

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Business Meeting)
_____)

California Energy Commission
DOCKETED
TN # 2908

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

THURSDAY, NOVEMBER 29, 2012
10:09 A.M.

Reported by:
Kent Odell

 ORIGINAL

Commissioners Present

Robert B. Weisenmiller, Chairperson
Karen Douglas
Andrew McAllister
Carla Peterman

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Chief Counsel
Jennifer Jennings, Public Advisor
Harriet Kallemeyn, Secretariat

Agenda Item

Paul Kramer	3
Kevin Bell	
Christine Stora	4

Also Present

Interested Parties (* Via WebEx)

David Coleman, Complainant	3
Brian Harms, Bottle Rock Geothermal Power Plant	3
Hamilton Hess, Public Member	3
Stephen O'Kane, AS Huntington Beach LLC	4
Jennifer Morris Lee, Edison Mission Huntington Beach LLC	4

I N D E X

	Page
Proceedings	4
Items	
1. CONSENT CALENDAR	Deferred
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS	Deferred
3. BOTTLE ROCK GEOTHERMAL POWER PLANT COMPLAINT	4
4. HUNTINGTON BEACH UNITS 3 AND 4 RETOOL PROJECT	11
5. Chief Counsel's Report	26
6. Executive Director's Report	26
7. Public Adviser's Report	26
8. Public Comment	26
Adjournment	27
Reporter's Certificate	28
Transcriber's Certificate	29

1 P R O C E E D I N G S

2 NOVEMBER 29, 2012

10:09 a.m.

3 CHAIRPERSON WEISENMILLER: Good morning. Let's
4 start the meeting with the Pledge of Allegiance.

5 (Whereupon, the Pledge of Allegiance was
6 recited in unison.)

7 Good morning. Item 2 will be held so let's go to
8 Item 3. Bottle Rock Geothermal Power Plant Complaint, 12-
9 CAI-04.

10 Paul Kramer.

11 MR. KRAMER: Well, good morning Commissioners.
12 The purpose of this item is for you to consider whether to
13 appoint a committee to conduct proceedings and render a
14 decision on a complaint that was filed by David Coleman,
15 who is in the audience here, regarding the Bottle Rock
16 Geothermal Power Plant, whose chief executive, Mr. Harms,
17 is also in the audience. And I think they both filled out
18 blue cards.

19 CHAIRPERSON WEISENMILLER: Yes.

20 MR. KRAMER: The complaint is, in essence, that
21 the project is not complying with the conditions that were
22 imposed by the Commission in 2001, when you approved a
23 change of ownership from the Department of Water Resources
24 to the Bottle Rock -- I don't see the precise name of the
25 corporation here but, anyway, to a corporation.

4

1 If a committee is appointed, because of the way
2 our rules work normally, of course, committees make
3 recommended decisions to the full Commission. But in the
4 regulation in question here, Section 1237, says that, "A
5 committee makes a final decision subject to appeal to the
6 full Commission."

7 So, I just wanted to make sure everyone
8 understood that distinction.

9 The recommendation is -- staff has recommended
10 that there is -- in their opinion, there is some merit to
11 the complaint and they believe it should go forward. It
12 should not be dismissed out of hand, which is one of the
13 other options the Commission has in handling the complaint.

14 And so they are recommending the appointment of a
15 committee.

16 The only other item I want to bring to your
17 attention is Randall and Linda Fung filed a comment with
18 dockets, I believe it was yesterday, and they asked that it
19 be read into the record, but I have provided you with a
20 written copy of it.

21 The docket transaction number is 68690, so it's
22 formally a part of the record already.

23 They appear to be recommending that you appoint,
24 they use the term "a special commission," but I think in
25 our terms that would be a committee, so they're agreeing

1 with staff in their recommendation.

2 CHAIRPERSON WEISENMILLER: Thank you. Staff?

3 MR. BELL: Yeah, staff has completed its
4 investigation and prepared the report, and our
5 recommendations are as Mr. Kramer has outlined, that a
6 committee be appointed to conduct further proceedings and
7 further investigation into the matter.

8 MR. HESS: That's what I should speak to, isn't
9 it; right?

10 CHAIRPERSON WEISENMILLER: I'll call on parties
11 on turn, please.

12 Staff, are you finished?

13 MR. BELL: Yes, thank you.

14 CHAIRPERSON WEISENMILLER: Okay. So, now in
15 terms of -- let's hear from David Coleman.

16 MR. COLEMAN: My name's David Coleman and I
17 appreciate you allowing me to speak. The property that
18 Bottle Rock sits on is part of a homestead that my great-
19 grandfather established and so my family has adjacent
20 property. And I think it's very important that something
21 is in place to see that the property is restored in case
22 the power plant is no longer able to function.

23 They're running around eight megawatts, maybe
24 slightly more, but they don't seem to be moving forward.
25 And so my concern is if they fail, there's only

1 accountability from an LLC, they have no assets. And I'd
2 just like to see this thing go forward.

3 CHAIRPERSON WEISENMILLER: Okay, thank you.

4 Bottle Rock, Mr. Harms?

5 MR. HARMS: Good morning. I'm Brian Harms, I am
6 the General Manager and the President of Bottle Rock Power,
7 LLC.

8 I basically just wanted to introduce myself. I
9 have both the responsibility and the authority to make all
10 decisions associated with Bottle Rock. So, in resolving
11 this complaint I will be the person that makes those
12 decisions.

13 It is Bottle Rock's position that this complaint
14 should be dismissed. Further, Bottle Rock, while we do not
15 disagree with the staff's recommendation regarding a
16 special committee, I do not necessarily agree with all of
17 the content in their staff report.

18 That said, I am still willing to work in good
19 faith with a committee, if established today, to resolve
20 this complaint and to have it dismissed on the merits of my
21 argument, not necessarily on the lack of merits of the
22 complaint.

23 Thank you and I'm willing to answer or attempt to
24 answer any questions that you might have of me this
25 morning.

1 CHAIRPERSON WEISENMILLER: Okay. Well, thanks
2 for your participations. Let's turn to who's on the phone.
3 We have a comment, certainly.

4 Yeah, you can sit down, yeah.

5 On the phone, I think Mr. Hamilton -- let me see,
6 Hess, please go -- please speak.

7 MR. HESS: Yes, thank you for the opportunity to
8 reinforce the letter which I submitted to the Commission
9 regarding this matter.

10 Our position, as Friends of Cobb Mountain, a
11 citizens' organization in the region of Cobb, in various
12 relation to the location of the power plant and we support
13 Mr. David Coleman's petition. We support the appointment
14 of the committee to resolve the issue.

15 And we point out the seriousness of the proposed
16 elimination of language in the sales agreement between
17 Bottle Rock Underwater Resources and Bottle Rock Power that
18 would relieve the Department of Water Resources from the
19 responsibility, which they accepted when they signed that
20 agreement, the responsibility to keep sufficient insurance
21 on the plate in order to cover the cost of abandonment when
22 that time eventually comes, and for the restoration of the
23 area to its original, natural condition with the removal of
24 the power plant, and the pipelines, and the drilling pads,
25 and all pertinent facilities.

1 So, that is my request of you today, that you
2 appoint the committee for the resolution of this issue.
3 Thank you.

4 CHAIRPERSON WEISENMILLER: Thank you.

5 Commissioners, any questions or comments?

6 COMMISSIONER DOUGLAS: Just a brief comment. I
7 have reviewed the complaint, and staff's response, and
8 certainly appreciate hearing from the complainant, and
9 Bottle Rock, and the public commenter today.

10 I would be supportive of moving forward with
11 establishing a committee, today, to ensure that we have
12 some timely resolution of the issue that's been brought to
13 us, if that's what the Commission would choose -- if that's
14 what the Commission would like to do.

15 CHAIRPERSON WEISENMILLER: Yeah, I think that
16 makes sense. I think certainly the message to Bottle Rock
17 is that we license the plant, we put conditions and one of
18 the conditions is to make sure that things are in fact
19 decommissioned properly.

20 And we're certainly part of an Administration
21 that believes very strongly in environmental values. And
22 we will review the record and make a decision on it.

23 But, certainly, moving forward we want to make
24 sure that if and when the plant is shut down that it's
25 remediated totally.

1 So, do you want to make the motion? Okay, so I
2 make the motion that we set up a special committee.

3 All those in favor or a second?

4 COMMISSIONER DOUGLAS: We need to identify the --

5 CHAIRPERSON WEISENMILLER: Well, actually, I was
6 going to do it in two parts.

7 COMMISSIONER DOUGLAS: Oh, two parts, okay, to
8 establish a committee and identify. Okay, so --

9 COMMISSIONER MC ALLISTER: I'll second.

10 CHAIRPERSON WEISENMILLER: Sorry, let's go back
11 to -- so, at this point we're establishing a special
12 committee.

13 COMMISSIONER DOUGLAS: All right, and we have a
14 motion and a second.

15 CHAIRPERSON WEISENMILLER: All those in favor?

16 (Ayes)

17 CHAIRPERSON WEISENMILLER: So, the motion is
18 passed.

19 In terms of the committee members, Commissioner
20 Douglas will be the presiding member and I'll be the second
21 member is what I propose.

22 COMMISSIONER DOUGLAS: Move approval.

23 COMMISSIONER PETERMAN: I'll second.

24 CHAIRPERSON WEISENMILLER: All those in favor?

25 (Ayes)

1 CHAIRPERSON WEISENMILLER: The committee is
2 established.

3 COMMISSIONER DOUGLAS: All right. Well, thank
4 you Chairman Weisenmiller and Commissioners. I'll look
5 forward to working on this with you. And we'll look
6 forward to, as I said before, a speedy review and
7 resolution of the issue.

8 CHAIRPERSON WEISENMILLER: That's right, we'll
9 work with the Hearing Office to set up a hearing and move
10 forward.

11 Let's go on to this next item, Item 4, Huntington
12 Beach Units 3 and 4 Retool Project, 00-AFC-13C.

13 Christine Stora.

14 MS. STORER: Yes, good morning Commissioners.
15 Again, my name is Christine Stora and I'm the Compliance
16 Project Manager for the Huntington Beach Retool Project
17 Unit 3 and 4.

18 This morning I have Stephen O'Kane to give you a
19 brief talk on what a synchronous condenser is.

20 We have a PowerPoint presentation this morning
21 before I get into the amendment, because I believe it's
22 important to understand what a synchronous condenser is
23 before we discuss the amendment at hand.

24 And with that, I'm going to go ahead and turn it
25 over to Stephen O'Kane.

1 COMMISSIONER DOUGLAS: Can we see if the
2 microphone is still on at that podium?

3 MR. O'KANE: I think the microphone's on.

4 COMMISSIONER MC ALLISTER: Thank you. We're just
5 getting some feedback in the room so it would be nice to
6 figure that out.

7 MR. O'KANE: If I could get from help from IT as
8 this PowerPoint presentation is slowly coming up.

9 COMMISSIONER MC ALLISTER: I think that did it.

10 MR. O'KANE: Here we go. All right, I have a
11 very brief presentation. Thank you, Commissioners. My
12 name is Stephen O'Kane. I'm with AS Huntington Beach, LLC.
13 We are the operators of Huntington Beach 3 and 4, under a
14 lease from the applicant, Edison Mission Huntington Beach.

15 Very briefly, here, what is a synchronous
16 condenser and why would we want to do this project?

17 A synchronous condenser really is a device that
18 supports the transmission grid by providing voltage
19 support. It supplies VARs when either under-excited or
20 over-excited on the transmission grid.

21 I mean it's a very technical answer there, but
22 what it does is actually help us move energy through the
23 wires.

24 I remember I had a professor who used to explain
25 it to me; it's kind of like water in a pipe. You can move

12

1 water down the pipe but if there's air bubbles in it, you
2 can't move as much water.

3 So, think of the synchronous condenser as like
4 taking the air bubbles out of that pipe and you can move
5 more water.

6 So, if the voltages are exactly synchronized,
7 hence the name synchronous condenser, we can move more
8 energy down the lines.

9 And unlike energy, which we can wheel around the
10 country, we can buy energy in places in Nevada and move it
11 all the way to Southern California. Voltage support is
12 very locationally specific. We cannot buy that type of
13 ancillary service on the transmission grid then use it to
14 support another location.

15 So, the Huntington Beach Units 3 and 4 are
16 extremely important in their location in Southern Orange
17 County with the potential long-term outage of SONGS, the
18 SONGS units. The SONGS unit and Huntington Beach are both
19 connected to the same substation and, therefore, managing
20 that voltage support allows us to avoid any traffic jams,
21 so to speak, in the transmission system.

22 A synchronous condenser, physically, is an
23 electric motor that synchronizes the voltage on the grid.
24 And a generator can be very easily converted into that
25 condenser.

1 And we now -- now that Huntington Beach 3 and 4
2 have been retired as power generating units, they will no
3 longer have steam being produced to make generation, we
4 have four electric generators that can be used for
5 precisely this voltage support without any air emission
6 sources, without any fossil fuel production. It is simply
7 motors that will be used to manage the voltage on the
8 system.

9 So, this is a diagram of what one of the steam
10 turbines and generators are at Huntington Beach and I can
11 briefly describe how this synchronous condenser project
12 would work.

13 On the left-hand side we can see the steam
14 turbine, which drives the generator. We would disconnect
15 that steam turbine as there's no longer any mechanism for
16 making steam at Huntington Beach 3 and 4, leaving the
17 generator, and the boiler feed pump, and fluid drive on the
18 right-hand side.

19 We would remove those units, the boiler feed pump
20 and the fluid drive, leaving just the generator and then
21 have to install a small pony motor, as we call it, to start
22 that generator spinning and get it to synchronize to the
23 electrical grid.

24 It's already fully interconnected to the
25 electrical transmission grid through the switch yard at

1 Huntington Beach 3 and 4. Some additional controls would
2 have to be installed but, for the most part, it is just
3 disconnecting this generator from the mechanical systems
4 that currently drive it, installing a new one, a very small
5 pony motor to drive it, and some controls.

6 So, the physical works to actually convert it are
7 actually very minor.

8 If I go to the next picture here, it's a -- this
9 is a shot of the Huntington Beach Generating Station,
10 Huntington Beach Units 3 and 4 are on the right-hand side,
11 and in that red box would be the area where this project
12 would -- the physical works for this project would entail.

13 Inside that red box is what we call the turbine
14 deck, and on that deck are the steam turbines and the
15 generators.

16 So, any physical work would actually take place
17 only there. There would be no major construction, no
18 tearing down of boiler stacks, that type of thing in this
19 project.

20 If I do a closer, more of a close-up view of
21 that, there we are, this is a picture of one of the
22 generators. As I said, there are four generators
23 associated with Huntington Beach 3 and 4, two per unit.

24 And what you're looking at in the foreground here
25 is what we call the boiler feed pump, which would be

1 removed. We would remove that and in its place there
2 install a small, electrical pony motor. It would be
3 driven -- this pony motor would be used just to simply
4 start the larger generator spinning so that it could
5 synchronize to the electrical grid.

6 And that is the bulk of the physical work that
7 would have to be done.

8 So, we would remove this piece of equipment,
9 install a new piece in its place, and some controls inside
10 our control room, and that would entail the entire physical
11 works of this project.

12 In terms of scale, the number of man hours,
13 construction, deliveries, that type of thing, when we
14 compare it to our normal maintenance, annual maintenance at
15 the generating station this is smaller. This is less
16 effort, less of a physical work than our normal annual
17 outages, boiler outages that we do each year and
18 significantly less than our major turbine outages, which we
19 usually do on a multi-year type cycle, depending on how
20 much use each turbine has.

21 So, very small physical construction works. Most
22 of the lead time comes in from the actual design of the
23 equipment and ordering of that small pony motor that needs
24 to drive that generator. Obviously, you can't buy one of
25 those off the shelf, we have to get that designed and

1 ordered through a vendor and company.

2 We would -- pending approval of Edison Mission
3 Huntington Beach's petition to amend we would be able to
4 begin work on this immediately. There's a little bit of
5 measurement, testing, design work that would need to be
6 done physically at the station. The bulk of the actual
7 construction work would occur in the April/May timeframe of
8 next year to be sure that we have this available, ready
9 online for the summer peak electrical season next year.

10 And that just concludes my presentation of
11 exactly what a synchronous condenser is and why it is
12 important. If you have any questions --

13 CHAIRPERSON WEISENMILLER: Certainly, thank you
14 for the presentation and for the explanation on the
15 synchronous condenser.

16 Commissioners, any questions or comments?

17 COMMISSIONER PETERMAN: Well, I'll just say,
18 again, thank you for the presentation. I thought that was
19 very concise and helpful, and I'm going to use that bubbles
20 in the water flow analogy myself.

21 I think providing VAR support in Southern
22 California is going to be critically important for
23 maintaining reliable power.

24 And it was good to have the explanation going
25 forward as to how this unit, even while not generating,

1 will be able to do that.

2 CHAIRPERSON WEISENMILLER: Christine? Staff?

3 No. Let's go back to --

4 MS. STORA: Again, thank you, Stephen O'Kane for
5 that presentation on the synchronous condenser.

6 So, to move on to my presentation on the actual
7 amendment of the Huntington Beach Generation Station Units
8 3 and 4 --

9 Sorry about the technical difficulties over here.

10 The Huntington Beach Generation Station Units 3
11 and 4 was certified by the Energy Commission as a 450-
12 megawatt natural gas-fired boiler retooling project located
13 in the City of Huntington Beach, in Orange County, on May
14 10th, 2001.

15 On August 20th, 2012, the California ISO, in its
16 addendum to the 2013 Local Capacity Technical Analysis
17 Report, identified the need to convert the Huntington Beach
18 Units 3 and 4 to synchronous condensers, as we just saw in
19 Stephen O'Kane's presentation.

20 This is in the absence of the generation capacity
21 at the San Onofre Nuclear Generation Station, also known as
22 SONGS.

23 On October 5th, 2012, Edison Mission Huntington
24 Beach, LLC filed a petition with the California Energy
25 Commission to convert Units 3 and 4 from electric utility

1 steam generators to synchronous condensers to provide
2 voltage support, as identified by the CalISO.

3 After the conversion, fuel will no longer be
4 combusted at Units 3 and 4.

5 Energy Commission staff reviewed the petition and
6 proposes to remove air quality conditions of certification,
7 AQ-1 through AQ-11, and AQC-1 through AQC-5 since they no
8 longer will be relevant to the project.

9 Staff is also recommending two new conditions,
10 AQSC-1 and AQSC-2, to address potential equipment and
11 fugitive dust emissions from the facility modifications and
12 operation of the project in synchronous condensers.

13 A comment was received from the California
14 Department of Transportation, District 12, stating that if
15 any work occurs in the vicinity of the Department's right-
16 of-way that an encroachment permit would be needed.

17 This project does not propose any construction
18 activities on the Department's right-of-way. However,
19 should this change, Edison Mission Huntington Beach, LLC
20 would be required to obtain an encroachment permit from the
21 California Department of Transportation under the existing
22 condition of certification Trans-2.

23 Staff is -- it's also important to note that I
24 have received no other comments, other than that one
25 comment.

1 Staff is also recommending that the Energy
2 Commission approve the project modification and the
3 associated revisions to the Air Quality Conditions of
4 Certification based upon staff's findings and the need for
5 the synchronous condenser.

6 I also have Edison Mission representatives here
7 today, too, if you'd like to hear from them.

8 CHAIRPERSON WEISENMILLER: Sure, from Edison?
9 Edison Mission, excuse me.

10 MS. LEE: Good morning and thank you for your
11 attention, and staff thank you for your hard work in your
12 report.

13 My name is Jennifer Morris Lee and I'm the Vice-
14 President of Edison Mission Huntington Beach, LLC.

15 Do you have any questions or --

16 CHAIRPERSON WEISENMILLER: No. Certainly, we
17 want to thank you for your participation in this project.
18 And it's sort of an unusual project in general, and
19 certainly an unusual plan because, actually, it's a three-
20 part arrangement. But certainly getting -- appreciate
21 having your presence here today to indicate Mission's
22 priority for this.

23 MS. LEE: Absolutely, our pleasure. Thank you.

24 COMMISSIONER MC ALLISTER: Yeah, so I would just
25 point out that this is part of a big puzzle. It's a pretty

1 large piece of the puzzle, it's an important piece of the
2 puzzle to -- as we approach next summer and look at the
3 possibilities, and figure out -- look at contingencies and
4 look at planning for making sure that we have reliable
5 power throughout Southern California for next summer.

6 So this is, I think, a relatively benign piece of
7 that puzzle and one that's pretty straight forward to help
8 us ensure that we have the reliability that everybody
9 expects.

10 And this is a foundational piece, I think, to
11 have, to enable some of the other discussions around what
12 the different strategies and opportunities are to find
13 solutions for the longer term that can -- you know, once
14 we're over the hump for getting past the SONGS issue, I
15 think we're going to have learned a lot that's going to
16 help us do planning for the long haul.

17 But this piece, I think, is an important one to
18 ensure that we get where we need to be in the very near
19 term, and through to 2020 if that's necessary, as we
20 consider all these other pieces.

21 So, I think the parties are kind of working
22 together and kind of see that necessity, and I appreciate
23 that.

24 COMMISSIONER DOUGLAS: I just wanted to say,
25 briefly, I agree with the comments made by my colleagues so

21

1 far about the importance of this project, particularly as
2 we look at getting the pieces in place to ensure
3 reliability next summer.

4 And I also appreciate staff's through
5 environmental review of the project and I'm satisfied that
6 this amendment would, in fact, be able to go forward and
7 that the environmental review demonstrates no significant
8 adverse impact.

9 And so, you know, I think this is a very clear
10 action that we should take today to approve the amendment.

11 And I appreciate staff's work and Edison Mission
12 coming forward with this proposal.

13 CHAIRPERSON WEISENMILLER: Yeah, and again I'll
14 talk about the barter issues afterwards, but in terms of at
15 this moment looking just at the environmental impact of the
16 amendment I think there's been a very thorough analysis of
17 that. It's fairly clear that this is a reasonable step at
18 this point.

19 And I'm looking for a motion.

20 COMMISSIONER DOUGLAS: I will move approval of
21 Item 4.

22 COMMISSIONER MC ALLISTER: I'll second.

23 CHAIRPERSON WEISENMILLER: All those in favor?

24 (Ayes)

25 CHAIRPERSON WEISENMILLER: This item is passed

22

1 unanimously.

2 I had indicated I was going to talk a little on
3 the broader context after we addressed the issue in front
4 of us, you know, the reasonableness of the amendment.

5 And again I think looking at, without San Onofre,
6 there's two issues in the L.A. Basin. One is resource
7 adequacy and the other is reactive power.

8 In terms of resource adequacy, obviously,
9 retiring Huntington Beach is a step downward of 450
10 megawatts.

11 But when you look at the projects that we hope
12 are coming online in the summer, in terms of Sentinel,
13 Walnut Creek, and El Segundo, that there will be enough
14 resource adequacy so that it comes back to reactive power.

15 And I remember talking to Edison last summer, a
16 lot of it was not basin by basin but, literally, it was
17 looking at individual substations in Orange County and San
18 Diego County, and seeing if those were getting into voltage
19 overload.

20 So again, as was indicated, it doesn't matter if
21 there's a lot of energy in the State, it doesn't matter if
22 there's a lot of energy in L.A. it's, you know, do you have
23 the power exactly where you need it and can you basically
24 move.

25 And as indicated, SONGS was a very strong

1 contributor of reactive power, you know, sort of pressure
2 to move water through the pipes analogy. And without that,
3 the synchronous condenser is a huge part -- well,
4 Huntington Beach 3 and 4 was a huge part this summer and at
5 this point the synchronous condenser provides the bulk of
6 that.

7 The other pieces are sort of the Barre Ellis is
8 being split, reconfigured. And, frankly, there are
9 difficulties in the timing on pulling that off. And in
10 addition, their capacitor is going into four or five
11 substations in sort of the Orange County and San Diego
12 County.

13 And again, Edison is -- you know, last time I
14 talked to Litzinger there were really pushing to get stuff
15 done, although sort of the message is a lot of things it's
16 sort of hard to move fast.

17 So, this may be our major piece of the puzzle is
18 getting this done.

19 And as you know at this stage -- and today we
20 looked at the environmental effects brought off the
21 amendment that CalISO has made. And I have to put a lot of
22 credit for this particular approach to the CalISO and sort
23 of -- and also, obviously, to AS and Mission working on
24 that. But, you know, it's been sort of at the top of their
25 list since August, at least to make it happen. And I know

1 people have spent probably every day sweating on making it
2 happen.

3 At this point there are two applications at FERC.
4 One is for the RMR status. And in that they basically
5 included a letter we had filed with the Board, to the ISO
6 Board about the role of this plant on reliability.

7 The other one that's pending is -- having said
8 this is a multi-party arrangement, AES operates the
9 facility, but it's marketed by JP Morgan. And there's a
10 question of whether JP Morgan has to give consent for this
11 conversion.

12 And at this point there is an amendment, there's
13 an application at FERC, filed by the ISO, for FERC to
14 order -- well, actually, to find either that the consent is
15 not required or to order JP Morgan to basically get out of
16 the way.

17 And so in that context comments are due today.
18 The Governor filed a letter yesterday supporting the ISO
19 application. And now that we've decided that this is
20 environmentally acceptable, I'm also sending a letter to
21 FERC noting the importance for the reliability of the
22 California system of this moving forward, and that the JP
23 Morgan issues be dealt with.

24 So, I think with that, Chief Counsel's Report.

25 MR. LEVY: Good morning Commissioners. I have no

25

1 report today.

2 CHAIRPERSON WEISENMILLER: The Executive
3 Director's Report?

4 MR. OGLESBY: Nothing to add today.

5 CHAIRPERSON WEISENMILLER: The Public Adviser's
6 Report.

7 MS. JENNINGS: I have nothing to report. Thank
8 you.

9 CHAIRPERSON WEISENMILLER: Thank you.

10 Public comment?

11 This meeting is adjourned.

12 (Whereupon, at 10:39 a.m., the business
13 meeting was adjourned.)

14 --oOo--

15

16

17

18

19

20

21

22

23

24

25

REPORTER' S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of December, 2012.

Kent Odell

Kent Odell
CER**00548

TRANSCRIBER'S CERTIFICATE

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

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

IN WITNESS WHEREOF,

I have hereunto set my hand this 3rd day of December, 2012.

Barbara Little

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