability requirements in this area
23 of the Los Angeles Basin.

24 Okay. TSE slide. Okay, transmission system
25 engineering. Staff has reviewed the California -- CAISO

1 schedule and determined Staff will receive the Phase 1
2 Interconnection Study in time to include the results in
3 Staff's Preliminary Staff Report. However, the Phase 2
4 Interconnection Study will not be received until Staff's
5 final Staff Assessment is published. So we're going to
6 receive the first report from CAISO, but we're not going to
7 receive the second in time to review the results.

8 If a study shows a project would cause any
9 transmission overloads that may cause transmission re-
10 conductoring or other significant downstream upgrades, a
11 general CEQA -- CEQA analysis will be required. As a
12 result, Staff's analysis could cause a delay in the
13 licensing process. Okay. We haven't determined that yet,
14 but we've identified it could be a potential issue. Okay.

15 Next slide. Waste management. The Huntington
16 Beach site is proposed to be built on the existing site of
17 the Huntington Beach Generating Station. Although the
18 applicant will recycle as much of the demolition materials
19 as economically and practically possible, demolition of the
20 existing facilities will generate significant amounts of
21 hazardous wastes including asbestos debris, oily debris,
22 heavy metal dust, paint thinners and solvents, and used
23 lubricating oil.

24 Soil sampling, characterization, and possibly
25 remediation will require coordination with the Department of

1 Toxic Substance Control, and possibly the Regional Water
2 Quality Board. Staff suggests that coordination with these
3 agencies to ensure the site is appropriately characterized
4 and remediated could impact the project schedule.

5 And the last issue has to do with the California
6 Coastal Commission. During the project -- due to the
7 project's location within the coastal zone the California
8 Coastal Commission is responsible for reviewing the
9 applicant's application and providing the Energy Commission
10 with a report that includes provisions regarding the
11 proposed site and related facilities to meet the objectives
12 of the California Coastal Act. As part of this process the
13 Coastal Commission has contacted the Energy Commission Staff
14 and identified the following issues: Possible cumulative
15 impacts; and the need for alternative analysis to determine
16 feasibility of an alternative site layout. Okay.

17 Staff prepare and submitted a proposed schedule on
18 August 31st. And this proposed schedule is contained within
19 the Issues ID Report that I referred to early in my
20 presentation. The proposed schedule is subject to several
21 external factors including: Staff's ability to meet
22 scheduled deadlines; the applicant's timely response to
23 information requests; and required actions or comments by
24 associated agencies; and resolution of the identified
25 issues.

1 Because this is only Staff's proposed schedule I
2 need to tell you that the committee will review the schedule
3 and issue a scheduling order, usually several weeks after
4 this informational hearing and site visit. The schedule
5 that the committee will issue will include the official
6 project schedule and additional instructions or comments.

7 Next. Next slide. Okay. Post-licensing. If the
8 project has been granted a license by the California Energy
9 Commission the project moves into Post-licensing activities
10 with oversight by the California Energy Commission project
11 manager. Most projects include a number of conditions of
12 certification that must be met by -- must be met before
13 groundbreaking activity occurs during construction,
14 operation, and decommissioning of the project.

15 It's the responsibility of the compliance project
16 manager to work closely with the applicant to meet these
17 conditions of certification once the project has been
18 approved. The compliance project manager also oversees the
19 work of the commission's delegate chief building official
20 who approves plans and inspects all project construction.
21 The chief building official, the CBO, is also located on the
22 project site during construction of the project.

23 And that concludes my presentation.

24 HEARING OFFICER RENAUD: Okay. Thank you,
25 Felicia.

1 And I'll just tell you that part of the process of
2 preparing for this hearing, we asked the applicant to
3 provide a response to the proposed schedule and to the
4 Issues Identification Report. They have done so, and that
5 is posted on our website. I can just tell you, briefly,
6 that the applicant concurs with the proposed schedule.

7 And with respect to the issues identification, has
8 expressed some concern over the extent of the role of the
9 California Coastal Commission in this process. Again, that
10 document can be seen in full on the commission website.

11 And so now we have a presentation by our Public
12 Adviser Jennifer Jennings who can help you learn how to
13 participate in our process.

14 MS. JENNINGS: Thank you. Good evening. I think
15 the good news is I think I'm the last speaker, right, okay,
16 before we get to hear from you. So I'm going to go through
17 this very quickly. As I said, my name is Jennifer Jennings.
18 I'm the public adviser at the California Energy Commission.

19
20 Next slide. The public adviser is an
21 independently appointed position. I'm an attorney. I'm
22 supposed to help you understand the Energy Commission's
23 process, something of which you've briefly heard here.

24 Next slide. Wrong direction. Okay. We put out
25 some of the information about this hearing and the site

1 visit. We try to make sure that there's as much public
2 outreach as possible. It's always difficult in areas as
3 populated as this to reach everybody, but we did our best.
4 And we are willing, any time you know of anybody who -- or
5 groups that need to be informed, please let us know. Also,
6 please use our website to -- to -- let people know about our
7 website, which I'm going to get to in a few minutes here.

8 Next. There are two levels of participation in
9 Energy Commission proceedings. The first is coming to
10 hearings like this and -- and providing your public
11 comments. The commission staff is required to respond to
12 that. However, comments made in public meetings that aren't
13 subject to cross-examination can not be used as a sole basis
14 for a committee finding.

15 Next. The second level is intervening and
16 becoming a party. We do have one potential intervener-
17 petitioner here from a member of the public. You can --
18 anyone can file a petition to intervene. It does give you
19 some responsibilities, but it also gives you the ability to
20 present evidence at -- at one of the hearings and to cross-
21 examine witnesses. You do not have to be an attorney to
22 intervene. That's one of my roles, is to assist
23 interveners. And I will help you file the petition to
24 intervene if -- if that's necessary.

25 Next. You sign up on the Listserv. I know many

1 of you did tonight. That will give you updates of coming
2 events, email notifications. You can submit written
3 comments at any time, provide oral comments, as well, and
4 attend events like this in public, public events.

5 And sometimes we have -- we try to have as many of
6 the important hearings as we can in the local area. Some of
7 them will have to be in Sacramento. They will all be avail
8 remotely through WebEx or telephone conference. And the
9 transcripts or the recordings will all be posted on our
10 website.

11 Next. So I have here snapshots of our website. I
12 really urge you to take advantage of looking at what's on
13 there. The first tab you go to is the power plants. And
14 then over on the left, power plant cases under review.
15 Next. And you'll see all the list of power plants that we
16 have under review right now. And you'll see Huntington
17 Beach Energy Project.

18 Next. This is the main page for the project, the
19 Huntington Beach Energy Project. You'll see a summary. And
20 over on the left-hand tab there's all the comments or the
21 notices for the public events, all the documents and
22 reports, things submitted both by Staff, the applicant, and
23 interveners. Below that, in the blue tab on the left --
24 below the blue tab on the left there's information about
25 public participation. And on the far right, if you have not

1 signed up tonight and you want to sign up later is how to
2 sign up for the Listserv.

3 Next. And there's the contact information. Feel
4 free to contact my office at any time with any comments or
5 questions about public involvement in the Energy
6 Commission's review of this project. Thank you.

7 HEARING OFFICER RENAUD: Yes. And, again, if
8 you're -- go ahead, Jennifer.

9 MS. JENNINGS: Yes. If you want to make a comment
10 or ask a question you might just fill out a blue card. All
11 we need is your name.

12 HEARING OFFICER RENAUD: Great. Okay. Now one
13 last thing before we go to your -- your comments is this is
14 an opportunity for the commissioners to ask questions.

15 Commissioner Douglas, no questions?

16 Presiding Member McAllister?

17 PRESIDING MEMBER MCALLISTER: Great. Thanks a lot
18 for everybody in their -- in your presentations, very
19 helpful, and I think a good basis for ongoing discussion.

20 And I would just reiterate to everybody, the
21 website is a great place. I mean, the -- if I want to look
22 at a document I'm more likely to go to the website than to
23 the big folder that I've got in my office. It's that good.
24 So -- so you have access to pretty much everything that's --
25 that's been submitted on this project, just like the

1 commissioners do and just like all the staff does. So
2 that's a resource you can take advantage of. And it's
3 updated as the docket evolves.

4 So I just had a few -- a couple questions. Let's
5 see. One, I wanted to get a little more detail. And you're
6 all going to have bear with me because the -- it might be a
7 little heavy technically. But on -- just on the ramping
8 capability, I want to understand sort of the -- the -- how
9 quickly it responds to how -- how steep of a need -- how
10 steep or a load increase or decrease can, presumably, the
11 combustion turbines be ramped. And, really, in the context
12 of the need to support intermittent renewables and sort of
13 what that means in practice. What -- what time period are
14 we talking about to be able to ramp how much of the
15 capacity?

16 MS. DIDLO: Okay. Am I -- am I on? So a gas
17 turbine can come to full load in about seven minutes. And
18 then -- so you could bring all three gas turbines to full
19 load in about seven minutes. We anticipate to get the plant
20 to its full output is somewhere between 25 and 30 minutes.
21 But once you have a gas turbine on and the steam turbine is
22 hot and you're in that condition they can ramp about 100
23 megawatts a minute.

24 PRESIDING MEMBER MCALLISTER: So the ramping
25 capability really -- really is primarily from the combustion

1 turbines, and -- and if it's hot and ready then also from
2 the steam?

3 MS. DIDLO: Correct.

4 PRESIDING MEMBER MCALLISTER: Okay.

5 MS. DIDLO: So the -- the initial ramping is
6 solely from the gas turbines. And then once you've got the
7 steam cycle hot and you're making steam, then there is a
8 contribution from the steam turbine.

9 PRESIDING MEMBER MCALLISTER: Okay. Great. So --
10 so just as a point of context, a lot of the issues with some
11 of these plants or with the renewables is -- is really --
12 and even more so with demand response and other demand-side
13 changes in load that we may have in the state, is that the
14 need for really quick ramping up and ramping down is -- is
15 there. And it's not just renewables. It's -- it's just
16 managing the grid with all the new technology that's out
17 there. So -- so I think that's a really critical element of
18 this project that you might not see in a traditional
19 combined-cycled or a traditional steam turbine.

20 MS. DIDLO: The other thing I would add is because
21 we can start and -- start and stop multiple times there's
22 not reason to be in the middle of the night in an over-
23 generation situation, which exists today at the CAISO. So
24 the larger combined-cycle gas turbine facilities would
25 prefer to stay on through the night to avoid a startup

1 charge, the cost to start up, this facility and this
2 configuration, having three gas turbines, not only do we
3 have the ability to more perfectly match the output at a
4 better heat rate, but we have the ability to turn the entire
5 facility off or some part of the facility off so that we're
6 not overtaxing the system with thermal generation through
7 the night when it tends to be windier.

8 PRESIDING MEMBER MCALLISTER: Thank you. So I'm
9 sure we'll get into much more detail on that as we go
10 forward, but I just wanted to get started.

11 So on the tour -- question number two. On the
12 tour I noticed as we were driving through the perimeter,
13 around the perimeter, and I'm not sure where -- what vintage
14 these -- you know, the sort of pictures we have of the site
15 here from above are, but I noticed that it seems like
16 there's a bit more development there on the ground today
17 than it reflected in the -- in the pictures, in particular
18 of the site on the northeast corner of the site. It looks
19 like some of those condos and houses have been actually
20 built out. And then, also, obviously the trailer -- the RV
21 park next door and some the residential areas, it looks like
22 there's a community park and a school, and just the impacts
23 on the local community, obviously that's going to be
24 something that we will likely hear today, and it's a real
25 concern.

1 We've articulated how the, you know, the NOx
2 emission and other emissions are, you know, best available
3 technology. I just wanted to sort of get a better sense of
4 what your interaction with the community is and -- and what
5 your sort of channels of communication with the local
6 community are, and sort of how you take into account those
7 stakeholder needs.

8 MR. O'KANE: Okay. There is -- we -- we have a
9 dialogue with the community. The most immediate neighbors
10 have formed the Southeast Area Community of Huntington
11 Beach. We have a scheduled meeting on Wednesday, actually.
12 We offered to come to that meeting any time to give
13 updates, to answer questions, both of the existing operating
14 plant or our future project.

15 Other outreach we've done on this particular
16 project within the city has been with community groups, the
17 Rotarians, the Chamber of Commerce, the City Council, the
18 mayor himself. And we have gone out to try to get our
19 message out early this summer. Fact booklets have been
20 mailed out. Websites have been put together. Because we're
21 seeking -- seeking the input and seeking -- trying to find
22 out what -- what really are the issues most important to
23 the -- to the local community. So, yes, we do have an
24 outreach program. And -- and it's -- it exists for the
25 existing site, and it's ongoing for this project as well.

1 PRESIDING MEMBER MCALLISTER: Okay. Thank you.
2 So I guess what I'm -- I'm sure we'll hear from the
3 community about sort of how they see, you know, the various
4 sides from their perspective. But I think it's really sort
5 of the corporate citizenship aspect of this is hard. You
6 know, the Energy Commission is a state agency, and we -- we
7 exist, really, to look at -- in siting cases to look at sort
8 of the overriding issues in maintaining a reliable and cost-
9 effective electricity grid. But I think at each project you
10 really have a lot of -- you know, you have local interests,
11 and you have a lot of very specific communication that needs
12 to happen. And I think that we all work better when there's
13 good corporate citizenship happening in site plant.

14 So I just want to encourage that, and encourage
15 the community to kind of take that to heart, as well, along
16 with -- not that you're not doing it. I just think that
17 it's important to -- to say.

18 But the last question I have, really, just I
19 wanted -- I wanted to begin to talk about the -- if there's
20 any relationship with Poseidon, sort of the desal plant, and
21 sort of what -- where does that fit in to this whole puzzle.
22 And it may not be part of our decision as a power plant
23 siting process or our considerations, you know, fully and
24 centrally. But it seems like somebody brought it up already
25 today. And I feel like it's an emerging pattern potentially

1 up and down the coast where we have water scarcity. And I
2 would like to sort of see where your -- where your
3 conversations are. I believe there's an agreement with
4 Poseidon, and sort of what that entails, and get some of
5 that stuff on the table, to the extent that you can talk
6 about it.

7 MS. DIDLO: Sure. Thank you for asking, and
8 appreciate Councilwoman Boardman bringing it up. We have
9 discussed it at the Southeast Area Committee at least twice
10 that I've been there. The two projects have no comingling,
11 no codependency. There is an agreement between AES and
12 Poseidon to lease with the option to buy land, which also
13 includes the use of the intake structure. So AES will no
14 longer be using the intake structure. We will no longer be
15 pulling ocean water in. However, under this agreement with
16 Poseidon they will have the ability to do that.

17 Our project does -- has absolutely no touch points
18 with Poseidon, and vice versa. So there was discussion
19 early on if we would sell them electricity. There's no --
20 there's no intention to sell them electricity. The only
21 agreement that AES has with Poseidon is around the land that
22 they would develop on.

23 PRESIDING MEMBER MCALLISTER: And there's no heat
24 that you would be producing that they would want to use to
25 preheat their water or anything like that?

1 MR. O'KANE: Well, there's nothing -- there's no
2 culling of the two; no heat, no power.

3 I just wanted to clarify a bit on the land lease.
4 It's the land that -- that they have they option to buy and
5 would lease from us. The intake structure that the Poseidon
6 Project would pull the water from, they have their own state
7 land's lease to use that, not from AES. And they have their
8 own National Pollutant Discharge and Elimination Service
9 permit to discharge into the ocean and not -- not through
10 AES. So their -- their use -- how they use the ocean has
11 nothing to do with AES. The stated -- the other agencies
12 have granted that.

13 PRESIDING MEMBER MCALLISTER: So all the issues
14 with Coastal Commission -- so the issues with the Coastal
15 Commission, from your perspective, have absolutely nothing
16 to do with the desal stuff, it's really strictly about
17 your -- your siting along the coast?

18 MR. O'KANE: I presume that the commission
19 understands that. Yeah.

20 PRESIDING MEMBER MCALLISTER: Yeah. Yeah. Right.

21 MR. O'KANE: All right.

22 PRESIDING MEMBER MCALLISTER: Yeah. For sure.
23 Yeah. Okay. Thank you very much. That's all the questions
24 I have at the moment. So I guess we go to public comment.

25 HEARING OFFICER RENAUD: Great. Thank you very

1 much. And we'll know turn to public comment. And we have
2 people in the room who have asked to speak. And we also
3 have our telephone line open. And I don't know if there's
4 anyone out there on the phone who will want to speak, but
5 once we've completed the blue cards with the people in the
6 room we'll turn to the telephone line and see if anybody
7 wishes to speak on the phone.

8 So let's start with Bob Wentzel. And I'm going to
9 call the next speaker, as well, so you can be ready. And
10 the next speaker would be Jason Pyle. So please come
11 forward. Thank you.

12 MR. WENTZEL: Thank you. Hi, I'm Bob Wentzel, a
13 Huntington Beach Council candidate, 20-year resident of
14 Huntington Beach. I'm here today to voice my support for
15 the AES Huntington Beach Energy Project.

16 What really appeals to me about this project is,
17 one, it comes with 3 million hours of local construction-
18 related work, plus an annual intake of \$7.5 million in local
19 expenditures, that's excluding local taxes and fees. Two, I
20 like the idea of the new facility generating more power but
21 using less natural gas. Three, I also like the idea of
22 reducing the visual footprint of this beachfront facility.
23 I like the generator height being 43 feet shorter, and the
24 214-foot-tall stacks being reduced to 120 feet.

25 Lastly, power grid reliability is essential to our

1 Huntington Beach community. And the -- and with the future
2 of the San Onofre facility being questionable at best, this
3 is AES facility upgrade is both timely and necessary.

4 Let me end by quoting the legendary Forrest Gump,
5 "And that's all I have to say about that." Thank you.

6 HEARING OFFICER RENAUD: Thank you for your
7 comment. Jason Pyle, followed by Alison Goldenberg.

8 UNIDENTIFIED MALE: (Off mike.) She is not here.

9 HEARING OFFICER RENAUD: Alison Goldenberg has
10 left?

11 UNIDENTIFIED MALE: Yes.

12 HEARING OFFICER RENAUD: Okay. The next speaker
13 then would be Shawn Thompson.

14 MR. PYLE: Thank you, Members of the Commission
15 and AES representatives. My name is Jason Pyle. I am a
16 homeowner that is approximately 1,400 feet away from your
17 proposed site. And in all fairness, for a full disclosure,
18 I am also your petitioned intervener. And so I will also
19 save some of the issues in that official capacity. But I
20 did have a couple questions tonight and a few comments to
21 the commission to consider.

22 PRESIDING MEMBER MCALLISTER: It's hard to hear
23 you. Can you --

24 MR. PYLE: Is that better?

25 PRESIDING MEMBER MCALLISTER: That's better.

1 MR. PYLE: Okay.

2 PRESIDING MEMBER MCALLISTER: Thank you.

3 MR. PYLE: I'll do my best for you.

4 HEARING OFFICER RENAUD: Thank you.

5 MR. PYLE: AES is a fantastic, large company.
6 You're in 28 -- 28 countries, 5 continents, and you are in
7 the business of selling power, and at the end of the day you
8 are in the business of making money. If you weren't making
9 money on making power you wouldn't be here today. And so
10 it's important for everybody here and the commission to also
11 recognize that this company is here to make a profit and to
12 make money. And not in a benevolent business, of providing
13 power. They're in the business of making money, and they do
14 that through selling power. Now, there's nothing wrong with
15 that. They're a great company. And we want you to be here
16 and we want you to make the money.

17 But as the residents who are next door to you,
18 we're going to ask you a simple question: Are you going to
19 be a good neighbor to us? The same question I asked
20 Poseidon, are you going to be a good neighbor to us? Are
21 you going to be a conscientious neighbor to us?

22 And one of the things that's in your report that
23 you have identified as not important or that it will be
24 insufficient is the noise. Now, on page 16 you have Staff's
25 report, noise is a consideration that they have identified

1 for Coastal Commission consideration that will and could be
2 a problem. You have identified that your plant will make
3 less noise.

4 My question to you is a few. If you have the
5 ability to answer it tonight, that would be great. If not,
6 we will address it later on. It's something I'd like the --
7 or the commission here to consider. So a few questions for
8 you, if you have them.

9 What is the calculated decibel noise at the
10 fence line of block one?

11 MR. O'KANE: The entire -- the entire fence line
12 will meet a 70 DB level at the fence line at a minimum.
13 That's -- that's the city ordinance. That would be at our
14 maximum possible output.

15 MR. PYLE: What are you right now?

16 MR. O'KANE: What are we right now?

17 MR. PYLE: Yes.

18 MR. O'KANE: It ranges, depending. At our
19 maximum, full --

20 MR. PYLE: At full capacity.

21 MR. O'KANE: -- full capacity? I can't answer
22 that question.

23 MR. PYLE: Okay. What is the calculated value of
24 both blocks running; is it still 70?

25 MR. O'KANE: Yes. Yes.

1 MR. PYLE: Okay. I ask this question because the
2 answer of you're not sure what it is now, in a report where
3 it says it will only meet that standard, a CEQA violation is
4 designated very simply of a comparison of what currently is
5 to what will come -- what will be in the future of what it
6 will. If you're only 50 at the fence line today, or more
7 importantly the respected value when it hits our homes, and
8 Block 1, mind you, is now going to be a lot closer than your
9 existing plants are at all, what will be the attributable
10 value at our homes at a full-plant operation of a calculable
11 decibel level when it hits the homes 1,400 feet away?

12 MR. O'KANE: I don't have that answer.

13 MS. FOSTER: The applicant's information related
14 to noise is set forth in the AFC. And Staff conducts its
15 own independent analysis -- Kevin may be able to speak to
16 this -- where they will look at all of the laws and
17 ordinances, regulations and standards that pertain to
18 noise --

19 MR. PYLE: Yes.

20 MS. FOSTER: -- as they relate to receptors, as
21 well as the facility. And there will be a thorough analysis
22 in the PSA and the FSA.

23 MR. PYLE: Thank you.

24 MR. BELL: One thing I do want to add to that -- I
25 can project, I don't need a microphone, but I'm being handed

1 one anyway -- and that is with the California Coastal
2 Commission's concerns for noise, it wasn't the affects of
3 noise from the facility on surrounding homeowners, it was
4 the affects of noise on the wetland habitat which is right
5 next door. But as Melissa said, Staff is going to conduct
6 its own independent analysis as to noise impacts from the
7 facility at the fence line at local receptors. And we'll
8 ensure that any affects from the facility are adequately
9 mitigated.

10 MR. PYLE: Okay.

11 MR. BELL: Does that answer your -- your question?

12 MR. PYLE: It does. And it also highlights the
13 fact that in the applicant's application it does only talk
14 about the fence line being 70 decibels. And it's one of the
15 things I'd like to urge the commission to consider and look
16 at in depth before any authorization or moving forward when
17 the permit is issued is what are the attributable values at
18 all the receptor sites.

19 And you label out one, two, three, and four
20 throughout the community. Those are in Hula (phonetic),
21 those are over by Edison Park, those are over by the trailer
22 park, those are over by the homes, on the other side of
23 Hamilton. But when you start adding into the wind
24 coefficient the peak usage on all the different ones, it's
25 one of the things that Poseidon ran into a problem with, and

1 hence their CEQA violation or potentially of that would -- I
2 spoke with Mr. Malone on and how their SEIR had to be
3 modified for an ambient noise study to identify how is it
4 going to affect the homes?

5 And it's very, I don't want to say poorly, but it
6 is not really clearly identified in the applicant's
7 application what all of these noise values will be. But
8 more importantly, what the proposed site will generate and
9 what they will have the cumulative affects on at the
10 homeowner sites.

11 I ask this because this site, if San Onofre
12 doesn't operate or fails or doesn't continue to operate,
13 this site will operate 24/7, 365 days a year. And it is a
14 360 degree omni noise generator. It will make noise that
15 will impact all of us, our home values and our lives, 24
16 hours a day for the next 50 years.

17 So we ask you, again, will you please be a good
18 neighbor to us? Because mitigation of noise is simply just
19 a factor of how much you're willing to spend to make it
20 quiet. And we hope that we can be good neighbors to you
21 during your construction period, because we know that's
22 going to be a major issue that you need to get through, and
23 we would like you to be a good neighbor to us as you move
24 forward for the next 50 years and please consider the noise
25 for us.

1 So I'll hold my comments until anything more. And
2 I look forward to working with you as we go through the
3 process. Thank you.

4 HEARING OFFICER RENAUD: Okay. Shawn Thompson.
5 And the next speaker would be Al Guidotti, I believe that
6 says.

7 MS. THOMPSON: Good evening. My name is Shawn
8 Thompson. I live over just on the other side of Magnolia
9 from the power plant. I've seen it since I was a child.
10 It's been that earmark. You know, so many stations past the
11 power plant is where you met your teenage buddies.

12 I have ten questions and three comments. So for
13 the sake of brevity I'll put them in writing and submit them
14 to you, but I do want to bring them up verbally here.

15 There's a super fun site at the corner, the
16 northwest corner of Hamilton and Magnolia. I'd like to know
17 if you have the Level 2 site assessment and what it showed
18 for the areas you're going to be constructing in.

19 I have concerns about noise. They're similar to
20 the previous speakers. However, I would like the commission
21 to look at the hertz range. I don't know whether it's very
22 well known, but most woman have a higher hearing range. And
23 there are a lot of women that live over there. Please, I
24 don't just want to know DB, I want to know the current hertz
25 range we're listening to, what the peaker was, because that

1 one was really horrible in the middle of the night, and what
2 the -- what the new ones are going to be.

3 Construction. Oh, my question was 3 and 4 can be
4 demolished under the existing permit. Now, is there a
5 possibility that before Block 1 is up you'll demolish 3 and
6 4, or must it stay up for the power, what we need?

7 The routes for construction traffic. I don't know
8 that I saw that. Is it going to be on Newland or is it
9 going to be Magnolia and PCH? Is there a combination? I
10 suppose that will come up sooner rather than later. But,
11 definitely, I'd like to see that.

12 A question about parking. As we were driving a
13 gentleman on the end mentioned something about a parcel on
14 the north side of Magnolia. I wasn't quite clear. Was that
15 the parcel that is right adjacent to Magnolia, or is it the
16 graded parcel behind the tanks? If you would clarify, that
17 would be great. It was maybe just a misunderstanding by me
18 on the tour.

19 AQMD. I understand the emissions are lower.
20 However, I remember seeing the wind patterns for the AQMD
21 report on the current facility. At the moment, because of
22 the height of the stacks everything that is emitted
23 generally goes over the homes in the surrounding area. We
24 get our share from PCH. We don't need any more from a power
25 plant. However, now that the lowered stacks will be in the

1 same air patterns. I don't expect too much PM-10, but I
2 would like to see what that is looking like with those lower
3 stacks.

4 Water supply. I noticed that you're using potable
5 water. Is there any reason why we have not considered using
6 tertiary treated water that's less than a mile away at the
7 Orange County Sanitation Districts? They're currently
8 pumping it up to the north part of the county to reinject
9 it. It might be a better use to give to you. I would
10 imagine that's probably cleaner than much of what you're
11 going to get, and it will not have as much impact on your
12 reverse osmosis system. So anyway, something I would love
13 to see considered.

14 You mentioned that one of the tanks will be
15 removed. Excuse me. I'd like to know how many of the
16 remaining tanks are owned by AES? Will and can any of those
17 be included in the project demolition? I also noticed one
18 of the tanks -- I don't know how old this photo is -- is
19 full. The others look empty. Which one is filled and why,
20 and what's it filled with, if you happen to know?

21 Did I understand correctly, this will be running
22 at 30 to 40 percent capacity? Say you would be running at
23 least one of the turbines 24/7. Is this a mid and peak
24 facility or is this supposed to be a base facility? I'm not
25 quite sure I understood that.

1 There was a statement, less emissions. Is that
2 less emissions overall or per megawatt?

3 Something that I'd like you to consider, the
4 discussion of the transmission facilities onsite, that's
5 great. The infrastructure around is extremely old. We have
6 several blowouts on various times when the facility is up
7 and running 100 percent. Is someone going to include SCE in
8 a discussion in their outdated facilities nearby?

9 And, oh, sorry, the waste management, the
10 discussion of the heavy metal dust. Again, will there be a
11 study of the wind patterns for control of the heavy metal
12 dust so that we will not be inhaling it during construction?
13 I would like specifically to have that addressed when they
14 talk about the construction.

15 And I think that's it. Thank you very much for
16 your time.

17 HEARING OFFICER RENAUD: Thank you. And I think I
18 can -- I can safely say that each of those questions is, A,
19 an excellent question, and B, is part of a topic that is
20 thoroughly covered in the environmental analysis performed
21 by Staff. But you having major -- putting your questions on
22 the record kind of alerts the staff to be particularly
23 vigilant in -- in looking into those things.

24 I would also suggest that when the process -- as
25 the process proceeds you will be hearing about workshops

1 conducted in the area that you can come to. And those are
2 really designed to be more of a question and answer, give
3 and take discussion, and would encourage all of you to keep
4 an eye out for when those are occurring and participate in
5 them. Thank you. Okay.

6 Al Guidotti. And the next speaker would be Merle
7 Moshiri.

8 MR. GUIDOTTI: I'm Al Guidotti. I've been a
9 resident of Huntington Beach for 24 years. And half of
10 those years I've been a volunteer, mostly with the
11 community. And I've been very familiar with the operation
12 of AES, watching them. I like what I've seen and heard so
13 far across the board. I think it's an event that needs to
14 take place. The -- it's a responsibility for us, our part
15 of providing the energy. Because we have the facilities,
16 the basics right there to do it, why not continue on with
17 it? We would benefit Huntington Beach, the region, and the
18 State of California, for heaven's sakes.

19 The environmental steps that have been taken, I
20 like what I hear. I fully support that. And it's pretty
21 typical of what I've seen of AES in my time that I've known
22 them. They're good stewards of our city resources we
23 provide them. They're key to the city. They're very good
24 corporate neighbors. They support nonprofit organizations.
25 Without organizations like AES in this community Huntington

1 Beach wouldn't be such a nice place to live, as it is.
2 There's -- a lot goes on behind the scenes. And people like
3 AES are responsible for that.

4 So I hope you consider all those factors. And as
5 a citizen I fully support what's going on. Thank you.

6 HEARING OFFICER RENAUD: Okay. Thank you for your
7 comment. Okay. Merle Moshiri. And the next speaker would
8 be John Ott.

9 MS. MOSHIRI: Hello. Welcome to Huntington Beach.
10 My name is Merle Moshiri. I'm a 39-year resident of
11 Huntington Beach. I'm also president of Residents for
12 Responsible Desalinization. We're a grassroots organization
13 formed in Southeast Huntington Beach to advocate for
14 protecting our community and our coastal resources from
15 further industrialization.

16 I'm sure on your -- your trip today to tour the
17 AES property you saw the Talbert and Magnolia Wetlands and
18 the site for the proposed Poseidon Ocean Desalinization
19 Plant, along with our 328-acre Ascon toxic waste dump. Our
20 concerns rise from what many of us see as the cumulative
21 effect of so much industry and construction in the immediate
22 area of homes, schools, wetlands, and whether the planning
23 and permitting, particularly of the desal project, is
24 representative of what will transpire in that area and
25 whether the data being furnished is up to date and adequate.

1 As you are aware, Poseidon still has no -- not
2 completed its coastal development plan to the Coast
3 Commission, and there may be an LCP violation on the part of
4 AES as it hurries to grade and degrade possible wetlands'
5 findings on the AES property.

6 As residents in this immediate area we are worried
7 about adequate seismic studies. We've had three earthquakes
8 in the past two weeks. Both the AES and the proposed plant
9 would straddle the Newport-Inglewood Fault line. All of the
10 homes and industry in this area are subject to liquefaction.
11 And, in fact, during the installation of pipelines by the
12 Orange County Sanitation Districts down Bushard 64 homes
13 were subject to subsidence and a class action suit was
14 filed.

15 There's also the problem of intrusion into the
16 plumes of toxic waste running under, as they call them
17 euphemistically, the lagoons adjacent to the AES property
18 that might cause material to move, the liquefaction caused
19 during heavy construction.

20 Noise is another area not adequately addressed,
21 not just noise affecting nesting birds and lights affecting
22 nesting birds, but humans living in close proximity to the
23 two plants.

24 There's the problem of locating a reservoir for
25 the City of Huntington Beach within the power plant

1 location; one more construction site.

2 How much are we being asked to bear? What's the
3 time table? And exactly who is on first, AES, Poseidon, or
4 the cleanup of the toxic waste site? We live here. We need
5 to know that.

6 Until these problems are addressed we think it's
7 premature to issue any AFC certification. I'd also like to
8 mention to you that on page 13 of the term sheet for the
9 proposed water purchase contract for the City of Huntington
10 Beach Seawater Desalinization Project, AES is mentioned
11 seven times. So they're not exactly separate. And if you'd
12 like to see that I'll be happy to share that information
13 with you. Thank you.

14 HEARING OFFICER RENAUD: Thank you. Before you
15 start, Mr. Ott --

16 MR. OTT: Yes.

17 HEARING OFFICER RENAUD: -- let me just point out,
18 Ms. Moshiri, if you have a document that you'd like to make
19 part of the public record you can submit that to the public
20 adviser and she'll get it on her website, and then it's
21 there for everybody. Okay.

22 Thank you, Mr. Ott.

23 MR. OTT: Yeah. I think our mayor is right. We
24 have a lot of very informed people in this audience. But I
25 have a question for the audience? How many people heard

1 about this meeting that got direct contact? In other words,
2 you read it, you saw it posted somewhere, you knew there was
3 a meeting. Oh, this is -- okay. The rest of you heard it
4 from somebody else; correct? Yeah.

5 This is my concern is the journey to this point.
6 I think the publicity for this is absolutely lousy. I got a
7 mailing back in -- I think it was the first mailing. It was
8 a nice colored brochure. Was that May or June? I can't
9 remember. Okay. Nice mailing, you know? So I call my
10 friends over near the power plant and I say, "Hey, how about
11 this really nice mailing."

12 And they go, "What mailing?"

13 I go, "Didn't you get this nice brochure?"

14 And they go, "No."

15 So I started calling more friends, and they
16 started calling friends. I come to find out that most of
17 the mailing went to an area of Huntington Beach way far away
18 from the plant. Am I correct on that? No? Boy.

19 Did anybody near the power plant get that nice
20 brochure? Two. I'm sorry, but I spoke with many people,
21 through many people, and there was very little mailed over
22 in that area.

23 Now, about a week or a week-and-a-half after I got
24 that mailing I get a phone call. And I don't know if it was
25 from a publicity organization or whoever was handling the

1 marketing of this, I have no idea, asking me what I thought.

2 And I said, "Well, I have four questions," and I asked this
3 lady on the phone four questions.

4 And she said, "I'll make sure somebody gets back
5 to you to answer those questions for you."

6 Somebody's laughing. I think they went through
7 this.

8 Three weeks later nobody had called me. So I had
9 the phone number and I called again. And I said, "Will
10 somebody please call me and answer these questions. This is
11 my phone number and this is my email address. Would you
12 please email me and notify me when something is going to
13 happen."

14 Guess what? No email or no phone call.

15 So however this is being publicized to the
16 residents of Huntington Beach, it stinks. It needs to be
17 re-looked at. And more people need to hear about what's
18 going on. As far as I'm concerned, it's lousy. Thank you.

19 HEARING OFFICER RENAUD: And I'll just say that as
20 far as the -- for the Energy Commission's perspective we
21 have restrict requirements about the notices that we provide
22 for these kinds of gatherings. And any nearby property
23 owner would be receiving some notice of these proceedings.
24 Also, you can sign up and make sure you get everything by
25 email or --

1 MR. OTT: I did.

2 HEARING OFFICER RENAUD: -- or in the mail.

3 MR. OTT: My first -- that first phone call to me,
4 I gave them an email address, and we haven't gotten
5 anything.

6 HEARING OFFICER RENAUD: Was that -- but I'm not
7 sure that was the Energy Commission.

8 MR. OTT: I don't know who it was but --

9 HEARING OFFICER RENAUD: Yeah.

10 MS. DIDLO: It wasn't us.

11 HEARING OFFICER RENAUD: But anyway --

12 MR. O'KANE: Yeah.

13 HEARING OFFICER RENAUD: -- we can make sure from
14 now on, you know, just make -- you can get -- you can get
15 notices from the Energy Commission for sure. Okay.

16 ASSOCIATE MEMBER DOUGLAS: I think most of the
17 people mentioned, Jennifer mentioned, have signed up on the
18 Listserv. That's the way of getting direct electronic
19 notices from the Energy Commission. Somebody can remind me
20 what the distance is from the proposed site that people get
21 mailing.

22 MS. MILLER: A thousand feet.

23 ASSOCIATE MEMBER DOUGLAS: A thousand feet from
24 the proposed site, under the Energy Commission rules, people
25 from the fence line.

1 MR. OTT: I called people that live real close
2 that I know there.

3 ASSOCIATE MEMBER DOUGLAS: Okay.

4 MR. OTT: Now, I live near Yorktown and Main, so I
5 live near city, you know, city hall. That's -- I got it
6 there.

7 ASSOCIATE MEMBER DOUGLAS: We're not getting your
8 words on the transcript.

9 MR. OTT: Okay. I live near city hall. I, you
10 know, I got the mailing. I called my friends who live
11 very -- next -- very near to the plant, and I started
12 calling them. I think I called probably five or six people,
13 and then they called other people, called me back and said
14 we haven't gotten a mailing.

15 ASSOCIATE MEMBER DOUGLAS: All right. Well, this
16 is the beginning of the Energy Commission process. And so
17 I --

18 MR. OTT: I sure hope so.

19 ASSOCIATE MEMBER DOUGLAS: So many of you are
20 asking good questions that are helping us really with -- one
21 of the things that's really important for us out of an
22 informational hearing is to understand what the questions
23 and concerns of the residents in the area are. And that
24 informs Staff in their environmental analysis, which is
25 where we start seeing Staff's perspective on what some of

1 the answers to those questions are.

2 With the Energy Commission process going I am
3 strongly optimistic that these noticing problems, to the
4 extent that they occurred, will not occur. However, the
5 concerns that you have, if you talk to the public adviser
6 she can help make sure that the right procedures are
7 followed. And also, that if there are better ways of
8 reaching the community than the traditional Energy
9 Commission notice process you can suggest those to her
10 and -- and she may be able to find ways to make that happen,
11 as well.

12 MR. OTT: Okay.

13 HEARING OFFICER RENAUD: Commissioner McAllister.

14 PRESIDING MEMBER MCALLISTER: So just to build on
15 that a little bit. I mean, so those of you -- so some
16 people are more technologically savvy than others that can
17 get on Listserv, will get the emails. There's really no
18 substitute for kind of, you know, interested parties having
19 a network, you know, locally and letting each other know.

20 So it sounds like your experience may not have
21 been a commission process at all, but maybe was more of, you
22 know, a public relations kind of thing or something. I
23 don't know. But -- but --

24 MR. OTT: I personally believe it was just, you
25 know, a mailing by AES to get a feel for the community. But

1 I felt that it was poorly done to get a feel. Because when
2 I had questions nobody got back to me to answer my
3 questions.

4 PRESIDING MEMBER MCALLISTER: So -- so I think,
5 you know, the most important thing for us to build the
6 record, to know what the concerns are. Like Raoul said, you
7 know, it's really important to get -- if folks know things
8 it needs to be in the docket or else it's -- it's impossible
9 to act on and to sort of dig deeper on.

10 So, you know, I think that just it's in everyone's
11 best interest to make sure that their -- that their opinion
12 gets heard and gets in the process. The commission actually
13 has all sorts of rules that -- that require and -- and
14 pretty much guarantee that those issues get considered.

15 And -- and as Commissioner Douglas said earlier,
16 you know, there are strict -- the committee -- the ex parte
17 rules that Raoul referred to and the very -- a lot of
18 processes and procedures in place to may sure that the
19 conflict -- any potential conflict of interest does not
20 impact the decision. And so I think, you know, having acted
21 outside the commission for a long time and now being --
22 being on the commission, you know, I have a lot of faith in
23 the process. But it's up to all the participants to do --
24 to participate, otherwise we don't get the answer -- we
25 don't get the -- the response that sort of is in society's

1 best interest.

2 So I just want to encourage everybody to
3 participate as much as they can. Technology lets us do a
4 lot of things. There are WebExes. Whenever there are
5 workshops that you don't have to be in Sacramento you can --
6 you can participate remotely. But again, that requires some
7 level of organization on the ground in the community. So,
8 you know, it requires some level of leadership within the
9 community and some people to step up.

10 HEARING OFFICER RENAUD: Okay. Thank you. Next
11 speaker will be Milt Dardis, followed by Joanne Rasmussen --
12 Rasmussen.

13 MR. DARDIS: Good evening. My name is Milt
14 Dardis, D, as in dog, -a-r-d-i-s.

15 AES is a publicly traded company, traded on the
16 New York Stock Exchange. You're generating revenue, you're
17 generating profit, and you pay taxes. But you're building a
18 plant here in Huntington Beach, but you're not going to be
19 generating any taxes.

20 So what as we, the people that live in the area,
21 Southeast Huntington Beach, what do we do -- how do we
22 benefit? What are we going to get out of this? One -- one
23 thing you should -- that we do suggest is that you set up a
24 town hall meeting at Eader School on Banning. We had over
25 700 to 1,000 people show up several months ago who are the

1 local residents. The local residents are not coming down
2 here. There's a complete disconnect between the Huntington
3 Beach political scene and the residents.

4 And it would behoove you people to come and talk
5 to us, the residents, the locals, the people that have lived
6 with this plant. The people that have lived this with this
7 noise. The people that have heard when that unit blows up.
8 We have had new neighbors and they panic when that -- what
9 happens when -- it's like a pressure cooker. It makes a
10 noise. It scares the living hell out of people, and people
11 are dying. Of course, they call the Huntington Beach Police
12 but they know nothing.

13 So I would suggest that you set up a meeting down
14 the road, every three or four months, and keep us, the
15 people in Southeast Huntington Beach, informed. The
16 politicians do not care about us. We -- there's a complete
17 disconnect. We are the locals, we live there.

18 One nice thing you can do to benefit our area is
19 they've got Measure Z coming up. We have a Banning Library
20 which has been in the area since 1960. Generation upon
21 generation of people, students who are now adults and
22 grandparents, have used that school. If Measure Z passes
23 they're going to close the Banning Library. What could
24 prevent a billion dollar company to designate X amount of
25 dollars to keep the Banning Library open? That would be

1 some benefit to us locals. I mean, right now we're the ones
2 that put up the dust, the noise, and we're going to have 250
3 cars for your constructors, construction people coming to
4 our area. We don't mind that. I mean, we're used to it.
5 We're used to being dumped on.

6 So all we're asking is we would like to have some
7 benefits, something in return. That's all. That's all
8 we're asking. Just give us something back. The people are
9 for the plant, don't get me wrong. Yeah, the plant is a
10 good idea along the marsh and everything. It's away from
11 the -- from the area. But we want something in return if
12 you expect our support. I mean, we've gone through this on
13 several other issues. And you've got to get down and meet
14 with us, the local people, the taxpayer, the little people,
15 the small people, the little people that live in the area,
16 like this lady over here. I've lived over in the area
17 since -- for 40 years. What do we have to show for it?
18 Just noise, noise, noise.

19 So please consider giving us something in return.
20 You don't pay taxes. You're generating revenue. You're
21 generating profit of this plant. And what are we getting?
22 Nothing. So please think about us little people for once.
23 That's all we're asking. Thank you. Good day.

24 HEARING OFFICER RENAUD: Thank you. All right.
25 Joanne Rasmussen. And the next speaker will be Billy

1 O'Connell.

2 MS. RASMUSSEN: Hi. I'm not as eloquent as the
3 others but I do have a few questions. I have concerns,
4 obviously, with the noise levels. You've heard about that.
5 The -- I'm wondering about the toxin mitigation while
6 building. And how will you mitigate the odors? And I have
7 a suggestion about the noise level. Screening maybe, you
8 know, something to mitigate the noise levels while you're
9 building. And lastly, exactly where is the site on Magnolia
10 where you're going to park the trucks? Because that's right
11 next to our homes, and it's loud.

12 So is there -- can I have some answers now please?

13 HEARING OFFICER RENAUD: I'm not sure if you have
14 any answers you'd care to give. That would be great. I can
15 tell you again, those are all areas that the -- that are
16 part of the staff analysis and will be covered. Yes.

17 MS. RASMUSSEN: At Eader please.

18 HEARING OFFICER RENAUD: Yes, that hasn't been
19 done yet.

20 MS. RASMUSSEN: At Eader.

21 HEARING OFFICER RENAUD: -- but we'll be doing.

22 MS. RASMUSSEN: Eader Elementary please.

23 ASSOCIATE MEMBER DOUGLAS: I'm sorry?

24 MS. RASMUSSEN: At Eader Elementary please.

25 That's where we all live, right around Eader.

1 HEARING OFFICER RENAUD: So you're suggesting a
2 different place to hold hearings like this?

3 MS. RASMUSSEN: Yes. Definitely. Definitely.
4 Yeah. Eader Elementary.

5 HEARING OFFICER RENAUD: Okay.

6 MS. RASMUSSEN: It's on Banning Avenue. It's
7 about a stone's throw from where you guys are going to
8 build.

9 UNIDENTIFIED MALE: (Off mike.) And you'll get
10 tons of people.

11 UNIDENTIFIED MALE: (Off mike.) And you'll get a
12 lot of turn out.

13 MS. RASMUSSEN: Yeah.

14 HEARING OFFICER RENAUD: Okay.

15 MS. RASMUSSEN: That's what you want.

16 HEARING OFFICER RENAUD: Okay. Can you spell
17 Eader for me?

18 MS. RASMUSSEN: E-a-d-e-r --

19 HEARING OFFICER RENAUD: E-a-d-e-r.

20 MS. RASMUSSEN: -- Elementary.

21 HEARING OFFICER RENAUD: Okay.

22 MS. RASMUSSEN: Okay?

23 HEARING OFFICER RENAUD: Got it.

24 MS. RASMUSSEN: And --

25 HEARING OFFICER RENAUD: Thank you.

1 MS. RASMUSSEN: Answer the questions please.

2 HEARING OFFICER RENAUD: Applicant, any -- any
3 response?

4 MR. O'KANE: Sure. Okay. The question, at least,
5 about the -- we've had two about the -- the site on
6 Magnolia, it was the Plains MidAmerican storage -- fuel
7 storage site and -- and would be inside that facility --

8 MS. RASMUSSEN: Inside? Okay.

9 MR. O'KANE: -- around the backside. No trucks.
10 All of our parking offsite would be only for personal
11 vehicles for people --

12 MS. RASMUSSEN: Okay. Good.

13 MR. O'KANE: -- the construction workers to get
14 there. No trucks. No -- no -- we don't -- we don't want to
15 put trucks offsite. You know, any construction material
16 will come onsite and stay onsite, or if we need to put
17 materials or store some things we have another site in
18 Alamitos in Long Beach. We've also included that in our
19 application. We would put things there. So any offsite
20 parking is only personal vehicles. And that -- and the
21 location off of Magnolia is that Plains MidAmerican storage
22 facility --

23 MS. RASMUSSEN: Okay.

24 MR. O'KANE: -- old oil -- oil -- fuel oil storage
25 facility, if you know that entrance. I'm -- I'm sorry about

1 the confusion.

2 MS. RASMUSSEN: I know where you're talking about.

3 And I like the Banning Library idea.

4 HEARING OFFICER RENAUD: All right. Thank you.

5 All right. Billy O'Connell. And then Ray Hiemstra will be
6 the next speaker.

7 MR. O'CONNELL: Good evening, Ladies and
8 Gentlemen, and Members of the Commission. My name is Billy
9 O'Connell and I'm a resident of the City of Huntington
10 Beach. I'm currently the Vice Chair of the Public Works
11 Commission in the city. And I'm also the director of a
12 nonprofit. This evening I speak to you as a resident of
13 Huntington Beach.

14 We live in a great city. There are many reasons
15 for this. I believe AES has been a good responsible
16 corporate citizen who has contributed in many ways to
17 improve our city. I strongly support this application. I
18 would ask each and every one of you here this evening to
19 support this application also.

20 I would ask you to partner with AES. To create a
21 new clean, modern power plant in our city would reduce
22 noise. The grid is important to Orange County and the L.A.
23 Basin. I would also ask each and every one of you to try
24 and expedite this process. Let's put people to work. Let's
25 create clean energy in our community. Let's create jobs

1 where everybody benefits. It can happen. Expedite the
2 process.

3 This is a great city. And once again I want to
4 remind you that AES has been a great corporate citizen in
5 our city. Thank you.

6 HEARING OFFICER RENAUD: Okay. Ray Hiemstra.

7 MR. HIEMSTRA: Good evening. My name is Ray
8 Hiemstra. I'm the Associate Director with Orange County
9 Coastkeeper. And I'm here to -- we're really happy to see
10 the changeover with -- with what's going on at AES. We were
11 very involved in getting the state's once-through cooling
12 policy pushed through the -- the regional boards and state
13 board, and really happy to see that it's moving forward.

14 As part of this process I'd like to see the
15 commission and staff look into some kind of a process for an
16 official determination of decommissioning and abandonment of
17 the -- of the intake and outfall. We just want to make sure
18 that if, you know, there -- I know there's maybe some other
19 use or something like that. But I think we want to make
20 sure that there is no more potential use, even in the
21 future, of this facility by -- by AES or any other power
22 generator who may be there. You know, the goal of this was
23 to go ahead and get -- get rid of that -- that type of
24 thing. So I think it's something that should be looked into
25 as part of this process. Thank you.

1 HEARING OFFICER RENAUD: Thank you. Okay. That's
2 all the speakers I have cards for here in the room. Let's
3 turn to the phone line. If there's anyone on the telephone
4 who wishes to speak, go ahead. Might not be anyone. Well,
5 okay. All right.

6 Let me -- let me ask the commissioners if you have
7 any final remarks before we close for the evening.

8 ASSOCIATE MEMBER DOUGLAS: I just wanted to say
9 that I appreciate the turnout, and I appreciate the
10 suggestions for alternate sites to hold -- to hold workshops
11 or hearings. We're very open to that. And sometimes we'll
12 hold workshops or hearings at multiple sites in a community
13 throughout the process that the Energy Commission goes
14 through.

15 As I think I said before, this is the
16 informational hearing, which means that this is the exact
17 right place to raise issues, raise concerns, put -- put
18 issues on the radar, and you've done a great job of that
19 tonight. We've certainly heard a lot of comments, and we
20 certainly see the level of interest in the community, the
21 number of people who have -- who have clearly taken a lot of
22 time not only to be here tonight but to read supporting
23 materials, read into the background and formulate some --
24 some excellent questions and ideas for the commission to
25 consider. So I appreciate that.

1 I appreciate hearing the perspectives that you've
2 brought today. And I'll look forward to continuing to
3 engage with this and with you as this process continues.

4 PRESIDING MEMBER MCALLISTER: So I couldn't have
5 said it better, so I won't repeat what Commissioner Douglas
6 said. And definitely happy to go meet whatever the best
7 place that's going to get the most coverage and the most
8 input from the community is. I think that's really what
9 this process is all about, and trying to dig in and
10 understand the issues and really, with Staff's analysis,
11 give the consideration a rigor, a rigor that can support
12 good long-term decision making for the state. So that's
13 what this process is meant to achieve.

14 Having said that, this is a fantastic library. I
15 just have to say, this is a great facility. I don't know
16 that I've seen a public library this nice before, in a long
17 time at least.

18 So we're very much looking forward to continuing
19 the process, and with Raoul's stewardship and all the staff
20 support. I think we have a good team in place, a responsive
21 applicant. And I think we're -- we're on the right track to
22 identify and study and make determinations on all these
23 issues that you're bringing up, and any others that are --
24 that are likely to come up in the future. So thanks again
25 for coming, and we will look forward to the next occasion.

1 Is there -- is there an additional question there?

2 Absolutely. Sure. Come on up.

3 MS. NELSON: I was wondering if the AES

4 presentation will be on the CEC website?

5 HEARING OFFICER RENAUD: Yeah. Yes. It should --

6 PRESIDING MEMBER MCALLISTER: Say your name. Say

7 your name.

8 MS. NELSON: Oh. Deanne Nelson.

9 HEARING OFFICER RENAUD: Yes. And -- and it will
10 be. We try to put everything on the website that -- that we
11 can.

12 Anything else? Okay.

13 MS. RASMUSSEN: Who do we give our -- our
14 supporting materials?

15 HEARING OFFICER RENAUD: Yes. Jennifer Jennings
16 is right there. You can hand that to her and she'll help
17 you with getting that in the docket. Okay.

18 Thank you all for coming. We're adjourned.
19 (The Environmental Scoping Meeting and Informational Hearing
20 adjourned at 7:02 p.m.)

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CERTIFICATE OF REPORTER

I, MARTHA L. NELSON, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that it was thereafter transcribed.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, or in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of September, 2012.

/s/ Martha L. Nelson
MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

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.

/s/ Martha L. Nelson
MARTHA L. NELSON, CERT**367

September 14, 2012