

INFORMATIONAL HEARING AND  
U.S. DEPARTMENT OF ENERGY SCOPING MEETING  
BEFORE THE ENERGY RESOURCES CONSERVATION AND  
DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the: )  
)  
Amended Application for Certification )  
for the Hydrogen Energy California )  
Project )  
\_\_\_\_\_ )

Docket No.  
08-AFC-08A



ELK HILLS SCHOOL  
501 KERN STREET  
TUPMAN, CALIFORNIA

THURSDAY, JULY 12, 2012

6:00 p.m.

Reported by:  
Ramona Cota  
Contract No. 170-09-002

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Andrew McAllister, Associate Member

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SCS Energy, LLC

Dale Shileikis  
Julie Mitchell  
URS Corporation

INTERVENORS

Tom Frantz  
Association of Irrigated Residents (AIR)

Andrea Issod  
Kern-Kaweah Chapter of the Sierra Club

GOVERNMENTAL AGENCIES

John Rockey  
Fred Pozzuto  
United States Department of Energy (DOE)

Tim Kustic  
Department of Conservation  
Office of Governmental and Environmental Relations  
Department of Oil, Gas & Geothermal Resources (DOGGR)

Leonard Scandura  
San Joaquin Valley Air Pollution Control District

Dan Bartel  
Buena Vista Water Storage District

Gary Hamilton  
West Kern Water District

The Honorable Harvey L. Hall, Mayor  
City of Bakersfield

Lorelei Oviatt  
County of Kern Planning and Community Development

Brian Marshall, Fire Chief  
County of Kern

Craig Pope, Roads Commissioner  
County of Kern

Nancy Ewert  
County of Kern

David Couch, Councilman  
City of Bakersfield

Jeff Tensley, Superintendent/Principal  
Elk Hills School District

ALSO PRESENT

Kevin Hall  
Central Valley Air Quality Coalition

Mark Romanini

Chris Romanini

Arthur Unger

Trudy Douglass

Gordon Nipp  
Sierra Club

Christina Snow

Ron James  
International Union of Operating Engineers, State Local 12

Mark Lambooy, Pacific Growers

Beau Antongiovanni

Regina Houchin

Don Van

Marvin Dean

Justin Bone

Richard Chapman  
Kern Economic Development Corporation

Ben McFarland  
Kern County Farm Bureau

Edward Kosareff

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1 the applicant's environmental consultant.

2 PRESIDING MEMBER DOUGLAS: All right. And staff,  
3 please.

4 MR. WORL: My name is Bob Worl, I'm the project  
5 manager for the project.

6 MS. DeCARLO: Lisa DeCarlo, Energy Commission  
7 staff counsel.

8 HR. HEISER: John Heiser with the Energy  
9 Commission, project manager.

10 PRESIDING MEMBER DOUGLAS: Thank you. And  
11 Department of Energy?

12 MR. ROCKEY: (microphone not on) John Rockey, the  
13 project manager. John Rockey, the federal project manager  
14 for the Department of Energy.

15 PRESIDING MEMBER DOUGLAS: We do need, we do need  
16 you to be on the microphone so the people on the phone can  
17 also hear so let's get the microphone working.

18 MR. ROCKEY: John Rockey, the project manager from  
19 the Department of Energy.

20 MR. POZZUTO: Fred Pozzuto, the environmental  
21 manager with Department of Energy.

22 PRESIDING MEMBER DOUGLAS: Thank you both. Now we  
23 have a number of intervenors in this case and so I'll read  
24 out the name of the organization and ask representatives to  
25 step forward and identify themselves beginning with Sierra

1 Club. Is there anyone here representing the Sierra Club?

2 MS. ISSOD: I'm Andrea Issod with Sierra Club.

3 And I'm here with a few other people.

4 PRESIDING MEMBER DOUGLAS: Thank you. Association  
5 of Irritated Residents?

6 MR. FRANTZ: Tom Frantz, Kern County Resident.

7 PRESIDING MEMBER DOUGLAS: Thank you. Is anyone  
8 here from the California Unions for Reliable Energy?

9 (No response.)

10 Environmental Defense Fund?

11 (No response.)

12 Natural Resources Defense Council?

13 (No response.)

14 All right. So we have gone now through the  
15 parties and through the Department of Energy. I am now  
16 going to ask representatives of -- well first I'll ask if  
17 there are any local elected officials present who would like  
18 to come forward and introduce themselves at this time?

19 Mayor Evans (sic).

20 MAYOR HALL: Good afternoon, I'm Mayor Hall from  
21 the city of Bakersfield.

22 PRESIDING MEMBER DOUGLAS: Mayor Hall.

23 MAYOR HALL: I want to express to the Commission  
24 and the Department of Energy my personal appreciation for  
25 you conducting this informal informational hearing for the

1 people of Bakersfield and Eastern Kern and also over on the  
2 west side here.

3           You know, this is a very worthwhile project, I  
4 believe, when you consider that we are going to provide a  
5 number of construction jobs and sustaining jobs once the  
6 facility is completed. You know, we care a lot about  
7 unemployment in our city and in our county and certainly  
8 this is going to be beneficial to that when it's completed.

9           I think also we have to pay particular attention  
10 to the impact on the economy that this project will provide  
11 Bakersfield residents, the city of Bakersfield, the county  
12 of Kern, with all of the amount of work that is going to go  
13 into building this, this facility, you know.

14           And people every day are concerned about their  
15 energy and how we are going to create more opportunities for  
16 affordable energy. And certainly when you talk about  
17 providing energy to 160,000 homes in Kern County that makes  
18 a difference in how we approach our energy cost and our  
19 electrical power.

20           I think it's good that we have cooperative  
21 partners over here on the west side that are willing to come  
22 forward and help, specifically the Buena Vista Water Storage  
23 District is a part.

24           And, you know, I think with the applicant they  
25 have continued to do a marvelous job of community outreach.

1 They have the facility based in Buttonwillow where people  
2 after today if they have further questions they can go to  
3 the company's site in Buttonwillow to get more information.

4 Often people get alarmed when they can't secure information  
5 and I think the company has done an outstanding job with  
6 community outreach.

7 I think they have done a lot of good efforts with  
8 community service projects and doing the right thing to help  
9 families and children in our community with a number of the  
10 good donations that they have done to help with making life  
11 better in Bakersfield and Kern County.

12 And thank you again for taking the time to conduct  
13 this informational hearing today. Thanks very much.

14 PRESIDING MEMBER DOUGLAS: Thank you, Mayor Hall,  
15 thank you for being here.

16 Let me ask at this time if there are any other  
17 local elected officials who would like to come forward?

18 (No response.)

19 All right, we'll go on for now. If any local  
20 officials come later or would like to be recognized we could  
21 do that.

22 Let me ask now if there are any representatives of  
23 public agencies, local, state or federal agencies, present  
24 today?

25 MS. OVIATT: Thank you. I'm Lorelei Oviatt, I am

1 the Director of Kern County Planning and Community  
2 Development; welcome to Kern County. I would like to defer  
3 my comments until after you have made your applicant  
4 presentations.

5 I would like to note, although he didn't come  
6 forward, that Supervisor-Elect David Couch, who is also a  
7 City of Bakersfield City Councilman, is here and interested  
8 in all of the proceedings. So I will defer my opportunity  
9 to speak until later. Thank you.

10 PRESIDING MEMBER DOUGLAS: Thank you. Any other  
11 representatives of public agencies?

12 MR. KUSTIC: Tim Kustic, I'm the State Oil and Gas  
13 Supervisor, the head of the Division of Oil, Gas &  
14 Geothermal Resources. I don't know that we are going to  
15 make comments tonight but we will be the regulatory entity  
16 for -- well, we are right now the regulatory entity for Elk  
17 Hills Oil Field.

18 PRESIDING MEMBER DOUGLAS: Thank you, thanks for  
19 being here.

20 Other representatives of public agencies?

21 MR. BARTEL: Hello, I'm Dan Bartel, I'm a  
22 consultant for Buena Vista Water Storage District, formerly  
23 the general manager there.

24 And I would just like to let the California Energy  
25 Commission know that for decades Buena Vista has been

1 looking for somewhere to put a brackish water supply to help  
2 our growers, help our groundwater basin in the local  
3 environment here.

4           And we always thought that if we had a power plant  
5 located nearby we could send a brackish water supply there.

6           And so lo and behold, Hydrogen Energy came along and it's a  
7 perfect marriage between a water supply source that was  
8 thought of prior to the project. And it's coming together  
9 really well and working with the Hydrogen Energy staff has  
10 been a pleasure and we look forward to a program with them.

11           PRESIDING MEMBER DOUGLAS: Thank you. Let me just  
12 ask at this time, can everybody hear? Can the people in the  
13 back of the room hear when the speakers come up?

14           (Affirmative responses.)

15           Good, good, all right. Please come forward.

16           MR. SCANDURA: Leonard Scandura, Permit Services  
17 Manager with the San Joaquin Valley Air Pollution Control  
18 District. We will be working with the Energy Commission in  
19 preparing our Determination of Compliance for this project.

20           PRESIDING MEMBER DOUGLAS: Thank you. Other  
21 representatives of public agencies?

22           MR. HAMILTON: Good evening, I am Gary Hamilton  
23 with West Kern Water District. We will be providing the  
24 potable water for the project when it's, when and if it's  
25 complete.

1                   PRESIDING MEMBER DOUGLAS: Thank you. Any other  
2 public agencies?

3                   (No response.)

4                   All right. So with that, thank you again for  
5 coming forward and I'll turn this over to the hearing  
6 officer.

7                   HEARING OFFICER RENAUD: Thank you, Commissioner  
8 Douglas. Just a couple of opening comments about what we  
9 are doing here before we proceed into a presentation by the  
10 Energy Commission staff. Could I have the next slide,  
11 please. Thanks.

12                   The purpose of today's proceeding is to provide  
13 the public and the parties and the Committee with an  
14 opportunity to learn more about the proposed Hydrogen Energy  
15 California project. On June 15th the Energy Commission  
16 published notice of today's events and also mailed notice to  
17 parties, adjoining landowners and interested governmental  
18 entities.

19                   You will hear the term "parties" quite a bit  
20 throughout the proceeding. And "parties" is maybe a word  
21 you would hear around a court proceeding like the plaintiff  
22 and the defendant or something like that. Here we have in  
23 our Energy Commission licensing proceedings we have an  
24 applicant and we have staff, Energy Commission staff who  
25 review the project, and then we have intervenors.

1           And intervenors are members of the public who can  
2 participate in the proceeding by filing a petition to  
3 intervene and at that point they have all of the privileges  
4 and rights and duties of a party, including the ability to  
5 obtain information from the other parties and present  
6 evidence at our hearings. The Public Adviser, Jennifer  
7 Jennings, is in the back of the room standing there at the  
8 table. And any of you who are interested in intervening can  
9 speak with her and she'll help you with that. As  
10 Commissioner Douglas said, we already have several  
11 intervenors.

12           The Energy Commission is a body of five  
13 Commissioners who are appointed by the Governor. Currently  
14 there is one vacancy on the Commission so there are four  
15 sitting Commissioners. And for power plant siting  
16 proceedings a committee of two Commissioners is appointed  
17 and so they are here with us tonight.

18           The Committee's job is to eventually issue a  
19 Presiding Member's Proposed Decision, which constitutes a  
20 thorough environmental analysis of the impacts of the  
21 proposed project and contains recommendations concerning the  
22 project, which are made to the full Energy Commission which  
23 then would decide or vote on whether or not to adopt the  
24 proposed decision. Mike, the next slide, please, thanks.

25           That decision is made upon the basis of the public

1 record and that means that it is only based upon documents  
2 and evidence and testimony that are brought out in public  
3 proceedings.

4           We want to make sure Energy Commission siting  
5 proceedings and all proceedings are as open and transparent  
6 and available to the public as possible. So we make sure  
7 that no contacts or discussions concerning aspects of the  
8 project are permitted to take place between the parties and  
9 the Commissioners or their advisors, this committee or  
10 myself, the hearing officer. All such discussions must be  
11 in a public place in a meeting that has been noticed such as  
12 this meeting today. Next slide, please.

13           So that kind of gives you a basis or I hope just a  
14 brief understanding of how our proceedings work and what we  
15 are doing here. This is kind of the first step in the  
16 public process where you get a chance to see the site and  
17 address the Committee and listen to presentations about,  
18 about the project.

19           We have scheduled our public comment period to  
20 begin at seven o'clock. I, from experience, kind of guess  
21 that we are going to be a little late on that. But we'll be  
22 here to listen to your comments once the presentations have  
23 concluded.

24           Commissioner Douglas has made a good point to me  
25 and that is about the ex parte rule, about communications.

1 Any communications period, with anybody, between anybody and  
2 the decision-makers, need to be made in a public forum.  
3 Again, it's just to make sure that all such discussions,  
4 conversations and so on are public and on the record.

5           Okay, with that I think we'll move to the staff  
6 presentation. Mr. Worl, if you're ready.

7           MR. WORL: Good evening. My name is Bob Worl and  
8 I am the project manager for Hydrogen Energy. I was --  
9 actually when the project was first filed in 2008 I  
10 participated in some of the early phases of the project and  
11 now I'm back, as is HECA, or Hydrogen Energy California.

12           The purpose of my talk is to just give you a  
13 little idea of what the Energy Commission's role is from the  
14 staff perspective. We're charged with ensuring a reliable  
15 supply of electrical energy is maintained at consistent  
16 levels, subject to the needs for the protection of public  
17 health and safety and for the promotion of general welfare  
18 and environmental quality protection.

19           The Energy Commission's role, which Raoul has  
20 reiterated in terms of the actual documentation and the  
21 culmination of the process, staff's role is to begin the  
22 analysis, to undergo discovery and to do this consistent  
23 with the California Environmental Quality Act, CEQA.

24           I'm going to -- just to let you know, I am going  
25 to go quickly through some of this stuff because it's

1 somewhat repetitive of others so don't be alarmed. This and  
2 all of the presentations will be available to you. All you  
3 have to do is get a hold of us and we can make that  
4 available.

5           The Energy Commission staff works closely with  
6 local, state and other federal agencies as well as other  
7 parties, local institutions, the intervenors, everybody.  
8 Staff's job is to do an analysis that takes into  
9 consideration points of view expressed to ensure that we do  
10 a thorough analysis of the issues that are raised. And so  
11 we listen to all of the parties and all of the public and  
12 their concerns and comments.

13           We work also closely with the county; in this  
14 instance we'll be working with Kern County. We are in the  
15 early stages of looking at this project the way that it has  
16 been amended under new ownership, SCS Energy, LLC. There  
17 have been some changes to the project so it's an amended  
18 project.

19           So we will begin working with all of the agencies  
20 to work out the various roles and the various concerns that  
21 are, that are raised in the process.

22           We also work with the Department of Fish and Game,  
23 the regional water control board, and this instance also  
24 Buena Vista.

25           And we work with the Office of Historical

1 Preservation, Native American Heritage Commission,  
2 Department of Commerce, Division of Oil, Gas & Geothermal  
3 Resources.

4 With, obviously, Elk Hills, the Elk Hills oil  
5 field. The Occidental Petroleum oil field is an integral  
6 part of what's proposed by the Hydrogen Energy Project.

7 We also work with Fish and Wildlife Service where  
8 that is appropriate and any other agencies that, that are  
9 involved.

10 The Energy Commission and the Department of Energy  
11 in this case for this project, because of it's eligibility  
12 for federal funding through the Department of Energy, we  
13 will be working closely with, with them in terms of this  
14 process.

15 At this time our intention is to prepare a single,  
16 environmental analysis that will take into consideration  
17 requirements of both the state CEQA and also the federal  
18 NEPA concerns for the project. And part of that is holding  
19 this joint site visit/informational hearing with our federal  
20 counterparts. There they are.

21 We need to work closely with the county. In this  
22 instance there are a number of aspects to this project that  
23 are different than a traditional power plant. We'll be  
24 exploring all of those and we'll be exploring the joint  
25 responsibility to ensure that the project complies with

1 local laws, ordinances, regulations and standards as we move  
2 forward and that our process considers those as well.

3 Our licensing process, many people don't really  
4 understand. It's very complex until you've participated in  
5 it. Then one of the, one of the good things is that it's a  
6 very open process. It not only allows but depends upon  
7 public participation, participation of other interested  
8 parties, agencies.

9 And basically we like to hold public meetings like  
10 this. This is being conducted by the Committee itself so  
11 it's a hearing. And most of the staff -- most of the staff  
12 events, which will also be public events, we term as  
13 workshops. Those will all be noticed in advance of the  
14 event. We will try to hold several of them in the local  
15 area where the project is and not try to hide our process in  
16 Sacramento. That's something -- the commitment that we make  
17 to our process.

18 The staff begins its discovery and analysis with  
19 the filing of the project. In this instance the project was  
20 already deemed data adequate some time ago. But with the  
21 change in ownership and some of the changes to the project  
22 itself we worked with the applicant and the other parties  
23 and agreed that beginning with a new completely new 365 day  
24 process was probably appropriate and we will be pursuing our  
25 schedule as if it were a newly data adequate project.

1           Discovery and analysis begins with an issues  
2 identification paper, a series of data requests that are --  
3 we call the discovery process. Public participation, as I  
4 mentioned, through workshops and hearings.

5           Our document, first document, will be a  
6 Preliminary Staff Assessment and we will solicit public  
7 comment on that. Usually the second document that we deal  
8 with is a Final Staff Assessment and that serves as staff's  
9 testimony at hearings on the project.

10           Now in this instance we are also working with the  
11 Department of Energy and the Department of Energy intends at  
12 this point in time to work with us. And our documents will  
13 be joined so that the document will also serve as a draft  
14 Environmental Impact Statement. And to that extent we will  
15 probably add some headings that people aren't very familiar  
16 with and might do some expanded discovery and analysis that  
17 will serve the NEPA process as well as the California  
18 Environmental Quality Act.

19           So this will be similar to a standard power plant  
20 process but considerably different in terms of our  
21 involvement with our federal and our county personnel. It  
22 will probably be more extensive than normally takes place.

23           After the Final Staff Assessment is issued, which  
24 in this instance will be a Final Staff Assessment and EIS,  
25 the Committee, which is over there, they are the decision-

1 makers, two of the decision-makers. Two of the five  
2 Commissioners. And they then will hold a hearing on the, on  
3 the Proposed Decision that they develop and will also --  
4 there will be also opportunity on the Final Staff Assessment  
5 for public comment at a -- they will hold an evidentiary  
6 hearing prior to developing their preliminary determination  
7 -- their Presiding Member's Proposed Decision.

8           And that hearing is very important. Intervenors  
9 are aware of the importance of the evidentiary hearing. And  
10 again, that's a more formal process than the Preliminary  
11 Staff Assessment that we will be issuing. They have also  
12 mentioned that when they prepare their Presiding Member's  
13 Proposed Decision that they will have -- that they will hold  
14 a hearing on that as well.

15           I think that that's pretty much it for our  
16 process. I will be available any time, either through  
17 emails or telephone calls if you have questions on the  
18 process, how it works, and we look forward to seeing you  
19 often. So thank you very much.

20           HEARING OFFICER RENAUD: Okay, thank you, Bob.  
21 Now I think we'll hear from the United States Department of  
22 Energy folks, let's get to their slides.

23           MR. ROCKEY: Thank you, Bob. Again, my name is  
24 John Rockey; I am the project manager from the Department of  
25 Energy. And the reason that myself and Fred Pozzuto are

1 here tonight is because the Department of Energy is co-  
2 funding this project through the DOE's Clean Coal Power  
3 Initiative Power Program. The Clean Coal Power Initiative  
4 was established into law in 2002 and it was designed to be a  
5 government/private sector partnership for advanced coal-  
6 fired electric power projects.

7 So HECA was chosen in this program. And the  
8 program was selected through a fair and open competition  
9 based on solicitations that we conduct called Funding  
10 Opportunity Announcements. And to get selected you have to  
11 apply and your project has to show improvements in  
12 efficiency and cost-competitiveness versus what is  
13 commercially available. In fact, this project is a first of  
14 a kind in terms of providing carbon capture and  
15 sequestration from a power plant.

16 So HECA applied, they were selected. And then  
17 after selected we negotiated with them and developed the  
18 project objectives, scope, schedule, so forth, for the  
19 project. And part of the project requirements are that the  
20 participant must pay at least 50 percent of the project  
21 cost. And in most cases, including this case, the  
22 participant is providing much more than that. Overall the  
23 DOE is providing about 10 percent of the overall project  
24 cost.

25 (Discussion regarding equipment not working.)

1 MR. ROCKEY: This is going to be really quick, I'm  
2 just about done. So I mentioned about the CCPI program.  
3 And we do Funding Opportunity Announcements and we have done  
4 three of those over the last ten years. HECA was selected  
5 under Round 3, which the main objective was to demonstrate  
6 technologies that capture and sequester carbon dioxide.

7 And specifically, some of the major goals that we  
8 had were targeting capture of 90 percent of the stream of  
9 gas that is being treated and reducing the costs to do this.

10 And the projects had to sequester a minimum of 300,000 tons  
11 per year of CO<sub>2</sub>. HECA is sequestering much more than that,  
12 around 3 million tons or so.

13 So DOE selected the project and we signed a  
14 cooperative agreement with them September of 2009. Our  
15 contribution to the project is \$408 million out of the  
16 estimated approximately \$4 billion.

17 Bob mentioned that the project was reconfigured  
18 under new ownership in September of 2011. And they recently  
19 amended their application with the CEC, which kind of kicked  
20 off this whole process beginning with this meeting tonight  
21 with the DOE.

22 And I want to just say one final thing is that  
23 most of the DOE funding for the project is coming from the  
24 American Recovery Act of 2009. You see the objectives  
25 there. And the funds for that program expire on September

1 30, 2015.

2 I'm going to briefly turn it over to Fred Pozzuto  
3 who is going to talk a little bit more about the NEPA  
4 process.

5 MR. POZZUTO: Hello everybody. I'd just like to  
6 thank again all the elected officials and county, state and  
7 the mayor of Bakersfield. It was very nice for him to take  
8 time, especially off-time hours, to come out here.

9 I don't want to belabor this process more than it  
10 is because we are trying to streamline this NEPA process,  
11 which is the National Environmental Policy Act process, to  
12 integrate it with the CEC's process so we don't become more  
13 bureaucratic than government agencies already are.

14 So this sort of cluttered slide here, you can see  
15 where we are in the process. Here where the AFC amendment  
16 was sent in by the HECA folks. For the discovery phase,  
17 this is with CEC.

18 There was a Notice of Intent by the Department of  
19 Energy put in the Federal Register to do an EIS/CEC joint  
20 document.

21 This Informational Hearing took place a few weeks  
22 ago in Sacramento and now we are here at the Public Scoping  
23 Meeting.

24 NEPA in general, beyond environmental concerns, is  
25 really -- was set up so the American public knows how the

1 federal government is spending their money. And like John  
2 said, we're contributing about ten percent to the project  
3 cost for this. But it is an integrated process that we've  
4 developed and the CEC has sort of bought into this slide.  
5 Anyhow, there will be another comment period later to the  
6 federal government and the CEC when this draft EIS is  
7 complete and when Bob's folks have done their preliminary  
8 and final, their staff assessments.

9 This Notice of Availability will also be put in  
10 the Federal Register. And the main item is that the DOE is  
11 not going to issue a Record of Decision after all this  
12 documentation until the decision is made in the -- the final  
13 decision here after the hearing phase by the CEC is when the  
14 DOE is going to make a Record of Decision.

15 Again, this is sort of a slide here that explains  
16 our process and it's an integrative process. This is a  
17 little bit of a time line. As best that we can guesstimate  
18 it the close of the comment period for the DOE, this is  
19 considered our scoping process, of what the public wants to  
20 have included in the EIS document, will run until the 27th  
21 of July. However, we do accept comments as they come in.

22 For anybody's information, in the back is a mailer  
23 if you do not want to come up and speak in the public forum.

24 It's on the back desk there if you want to write your  
25 comments down, mail them to me. We will share those with

1 the CEC and they will become part of the public record.

2 And the oral and written comments carry the same  
3 weight so whether you want to come up here and speak or  
4 write it. This writing is not going to come exclusively to  
5 the federal government, we're going to share this with CEC.

6 The one thing that I wanted to make a little bit  
7 clearer is in this one overall document is that there is  
8 really -- the only difference between ours, the Department  
9 of Energy's and the CEC's, will be really in two areas of  
10 study and that's the alternatives analysis and the purpose  
11 and need part of this document. The Department of Energy's  
12 alternative analysis is either going to fund the project or  
13 not fund the project.

14 Our alternative analysis -- our purpose and need  
15 rather, excuse me, is that our purpose and need is to try to  
16 advance this technology. The purpose and need of the CEC is  
17 to go through their entire process to make sure that all  
18 issues are addressed. And typically all the issues that we  
19 will always have in the public interest are environmental  
20 impacts regarding air quality, endangered species, cultural  
21 resources, economic impacts and job creation or impacts to  
22 non-job creation, social matters, environmental justice  
23 issues and safety and health concerns. For example, traffic  
24 and that sort of thing.

25 But again we want to emphasize this is an

1 integrated process. So even though the Department of Energy  
2 is sitting up here we are going to, as two agencies, going  
3 to integrate this into one single and complete document.

4           Again, the oral presentation is -- when the  
5 Department of Energy holds it is more of a hearing. We  
6 don't answer questions for you right now. We will answer  
7 them in response at some later date in the EIS. So it is  
8 not a question and answer period with us unless, unless we  
9 need some clarification.

10           So without any further delay I am going to pass  
11 this on to the HECA folks, Mr. Carroll, Ms. Mascaro, and  
12 they are going to really give you the full rundown of this  
13 proposed project. Thank you very much.

14           MS. MASCARO: Good evening. I am Marisa Mascaro  
15 from Hydrogen Energy California, or the HECA project as we  
16 call it. I'd like to thank the Commissioners and staff of  
17 the California Energy Commission, the Department of Energy,  
18 as well as the members of the local community for being here  
19 this evening. I would also like to thank the school for the  
20 use of their facilities.

21           Tonight I have a brief video and then a  
22 presentation. So I'll play the video first and then  
23 continue with some slides.

24           (A video was played.)

25           In my presentation this evening I'll give a brief

1 overview of the key features of the HECA project, its  
2 processes, the use of carbon dioxide for enhanced oil  
3 recovery and the economic and environmental benefits of the  
4 facility.

5           Hydrogen Energy California combines commercially  
6 demonstrated technologies into an integrated facility that  
7 will convert coal and petroleum coke to hydrogen for  
8 generating electricity, manufacturing fertilizer and other  
9 useful products, and capturing carbon dioxide for expanding  
10 the recovery of oil that remains in California's oil  
11 reservoirs.

12           This all-encompassing statement is meant to  
13 include all the various aspects of the HECA project. But  
14 first and foremost HECA is a power plant regulated by the  
15 California Energy Commission.

16           HECA is a 300 megawatt combined-cycle power plant  
17 with flexible baseload generation. It includes a  
18 manufacturing complex for fertilizers and other nitrogen-  
19 based products.

20           A key feature of the project is that it will  
21 capture 90 percent of its carbon dioxide during steady-state  
22 operations for sale to Occidental of Elk Hills, where they  
23 will use it for enhanced oil recovery or EOR. This means  
24 that approximately three million tons of carbon dioxide will  
25 be sequestered through enhanced oil recovery annually, which

1 is the equivalent of taking 650,000 cars off the road.

2 This slide shows a plant rendering with the basic  
3 components on it. There's also a poster board at the front  
4 if you'd like to take a look up close.

5 In simplified terms, the solid fuel, coal and  
6 petroleum coke, is brought to the site either via rail or  
7 via truck, where it is then put into a gasifier and  
8 converted to hydrogen through gasification, not through  
9 combustion. There is no burning of the coal or petcoke.

10 After gasification the carbon dioxide is stripped  
11 off and sent via a secure underground pipeline to Occidental  
12 of Elk Hills, where they will use it for enhanced oil  
13 recovery. The hydrogen can then be used to generate power  
14 and to manufacture fertilizers.

15 SCS Energy California acquired the HECA project in  
16 September of 2011 from the previous owners, BP and Rio  
17 Tinto. Although the project ownership has changed the key  
18 project features remain the same. HECA is hydrogen-fueled  
19 electric generation from fossil fuels, utilizing 90 percent  
20 carbon capture and storage. The site location remains the  
21 same, approximately seven miles from the western-most  
22 boundary of Bakersfield and two miles from Tupman.

23 HECA will preserve fresh water for agriculture by  
24 using brackish, non-potable water from the Buena Vista Water  
25 Storage District.

1           The HECA project will not discharge any waste  
2 water and this is what we call zero liquid discharge.

3           In addition HECA will continue to bring economic  
4 benefits to the county and state.

5           SCS Energy's design and their enhancements also  
6 resulted in some improvements to the project. We will be  
7 utilizing the hydrogen to create additional revenue streams  
8 to make cost-competitive clean power.

9           During periods of high electrical demand HECA will  
10 produce mostly electricity. If this were a typical power  
11 plant, during periods of low electrical demand the plant  
12 would sit idle, realizing no return on its capital  
13 investment. HECA though, during periods of low electrical  
14 demand, can use its hydrogen to create other products than  
15 electricity, and this is when we will make less electricity  
16 and more fertilizers.

17           Another important feature of the project is that  
18 it's dispatchable. And this means that the power is easily  
19 ramped up and down. And this is important because it  
20 complements and is a backup to renewable resources such as  
21 solar and hydro. So that if -- and also wind power. So  
22 that if, for example, the wind is not blowing, HECA can  
23 produce more power.

24           HECA also has included an option for a rail spur  
25 for feedstock and equipment delivery and product off-take.

1           As I've said, one of the key features of the  
2 project is 90 percent carbon capture and storage. The state  
3 of California has set aggressive greenhouse gas goals. And  
4 low-carbon baseload power and low-carbon manufacturing are  
5 essential to achieve the state's 2050 greenhouse gas goals.

6           As the graph shows, if the status quo were to  
7 continue, carbon dioxide emissions would continue to  
8 increase. But the state is seeking to achieve an  
9 approximately 80 percent reduction in greenhouse gas  
10 emissions by 2050. To do this the state of California will  
11 need to nearly eliminate all greenhouse gas emissions from  
12 the electricity sector.

13           The state can do this through renewable resources,  
14 solar, wind, hydro, or through the use of fossil fuels and  
15 carbon capture and sequestration. The state will also need  
16 to transform all transportation fuels to low to zero carbon  
17 and will need to dramatically reduce or eliminate the carbon  
18 footprint of all manufacturing, including fertilizers.

19           The site location remains the same as under the  
20 previous ownership. The site consists of 453 acres that  
21 will be used for a process area and 653 acres that will be  
22 used as a buffer and remain in active agriculture.

23           After an extensive site selection process the site  
24 was chosen because it is close to the enhanced oil recovery  
25 site and is also approximate to key features required by a

1 power facility such as water supply and electric  
2 transmission.

3 HECA will be capturing three million tons a year  
4 of carbon dioxide and selling it to Occidental of Elk Hills.

5 Occidental of Elk Hills is an ideal location for carbon  
6 dioxide enhanced oil recovery for a few reasons.

7 First, because Elk Hills has been in operation for  
8 100 years it contains mature wells that need the carbon  
9 dioxide enhanced oil recovery to extend their useful  
10 production life.

11 Second, again because of the age of the field, the  
12 field is well-documented and characterized. This means that  
13 the geology of the area, including the mechanisms for  
14 trapping and storing the carbon dioxide, are well  
15 understood.

16 Although carbon dioxide enhanced oil recovery is  
17 new to the state of California, it has actually been used in  
18 the industry for nearly 40 years in the Permian Basin in  
19 West Texas where there's an ample supply of naturally  
20 occurring carbon dioxide.

21 And although it may be difficult to see, this  
22 graph represents Occi's vast experience with carbon dioxide  
23 enhanced oil recovery. And they are just a world leader in  
24 the use of carbon dioxide.

25 The HECA project will bring many economic benefits

1 to the state and county. HECA will create more than 2,400  
2 jobs at the peak of construction. HECA will bring \$3.4  
3 billion in economic stimulus to Kern County during  
4 construction.

5           During project operations the site will have 200  
6 permanent jobs and this translates to \$291 million of annual  
7 economic stimulus in Kern County over the project life.

8           HECA represents a \$5 billion investment in  
9 California's infrastructure and construction industries.  
10 HECA will bring millions of new tax revenue to the state and  
11 county over the life of the facility.

12           And with the use of the three million tons of  
13 carbon dioxide that are sent for enhanced oil recovery, Elk  
14 Hills will generate additional oil, creating new revenues  
15 for Kern County and the state.

16           HECA has many environmental protection features.  
17 HECA will adhere to best available control technology  
18 standards and install state of the art air emissions  
19 controls. This plus the capture of carbon dioxide means  
20 that HECA will produce lower overall air emissions than any  
21 conventional power plant of its size.

22           HECA will help the state achieve its goals of  
23 reducing greenhouse gas emissions.

24           HECA will recycle petroleum coke, a low-value  
25 byproduct of oil refining. Today petroleum coke is shipped

1 overseas where it is burned, releasing carbon dioxide and  
2 other air pollutants.

3 HECA will protect and conserve California's  
4 valuable fresh water resources by using brackish, non-  
5 potable water for its process needs.

6 HECA will be obtaining its water from the Buena  
7 Vista Water Storage District. And as we've heard from Dan  
8 Bartel, HECA will play an important role in the district's  
9 ground water remediation program.

10 In addition, HECA will further protect local water  
11 supply by eliminating all surface water discharge.

12 HECA submitted its amended Application for  
13 Certification to the California Energy Commission on May  
14 2nd. The application will now undergo a 12 month  
15 environmental review under the California Environmental  
16 Quality Act and the National Environmental Policy Act. The  
17 various environmental areas that are covered in the  
18 application are listed on the slide.

19 HECA considers public outreach an important part  
20 of the project development and strives to inform all  
21 stakeholders at the federal, state and local level of  
22 project activities. Here in the local community HECA is  
23 involved with the local and Kern County schools, the Kern  
24 County Planning and Community Development Department, the  
25 Board of Supervisors, local environmental organizations, the

1 Chamber of Commerce, neighborhood groups, among others.

2 HECA has an aggressive, but we believe, achievable  
3 schedule for commencing construction, operations and the  
4 economic benefits that flow from those. We anticipate  
5 commencing pre-construction in June of 2013, commencing  
6 construction and earth-moving activities in August 2013,  
7 completing construction in February of 2017. And then  
8 following commissioning and start-up, commencing commercial  
9 operations in September of 2017.

10 Finally, we welcome anyone to stop by our  
11 information center in Buttonwillow and visit with Darlena or  
12 you are welcome to visit us online at heca.com. That's H-E-  
13 C-A. And online you will find links to key project  
14 documents. Thank you for your attention.

15 HEARING OFFICER RENAUD: Thank you for that. I'd  
16 like to get Bob Worl back up to go through the staff's  
17 Issues Identification Report. The Energy Commission staff's  
18 job is to review the application and conduct an  
19 environmental review. They have begun that work and have  
20 developed an initial Issues Identification Report and Bob is  
21 just going to go over that with you to point out some of the  
22 environmental issues that the staff sees potentially arising  
23 here.

24 MR. WORL: Okay, it might take me a minute to get  
25 our presentation back up there.

1           Okay. I just wanted to say a few more words.  
2 This particular slide just depicts sort of the moving pieces  
3 of our process. We have already gone through that very top  
4 part, the pre-filing and the filing and the Amended AFC and  
5 we get down to the start of discovery.

6           The Issues Identification Report, which I'll  
7 discuss briefly, and data requests, analysis, et cetera,  
8 evidentiary hearings, which we have talked about briefly,  
9 and moving on through the Presiding Member's Proposed  
10 Decision and the final decision by the Commission Members.

11           This basically illustrates the input points to the  
12 process. We listen to intervenors, who also work with the  
13 Public Adviser, the public who works with the Public  
14 Adviser. Jennifer Jennings who is here and will introduce  
15 -- probably shortly after I've finished here.

16           You can see the blue box in the center is the  
17 staff. We do the staff assessment and prepare staff  
18 testimony. And that will be done in addition with the  
19 Department of Energy, the county and the other agencies as  
20 well as DOGGR, Department of Oil Gas & Geothermal Resources,  
21 they have an integral and very important part in this  
22 process. Again, this just illustrates that there are a lot  
23 of, there are a lot of parties and participants in the  
24 process.

25           Again, not to belabor the discovery and analysis

1 part, which we have, we have covered. But I wanted to  
2 mention again, public participation and methods and our  
3 workshops. This is a critical feature to the Energy  
4 Commission process. It's why we say that it's an open  
5 process and we are pretty proud of the way it works.

6 The public, whether you're an intervenor or not,  
7 you have the opportunity to submit written comments, to  
8 provide oral comments at public meetings, to participate in  
9 workshops. At some point in time if you become very  
10 concerned regarding your point of view you can become a  
11 formal intervenor. And the Public Adviser, Jennifer  
12 Jennings, is available to help if someone wants to consider  
13 that process.

14 Also participation at workshops and hearings,  
15 providing written comments on staff's assessment. And  
16 should you so desire you have the opportunity to present or  
17 sponsor expert testimony. And provide comments and  
18 testimony on the Committee's PMPD at the full Commission --  
19 and at the full Commission hearing. So there are numerous  
20 opportunities to participate in this process and we urge you  
21 to consider and to remain active and involved.

22 It is very important to us that we listen to you  
23 and consider your points of view as we prepare our analysis.

24 Public participation and information sources.  
25 We've mentioned the open public process, workshops,

1 hearings. All of these are noticed at least ten days in  
2 advance. You can also sign up on the electronic mailing  
3 list we call the List Serve. You can do that. And there's  
4 documents available that will tell you, again, that will  
5 reiterate this website, [www.energy.ca.gov/listservers](http://www.energy.ca.gov/listservers). And  
6 there are a list of projects that you can sign up for, one  
7 of them being the Hydrogen Energy California project.

8 All project documents associated with the Hydrogen  
9 Energy analysis are available on the project's specific  
10 website, which is, again, [www.energy.ca.gov/sitingcases](http://www.energy.ca.gov/sitingcases) and  
11 after that would be Hydrogen Energy. And then -- the  
12 "index.html" also will get you to a list of siting cases  
13 that are active, of which one is the Hydrogen Energy  
14 project.

15 You can also send emails directly to us or to the  
16 Public Adviser, to the applicant, and we will work to get  
17 those into our docket. Public comments, to the extent that  
18 we can, we have them available electronically, we will post  
19 those on our website for the Hydrogen Energy project.

20 And the Dockets Unit at the Energy Commission, if  
21 you wanted to mail a hard copy letter, is 1516 Ninth Street.

22 Well actually it's no longer MS-15, that's us up on the  
23 fourth floor. I think it's MS-4, I'm not sure. Do you know  
24 what it is offhand? If you just put Dockets Unit it will  
25 get to them but I believe it's -4. And Sacramento,

1 California, 95814.

2 Now, one of the first obligations as we begin  
3 discovery in this process is to develop an Issues  
4 Identification Report. The purpose is to inform all of the  
5 stakeholders of the potentially significant issues staff  
6 believes it will encounter and to provide an early focus for  
7 stakeholders. And that includes the public, the applicant,  
8 Department of Energy, Division of Oil, Gas & Geothermal  
9 Resources, the Committee and anyone else who has a specific  
10 interest in this project. The idea is to focus people's  
11 attention on issues that need a thorough vetting in terms of  
12 discovery but also in terms of the ultimate analysis.

13 The criteria for identifying an issue is it must  
14 be -- it must have significant impacts that result from the  
15 project which would be difficult to mitigate.

16 Or the project as proposed may not comply with  
17 applicable laws, ordinances, regulations or standards.

18 Or the project as proposed conflicts with --  
19 conflicts may arise between the parties about the  
20 appropriate findings or conditions.

21 The primary effect is that it delays the schedule  
22 and it makes, in some instances, a project difficult to  
23 permit.

24 Potential issues that we identified associated  
25 with the Hydrogen Energy Project at this point in time. The

1 first one that we identified isn't really, it's not a hard  
2 and fast issue per se, it's a jurisdictional issue in the  
3 scope of review. There are a lot of different players  
4 associated with this project. And we have yet to completely  
5 and clearly define how we are going to coordinate achieving  
6 the goals of evaluating the Hydrogen Energy Project and  
7 determining what permits are required and who is required to  
8 issue those permits.

9           Also, as is always the case with a project that's  
10 large in scope and that involves a lot of construction. And  
11 during operations such as this normally a combustion  
12 process, not a part of this project. But this project has  
13 potential for a lot of truck traffic transporting coal and  
14 petroleum coke and also transporting byproducts from the  
15 facility to markets or to long-term storage.

16           And that poses potential air quality benefits that  
17 staff needs to identify and thoroughly vet and we need to  
18 look at what the benefits and opportunities are for  
19 mitigation. And associated with that, we also need to look  
20 at the potential for those processes producing greenhouse  
21 gases. That partially offsets the capture of 90 percent of  
22 the hydrogen production facility's CO<sub>2</sub> and the eventual  
23 transport and possible sequestration in the Elk Hills Oil  
24 Field.

25           We also want to be cognizant of biological

1 resource issues. We know that this area has a number of  
2 species that are of state and national importance and we  
3 want to be very careful about the potential impacts to those  
4 resources.

5 Cultural Resources. The area has long been known  
6 to be very rich in cultural resources, particularly Native  
7 American that once were in this vicinity and also on the Elk  
8 Hills Oil Reserve, not just the Hydrogen Energy area itself.

9 So we are taking a long look at that.

10 Associated with that is the responsibility of both  
11 the state as well as the federal government to coordinate  
12 and to work with the tribes. To involve them in the process  
13 and to be cognizant of their wishes and desires in terms of  
14 the potential impacts to their cultural resources.

15 Hazardous Material Management. This project has a  
16 number of products that would require close scrutiny as  
17 being potentially hazardous. Obviously hydrogen is one of  
18 those but a compressed, you know, CO<sub>2</sub> line is another, is  
19 another one. But there's also the production of ammonia and  
20 other products and byproducts associated with the, with the  
21 manufacturing facility.

22 Soil and water issues. Any time you have an  
23 agricultural area you are going to have soil concerns and  
24 issues and water. This project uses a large amount of  
25 water. Currently it's been identified that the Buena Vista

1 District brackish water is a potential good source for the  
2 high-volume water use of the project but staff will continue  
3 to look at that.

4 Traffic and transportation issues associated with  
5 the delivery of the coal and petroleum coke to the project,  
6 which I had previously mentioned, as well as the taking away  
7 of the byproducts, marketable byproducts and waste  
8 byproducts of the facility.

9 And waste management. There is a particular issue  
10 associated with the volume of material that results from the  
11 gasification process of the coal and petroleum coke and it  
12 has some very specific characteristics that don't at this  
13 time appear to be dangerous or harmful. But nevertheless  
14 the volume is such that it has the county concerned and also  
15 has the applicant currently looking at means of resolving  
16 that particular product as either having marketable  
17 opportunities or needing to be landfilled and transported to  
18 another location.

19 That's the summary of the issues that staff has  
20 currently identified that have the potential to complicate  
21 the analysis, to potentially impact the schedule for the  
22 project. And for also those -- some of those issues are  
23 areas where we really need to look very closely at the laws,  
24 ordinances, regulations and standards that are applied by  
25 the county and by the state for, for those materials.

1           The screen that is up here right now is an  
2 idealized schedule for the project. It begins with the  
3 amended AFC being filed around the first part of May and  
4 goes on through the various steps and procedure that I have  
5 outlined that staff involve itself with in terms of the  
6 discovery and analysis phase.

7           We are currently here at July 12th, the Committee  
8 Informational Hearing and Site Visit, and we want to thank  
9 you all. This is a very good turnout, by the way, thank you  
10 for coming.

11           Also we need to hear from the San Joaquin Valley  
12 Air Pollution District. They need to provide a Preliminary  
13 Determination of Compliance for the air quality aspects of  
14 the project. And that to date has been moving rather  
15 nicely.

16           There is also, there is also a relation -- the air  
17 quality issue is related also to the air district being able  
18 to be the entity that provides the prevention of significant  
19 deterioration permit for a project of this type. Right now  
20 the EPA has submitted for consideration the inclusion into  
21 the state implementation program the transfer of that  
22 authority to the San Joaquin Valley Air District.

23           Again, we are looking at a number of agencies,  
24 federal, state and local agencies. Final Determinations and  
25 that -- that also involves working with the Energy

1 Commission to ensure that we are aware of all that's needed  
2 and that we work together to achieve the goals of getting  
3 the information required in that regard.

4           And again, we've mentioned a number of these and  
5 we've talked about the culmination with a Final Staff  
6 Assessment. Then the Department of Energy Draft  
7 Environmental Impact Statement, which at this point in time  
8 is intended to be synonymous with staff's Final Staff  
9 Assessment, it will be a joint document. I listed that as  
10 to be determined because our experience is we never know how  
11 well that works out, cooperating, until we get there. And  
12 we are on the way, it's looking good, but we are ever  
13 hopeful.

14           The other, the other aspects of the schedule, the  
15 idealized schedule, are Committee or Commission-determined  
16 schedule events. We don't at this point in time have enough  
17 information, we are not far enough into the production of  
18 the preliminary and final documents or the analysis phase  
19 for the Committee to be in a position to determine for sure  
20 when those events will take place.

21           That's the prehearing conference, the preparation  
22 of the Presiding Member's Proposed Decision and the  
23 committee hearing on the PMPD. Which again is a point at  
24 which public input is desirable. And then the final  
25 Commission decision. A hearing that's sometimes called a

1 hearing on the Presiding Member's Proposed Decision and  
2 Final Decision.

3 But again, this schedule is idealized. It's based  
4 on the benchmarks that the Energy Commission strives to  
5 achieve in terms of the various elements. As I said, we  
6 always start off being very hopeful. We also, though, are  
7 flexible in terms of resolving issues that arise, not just  
8 the ones that I had mentioned but also others that crop up  
9 any time that you have as many moving parts as this  
10 particular project analysis will have. And that's pretty  
11 much it.

12 HEARING OFFICER RENAUD: Okay, thank you, Bob.

13 MR. WORL: And I want to thank you all for coming  
14 and being patient with me.

15 HEARING OFFICER RENAUD: Thank you, Bob. And what  
16 we are going to do next is our Commissioners here have a few  
17 questions for the applicant and then we'll move to a brief  
18 just introduction by our Public Adviser, a description of  
19 how you can participate, and then we'll move to public  
20 comment. So who wants to start? Commissioner Douglas.

21 PRESIDING MEMBER DOUGLAS: All right. Well we  
22 might end up tag-teaming here but I'll ask a few questions.

23 Obviously the applicant is coming in as a new  
24 project owner and so we are really starting at the beginning  
25 of the process. But while I was not on the Committee

1 handling the initial project I had some, I followed it to  
2 some degree. And one striking difference about this  
3 proposal that really jumped out at me when I looked at the  
4 materials to prepare for this informational hearing is the  
5 fact that the project initially proposed began with a 100  
6 percent petcoke and no coal profile and I think somewhere in  
7 the middle of that proceeding the amount of coal might have  
8 shifted upwards to maybe a quarter. But now I see that the  
9 proposal is for 75 percent imported coal and 25 percent  
10 petroleum coke. So my first question to the applicant is,  
11 if you can explain why the project is proposed with that  
12 fuel source?

13 MS. MASCARO: Thank you. The project will use 75  
14 percent -- can people hear?

15 PRESIDING MEMBER DOUGLAS: Let's make sure the  
16 microphone works.

17 MS. MASCARO: The project will use 75 percent coal  
18 and a blend with 25 percent petcoke and that's because there  
19 has been a change in the manufacturer of the gasifier. We've  
20 done that because the gasifier we have now included in the  
21 design is more reliable and more efficient. That blend is  
22 what the gasifier can use. The gasifier cannot use 100  
23 percent petcoke.

24 PRESIDING MEMBER DOUGLAS: Okay. So what I  
25 understood is that you have changed the manufacturer of the

1 gasifier. Who was the original manufacturer and who is the  
2 current proposed manufacturer?

3 MS. MASCARO: The original manufacturer was  
4 General Electric and the current manufacturer is Mitsubishi  
5 Heavy Industries.

6 PRESIDING MEMBER DOUGLAS: Okay. And the current  
7 gasifier that you are proposing, can you explain more about  
8 why it cannot use or why it needs the 75 percent coal? Or  
9 is that too technical a question right now? Because we can  
10 ask that later.

11 MS. MASCARO: We do have technical resources here.

12 MR. MIDDLEMORE: Hi, my name is Bob Middlemore,  
13 operations and engineering for the HECA project. And the  
14 question you asked was, what is it about the Mitsubishi  
15 gasifier that has us with the blend that we are proposing?

16 One of the characteristics of a gasifier is it --  
17 what it does is it takes ash that is in the material and it  
18 creates a fluxant, which is a coating on the walls, that  
19 provides protection and cooling for the inside of the  
20 gasifier. And the Mitsubishi design is such and the  
21 experience that they had is such that they are only  
22 comfortable at this point running up to 25 percent petcoke.

23 And that's the reason for that particular blend ratio.

24 PRESIDING MEMBER DOUGLAS: Okay, thanks, thanks  
25 for answering that. And I've got another question that you

1 may or may not be called on to help with. But I was curious  
2 about the slide that you put up saying that the air  
3 emissions from this proposed plant would be less than any  
4 other conventional plant of its type. And I wondered if you  
5 could unpack that a bit and tell me more about what you're  
6 comparing it with, what types of emissions you would be  
7 anticipating that might be similar or different. And I saw  
8 a qualifier there somewhere on the slide that said something  
9 about taking sequestration into account. So I'd just be  
10 interested in hearing a bit more about that statement.

11 MS. MITCHELL: My name is Julie Mitchell, I'm with  
12 URS Corporation, I'm an atmospheric scientist working on the  
13 project.

14 If you take into consideration all of the  
15 pollutants that are emitted from the project, that includes  
16 NOx, VOC, particulate CO<sub>2</sub>, other greenhouse gases for a  
17 similar size project you will see that the total emissions  
18 from the project are less than other similar projects.

19 PRESIDING MEMBER DOUGLAS: Yes, go ahead.

20 ASSOCIATE MEMBER McALLISTER: So could you talk  
21 about the mechanisms of that. Now since we're talking about  
22 emissions just sort of -- if you could explain where the  
23 different pollutants, you know, criteria pollutants of  
24 various sorts and carbon ,sort of, are removed from the  
25 emission stream. If those are going -- so that the carbon

1 is going off and being sequestered. What's happening to all  
2 the other stuff? Is that the control technology at the back  
3 end or is it some part inherent in the process?

4 MS. MITCHELL: With the other pollutants other  
5 than the greenhouse gases the control technologies that are  
6 installed in the different emissions sources, whether it be  
7 in the HRSG stack or in the other sources, there are control  
8 technologies to limit the emissions. And they are  
9 controlled to BACT, which is best available control  
10 technology, which is in the EPA and the San Joaquin Valley  
11 Air Pollution Control District regulation requirements that  
12 any -- that this source and for that matter any source  
13 that's permitted wouldn't -- have to meet the best available  
14 control technologies. So these are meeting the best  
15 technology that's available for a hydrogen facility if you  
16 are looking at that portion of it, and/or for the fertilizer  
17 portion. Plus as you know the CO<sub>2</sub>, 90 percent of the CO<sub>2</sub> in  
18 the syngas stream goes off to sequestration.

19 ASSOCIATE MEMBER McALLISTER: Could you talk about  
20 how the shift of fuel source has changed your control  
21 technologies, if at all?

22 MS. MITCHELL: The shift in fuel source actually  
23 has not changed the control technologies for this project.

24 PRESIDING MEMBER DOUGLAS: Okay. Just another  
25 question along these lines. And I don't know, if staff

1 would like to add anything you should feel free as well.  
2 But just going back to the initial question of comparing  
3 this to the air emissions of another, a conventional  
4 facility of this size. Were you comparing it to the air  
5 emissions of a gas facility of this size, of a 300 megawatt  
6 combined cycle, for example?

7 MS. MITCHELL: If you take a look at the  
8 greenhouse gas emissions, that's a fairly large portion of  
9 the emissions that come off of a facility like this, you can  
10 see that. But I will say we did actually do -- we have had  
11 a request from one of the intervenors, from AIR, to look at  
12 the comparison between Avenal and this project and we have  
13 looked at Avenal compared to this project. And you take a  
14 project -- it actually is -- it's a natural gas power plant  
15 that's also in the San Joaquin Valley that was fairly  
16 recently permitted.

17 If you look at the NOx, VOC and PM, which are the  
18 pollutants of most concern in the Valley because of non-  
19 attainment statuses, the actual emissions of the HECA  
20 project from the turbine, from the power generation portion  
21 of it. So if you look at the turbine on Avenal and the  
22 turbine on HECA, the emissions from HECA are lower all  
23 across the board. And the HECA project produces more gross  
24 megawatt hours per year.

25 PRESIDING MEMBER DOUGLAS: Okay.

1 MR. CARROLL: And I can just -- to provide some  
2 specifics because I know this is an important issue. But  
3 with respect to NOx, the Avenal project is 144 tons per  
4 year, HECA is 104. On a pound per megawatt hour basis for  
5 NOx, Avenal, which is a typical natural gas fired project is  
6 .1 pounds per megawatt hour where HECA is .06.

7 With respect to VOCs, total tons per year are 34.5  
8 for Avenal, 14.4 for HECA. VOCs on a pound per megawatt  
9 hour basis, .02 for Avenal, .01 for HECA.

10 And then PM<sub>10</sub>, PM<sub>2.5</sub> emissions total ton per year  
11 are 80.78 for Avenal, 52.1 for HECA. And on a pound per  
12 megawatt hour basis for PM, .05 for Avenal and .03 for HECA.

13 And we will be docketing this in response to the  
14 data request filed by AIR so that you can see it. But as  
15 Ms. Mitchell said, across the board what we are seeing when  
16 we compare it to a conventional natural gas fired project is  
17 the criteria pollutants that are of key concern are lower.  
18 And of course Avenal doesn't have any carbon capture and  
19 sequestration and we have that additional air quality  
20 benefit associated with HECA.

21 MS. MITCHELL: And I would like to note that this  
22 is on the power production portion of it, not -- that's  
23 excluding the fertilizer --

24 PRESIDING MEMBER DOUGLAS: Right. I understand,  
25 that makes sense. All right. Another question for the

1 applicant I have is the question of how dispatchable the  
2 project is proposed to be. I definitely see that you are  
3 proposing a combined-cycle and presumably with a heat rate  
4 comparable to combined-cycles, although I'm not certain  
5 about it at the moment. But you are also proposing to have  
6 basically, as I understand it, one very large turbine. And  
7 I am interested in how dispatchable, when you talk about  
8 being able to follow load or balance load, is that hourly,  
9 is that daily, is it fast start?

10 MR. MIDDLEMORE: First it's important to  
11 understand how it does, maybe it puts some context to it.  
12 What we are doing is we gasify the solid fuels, as you know,  
13 we make hydrogen. And the hydrogen can go one of two  
14 places, it can go either to the power plant to make power or  
15 to the fertilizer plants to make fertilizers. Just so you  
16 know. Like two-thirds on average, two-thirds of the  
17 hydrogen ends up in power over the course of a year as  
18 opposed to making fertilizer.

19 And that's how we gain that dispatchability. The  
20 power plant can ramp between 100 percent power output to 70  
21 percent. And when it's at 100 percent the ammonia plants  
22 are running at 60 percent. And vice versa, when we ramp the  
23 power down at 70 percent the ammonia plant in this case --  
24 and I should say that it's the ammonia plant that's ramping  
25 up and down. The urea and UAM production is constant. But

1 it ramps from 60 to 100 percent opposite to the power block.

2 And what that does is it produces a power dispatchability  
3 on the order of 100 to 130 megawatts. It depends on, you  
4 know, the time of year and how hot it is, et cetera.

5 PRESIDING MEMBER DOUGLAS: Okay.

6 MR. MIDDLEMORE: But that's the amount of  
7 dispatchability we have.

8 PRESIDING MEMBER DOUGLAS: So it's like 100  
9 percent to 70 percent, you said, for the power plant?

10 MR. MIDDLEMORE: Correct.

11 PRESIDING MEMBER DOUGLAS: And over what time  
12 period does the ramp occur?

13 MR. MIDDLEMORE: We would be ramping between those  
14 values every day. So 16 hours at maximum power production  
15 and eight hours a day at minimum power production.

16 PRESIDING MEMBER DOUGLAS: Okay.

17 ASSOCIATE MEMBER McALLISTER: So just to drill  
18 into that a little bit. So how quickly can it do the  
19 ramping? So if you're like, you know, how fast can it get  
20 from 100 to 70 percent?

21 MR. MIDDLEMORE: Yeah.

22 ASSOCIATE MEMBER McALLISTER: Like when is that  
23 130 megawatts available?

24 MR. MIDDLEMORE: To go from one value to the other  
25 takes about an hour.

1           PRESIDING MEMBER DOUGLAS: Thanks. Do you have  
2 any other questions, Commissioner McAllister, for the  
3 applicant? I have a few questions for staff.

4           MR. MIDDLEMORE: Can I -- while you're talking. I  
5 want to follow-up to the previous answer I gave. One of the  
6 -- so the Mitsubishi technology, as I explained, is new and  
7 they are still generating experience with regards to the  
8 amount of petroleum coke.

9           The technology that we had chosen before, GE, is a  
10 much older technology. And with the newer technology come a  
11 lot of benefits that I should have pointed out as well. So  
12 I talked about the way the gasifier is cooled. Mitsubishi  
13 has a water wall design to cool it, as opposed to GE which  
14 uses a refractory.

15           The difference between the two approaches is a  
16 technology improvement. And what it does for you is the  
17 refractory was a very, very high maintenance item. It  
18 required us to have three gasifiers, one of which was a  
19 spare, to provide the same amount or actually not quite as  
20 much hydrogen as the one gasifier that Mitsubishi can  
21 produce.

22           The refractory reliability required that gasifier  
23 to shut down about every two months for a turnaround. And  
24 every time you swap gasifiers you have startup and shutdown  
25 emissions and you have warming emissions to keep one on hot

1 standby. So we have eliminated a lot of emissions by  
2 switching to the Mitsubishi gasifier over the GE.

3 In addition, because one gasifier can do the same  
4 as three, it has a higher reliability, our operating costs  
5 are lower and our capital costs are lower. And what that  
6 translates to is a lower cost, you know, for all the  
7 products that we make, electricity and fertilizer products.

8 So I just wanted to follow up with that.

9 Thank you for that.

10 ASSOCIATE MEMBER McALLISTER: So I wanted to get  
11 just a better -- so there are a lot of moving parts to this  
12 project. You know, it's got traditional generation but it's  
13 also got sort of characteristics but it's also got, you  
14 know, you're producing a value stream for the fertilizer,  
15 you're producing a value stream for the power.

16 I want to hear a little bit more about the sale of  
17 the CO<sub>2</sub> to Occidental and sort of what that looks like. And  
18 so I guess, you know, I'm trying to get a sense for -- and  
19 this will come out further I'm sure as we get into this  
20 process. But sort of what, what level of -- what's the  
21 impact to the project if any of those sort of go south a  
22 little bit or, you know. I guess, do the project economics,  
23 and I don't need any, you know, intellectual property here.

24 But the project economics really, how much do they depend  
25 on any one stream? Like how complex is this project and how

1 does that translate on kind of the risk that you feel that  
2 you're taking on?

3 MS. MASCARO: The project economics are based on  
4 revenue streams from all sources, all sources meaning  
5 electricity, fertilizers and the carbon dioxide. And that's  
6 what makes this project design more economically viable than  
7 the previous project design, which did not have the  
8 fertilizer components. And all of the contracts for those,  
9 the off-take from those products are still being developed  
10 and are under discussion now with utilities, Occidental and  
11 fertilizer companies.

12 PRESIDING MEMBER DOUGLAS: Okay.

13 MS. MASCARO: We do need all three to meet the  
14 project economics.

15 ASSOCIATE MEMBER McALLISTER: Okay, thank you.

16 PRESIDING MEMBER DOUGLAS: Thank you. Actually  
17 it's unusual for us to ask so many questions in an  
18 informational hearing but this is an unusual project. This  
19 is an unprecedented project in terms of the sequestration  
20 component and in terms of the fuel mix. It is certainly not  
21 something that the Commission has seen recently except for  
22 the prior iteration of the project that has been before us.

23 So I just offer that as a few words of explanation for  
24 those of you who are familiar with our processes and who  
25 might be wondering why we have so many questions at the

1 informational hearing.

2 ASSOCIATE MEMBER McALLISTER: Karen, can I ask one  
3 more question?

4 PRESIDING MEMBER DOUGLAS: Of course you can. And  
5 I've got a few for staff too, go ahead.

6 ASSOCIATE MEMBER McALLISTER: I didn't know any of  
7 that because I'm a new commissioner so, you know, I think my  
8 ignorance is allowing me to ask lots of questions here.

9 But could you -- so there also are a bunch of  
10 natural resources involved here. Obviously the brackish  
11 water, which we'll probably hear I guess from staff probably  
12 first and, you know, at some point in the process here from  
13 Buena Vista, which I understand that brackish water source  
14 is kind of an interesting aspect of this project.

15 But to the HECA team I wanted to ask about the  
16 potable water source on the project side of it. Is the  
17 potable water basically being used for the steam cycle?  
18 Sort of what's the -- what's the potable uses? Like what  
19 volume of water are we talking about and for what use?

20 MS. MASCARO: The potable water will not be used  
21 for any cooling or industrial purposes, it's to supply  
22 sanitary water for the 200 employees on the site.

23 ASSOCIATE MEMBER McALLISTER: Okay, so there's  
24 really -- so that's not a significant impact to, say, the  
25 water district or anything like that.

1 MS. MASCARO: Correct. It's a very minimal --

2 ASSOCIATE MEMBER McALLISTER: That's a typical, a  
3 typical amount of water, okay. So where are you getting the  
4 makeup water from for the steam turbine and everything?

5 MS. MASCARO: So all of our industrial water use  
6 will be the brackish water from the Buena Vista Water  
7 Storage.

8 ASSOCIATE MEMBER McALLISTER: So you are going to  
9 clean up the brackish water, use that in the steam cycle --

10 MS. MASCARO: Yes.

11 ASSOCIATE MEMBER McALLISTER: -- as well as for  
12 your, your hydrogen process source.

13 MS. MASCARO: Correct.

14 ASSOCIATE MEMBER McALLISTER: Okay, thanks.

15 PRESIDING MEMBER DOUGLAS: All right, I'll be  
16 brief. Just a couple of questions, as few as one but we'll  
17 see, for staff.

18 One thing that struck me as I looked at the Issues  
19 Identification Report is that there were a lot of issues  
20 that we needed to -- that you as staff need to work through  
21 and they need to come out through the process. I was  
22 interested by the discussion of SB 1368 and whether it  
23 raised a LORS conformity issue or not. And what I read in  
24 the Issues Identification Report is that the concern that  
25 staff was expressing was due to potential difficulty in

1 assessing the extent of sequestration as opposed to heat  
2 rate or other measures. And I just wanted to ask if I read  
3 that correctly? And the underlying concern when you raised  
4 that was the sequestration issue.

5 MS. DeCARLO: Yes, if I can speak on behalf of air  
6 quality staff, yes. Ultimately it's sequestration that we  
7 are concerned about analyzing. One, ARB hasn't adopted a  
8 methodology yet under SB 1368 to analyze sequestration in  
9 terms of compliance with SB 1368. So I know they are  
10 starting to work on that but we don't know if that will be  
11 in place in time for us to use. So we'll be working with  
12 ARB, even if it's not in place, in trying to figure out what  
13 methodology we should use to account for the sequestration  
14 of the CO<sub>2</sub>.

15 And secondly, it's the ultimate oversight of the  
16 sequestration that we are going to have to work through  
17 because at least at this point the Energy Commission doesn't  
18 have jurisdiction over Occidental Petroleum, the ultimate  
19 party who will be actively utilizing the CO<sub>2</sub>. We'll have to  
20 figure out if mitigation -- if conditioning HECA to then  
21 ensure the sequestration will provide staff with enough  
22 assurance that it will actually get done and be monitored.

23 So those are the two kind of sides in the  
24 sequestration issue that we see so far.

25 PRESIDING MEMBER DOUGLAS: Okay, thank you. You

1 raise in the staff Issues Identification Report the issues  
2 of measuring, verifying, reporting and monitoring and so on.

3 And it seems to me sitting here that it would be rather  
4 difficult to do that without access to the site where  
5 sequestration is taking place. But I'll leave that to the  
6 staff to make its recommendation to the Committee on the  
7 issue more broadly.

8 And I'm glad to hear you raise the Air Resources  
9 Board because they -- I guess they are not here tonight.  
10 But they were very much on my mind as we looked through the  
11 list of agencies that had come here and it would be, I  
12 think, very important to work closely with them.

13 To what extent is this new project presenting  
14 issues that were analyzed before when staff put out the PSA  
15 on the -- especially the areas that might be difficult,  
16 particularly like sequestration. To what extent are these  
17 issues that you've analyzed the first time around and you  
18 are shoring up or changing the analysis based on the  
19 different proposal and to what extent -- when I read the  
20 Issues Identification Report it really looked like there had  
21 not been a lot submitted that you felt as though you had to  
22 chew on. And that was just my reading between the lines on  
23 what the Issues Identification Report seemed to say.

24 MR. WORL: Well, as I said, there's a lot of  
25 moving pieces here. One of the, one of the longstanding

1 issues is sequestration is a question, an issue that is  
2 before the state on a much broader scale than just this  
3 project. And there have not been a lot of determinations or  
4 guidance or regulatory process that's in place to help us  
5 through this so in some ways we feel like we are sort of  
6 pioneering.

7           The other thing is that we have to work to do  
8 this. The monitoring, reporting and verification long-term  
9 as well as the immediacy involve working directly with  
10 Occidental Petroleum, their Occidental Elk Hills, and being  
11 able to evaluate their water alternating gas enhanced oil  
12 recovery process.

13           And looking at their monitoring/reporting  
14 verification program and processes to see whether or not  
15 they are going to meet, you know, our CEQA needs to be able  
16 to verify that yes, the CO<sub>2</sub> is no longer being produced.  
17 Affecting, you know, DOGGR's responsibility to ensure that  
18 once it's introduced it doesn't affect potable water  
19 sources, aquifers.

20           But, you know, we have, we have an above-ground  
21 responsibility as well to ensure that it's being recaptured  
22 and reprocessed, reinjected and eventually staying. We as  
23 staff don't really have those answers yet.

24           PRESIDING MEMBER DOUGLAS: All right, thanks. I  
25 have one more question for the applicant and then I think I

1 am out of questions at the moment; Commissioner McAllister  
2 may have some.

3           The Issues Identification Report raised what I  
4 read as staff's view that the applicant should be applying  
5 for maybe two permits from DOGGR, the injection well and the  
6 enhanced oil recovery. Is that your view or is that  
7 something that you are still talking about?

8           MR. CARROLL: I believe our view is that  
9 Occidental of Elk Hills will be applying for the permits  
10 that it requires from DOGGR to conduct the enhanced oil  
11 recovery. The sequestration is not a process that would be  
12 separately permitted, the sequestration would happen as a  
13 result of the EOR.

14           PRESIDING MEMBER DOUGLAS: Okay.

15           MR. CARROLL: Does that answer your question?

16           PRESIDING MEMBER DOUGLAS: Yes, you did answer my  
17 question, all right. Commissioner McAllister, any other  
18 questions?

19           ASSOCIATE MEMBER McALLISTER: No, I'm good for the  
20 moment, thank you.

21           PRESIDING MEMBER DOUGLAS: All right. Well we are  
22 well overdue for public comment. I want to thank everyone  
23 for your patience as you sat through a number of lengthy  
24 presentations and Commissioner McAllister and I got to  
25 satisfy our curiosity ahead of everyone else. But now we

1 will, we will be here to hear from you. So with that, go  
2 ahead.

3 HEARING OFFICER RENAUD: Thank you, Commissioner  
4 Douglas. And before I forget, I've got to thank  
5 Superintendent Tensley in the back for opening the school to  
6 us for this evening. We very much appreciate it, thank you.

7 (Applause.)

8 Okay. Public Adviser Jennings, would you like to  
9 stand up and say a few words before we go to public comment?

10 MS. JENNINGS: Yes, thank you. And again, it's  
11 great to see so many people here willing and able to  
12 participate in the review of this complicated project.

13 The Commission's process, as you saw also, is a  
14 complex one and it is my job. I am independent appointed  
15 official. I work for the Energy Commission but I am  
16 independent within the Commission. And it is my job to  
17 assist the public in participating in our review process.

18 So the one take-away I want to give you, I am  
19 going to ignore my PowerPoint, you won't have to go through  
20 that, is that you can call me at any time, my office at any  
21 time. Ask questions about the process. If I don't know the  
22 answer we will try to find the answer out for you. My cards  
23 are in the back.

24 Also at every public hearing we have you have an  
25 opportunity to comment. Every public hearing or workshop is

1 also on WebEx. Although it is not always perfect at least  
2 it gives you some understanding of what's going on. And  
3 also the WebEx recordings will be posted on our website, on  
4 the Energy Commission's website. And I urge you to look at  
5 the Energy Commission's website and spend some time getting  
6 familiar with it. And if you need any assistance also  
7 contact my office in navigating that website.

8 If you wanted to comment tonight we ask that you  
9 just put your name on a blue card and you'll be called. And  
10 thank you very much and we look forward to future meetings  
11 in the area.

12 HEARING OFFICER RENAUD: Okay, thank you,  
13 Jennifer. Okay, let's go to public comment. We have a  
14 microphone up here at the front with a podium. Just house  
15 rules, if you would as you speak address the Commissioners  
16 up here. And I have a lot of cards and it's late, it's  
17 getting late, so let's try and limit your remarks to three  
18 minutes if you could, please. Let me call Kevin Hall first.  
19 Central Valley Air Quality Coalition, Kevin Hall. And after  
20 Kevin will be Mark Romanini.

21 MR. K. HALL: Thank you. My name is Kevin Hall,  
22 I'm from Fresno, I am the Director of the Central Valley Air  
23 Quality Coalition. And not to start off snarky but I want  
24 to say there is a value stream to the local health care  
25 industry if this project is approved too.

1           The fall and winter months in the valley are  
2 referred to by doctors as the heart attack season for our  
3 high particulate levels, the highest of which are here in  
4 Kern County.

5           I also wanted to point out that the tour -- I want  
6 to talk about toxic impacts very quickly and I would like to  
7 refer you to the document entitled "Ambient Air Pollution  
8 Impairs Regulatory T-cell Function in Asthma" published in  
9 *the Journal of Allergy and Clinical Immunology* of August  
10 2010 by Dr. Kari Nadeau, a Stanford researcher.

11           Dr. Nadeau took -- she is a geneticist and looked  
12 at the T-cell counts in Fresno children in relation to  
13 diesel exposure. And I bring this up because I am gravely  
14 concerned about the -- and not discussed or presented are  
15 the impacts of the trains bringing the coal through  
16 southeast Bakersfield. Southeast Bakersfield according to  
17 the Place Matters in the San Joaquin Valley report published  
18 February 2010 by the Central Valley Health Policy Institute  
19 shows that residents of Southeast Bakersfield have a life  
20 span that is more than 20 years less than those born and  
21 raised in North Bakersfield. We find this throughout the  
22 Valley but it is primarily tied to diesel exhaust.

23           The trucks, the trains create in Bakersfield and  
24 southeast Kern County a diesel triangle and that's what we  
25 are faced with.

1           The tour was inadequate because if you made it to  
2 the rise and then looked over and saw the oil field and then  
3 looked down toward -- it's a chute right at Arvin. And the  
4 prevailing winds carry all that pollution right into that  
5 concentration at the bottom of the cul-de-sac that is the  
6 San Joaquin Valley and why those pollution levels are so  
7 high all around southeast Kern County. I'm trying to rush  
8 through this with so many people waiting to speak.

9           Relevant monitors to track air pollution levels.  
10 If the air district, as is the practice, tries to use an  
11 upwind monitor you are being misled. You must look  
12 downwind. Maricopa, Arvin, Edison, Bakersfield. Do not  
13 take anything north of here. Prevailing winds 90 percent of  
14 the time, northeast to southwest.

15           And mitigation by our Valley Air Pollution Control  
16 District is inadequate. Unlike your board which is  
17 structured based on expertise, ours is structured by elected  
18 officials, two of whom are on the record as already in  
19 support of this project. We fought for five years to get a  
20 doctor and an atmospheric scientist on that board. It's a  
21 15 member board.

22           My closing remark. I'd like you to please think  
23 of California as a city. And if you picture California as a  
24 city the San Joaquin Valley is on the wrong side of the  
25 tracks. The levels of poverty, the levels of -- the racial

1 mix. These are environmental justice communities. When  
2 people are going to build a dirty project they build it  
3 here. And this is possibly the worst possible place I think  
4 anyone could find for this kind of project and I would like  
5 you just on a philosophical note to imagine yourselves going  
6 home and proposing this in your communities. Thank you.

7 HEARING OFFICER RENAUD: Thank you for your  
8 comment. Next I would like to call Lorelei from Planning.  
9 Yes, thank you. I'm sorry, Mark. You'll be next, I'm  
10 sorry.

11 MS. OVIATT: You'll be next.

12 HEARING OFFICER RENAUD: We had a special request  
13 here.

14 MS. OVIATT: Thank you. I apologize, Mark.

15 Lorelei Oviatt, Director of Planning and Community  
16 Development for Kern County. I am here tonight with the  
17 Kern County Fire Chief, Brian Marshall, the Roads  
18 Commissioner Craig Pope, we have Nancy Ewert from Waste  
19 Management, which is Waste Management the county department,  
20 and we have also compiled comments from Kern County  
21 Environmental Health Services.

22 We have extensive experience cooperating with the  
23 California Energy Commission and the Department of Energy on  
24 large scale projects and we appreciate the diligence always  
25 of the staff in listening to our concerns.

1           This project is very unique. We believe it is  
2 unlike any other power plant that has ever been permitted by  
3 your Commission.

4           And we believe that the CO<sub>2</sub> sequestration project  
5 is in very capable hands with Occidental Petroleum, who has  
6 had a long history of their gas and oil operations. Our  
7 questions on that project are very minor and are really just  
8 we'd like to know where the pipeline is actually going to  
9 be, whether it's going to be in any of our county roads for  
10 a franchise, and we are also interested in the actual  
11 operations of the CO<sub>2</sub> sequestration.

12           Our primary questions and concern focus on the  
13 Hydrogen Energy plant and the chemical manufacturing  
14 component which results in power. We have submitted a  
15 letter tonight and it has general comments of concerns. My  
16 department has consolidated all of the questions and  
17 concerns from the other county departments. The nature and  
18 amount of chemicals processed and products produced have  
19 very serious potential impacts on our surrounding property  
20 owners and users of transportation routes.

21           We appreciate the internal controls that have been  
22 proposed in the application but we have extensive experience  
23 here with refineries and chemical plants. And our first  
24 responders need to be protected with facilities, programs,  
25 equipment and internal monitoring controls that we are very

1 familiar and conversant with and we look forward to working  
2 with the CEC staff on a state of the art facility.

3 We also have concerns with how land use has been  
4 presented. This was presented as a power plant that  
5 produced fertilizer. Yet the application document is --  
6 every other page talks about products for transportation.  
7 They're going to sell anhydrous ammonia; they're going to  
8 load it on -- on rail cars. They are going to sell  
9 desulfurized and degassed sulfur. They're going to -- you  
10 know, we're not sure what they are using the urea for.

11 In our zoning ordinance this is only allowed if  
12 all they produce is fertilizer for agricultural use, that's  
13 it. We have asked them applicant to be up front about this,  
14 we have asked them to provide us a list of exactly what they  
15 are going to produce and sell. Because if they are going to  
16 do anything beyond that it is a chemical plant, it needs  
17 industrial zoning, it needs an industrial general plan  
18 designation. And we look forward to, you know, being clear  
19 that we believe this is a chemical plant that produces  
20 power.

21 We certainly concede that the California Energy  
22 Commission is absolutely the appropriate place to process  
23 this project. And based on our experience in past projects  
24 we are confident that we can work our way through whatever  
25 issues we have to make this project the most appropriate and

1 safe for the residents of Kern County on our transportation  
2 routes. Thank you.

3 HEARING OFFICER RENAUD: Thank you for your  
4 comment. Okay, Mark Romanini. After Mark will be Tom  
5 Frantz.

6 MR. ROMANINI: Yeah, my name is Mark Romanini, I  
7 am a resident here of Bakersfield, have been my whole life.  
8 And I have been opposed to this project since its inception  
9 with British Petroleum and even prior to the environmental  
10 improvements they made in the Gulf.

11 The primary problem I have with this now and as I  
12 did back then is basically the location we're sticking it  
13 in. We kind of say we have the worst air quality in the  
14 nation, we kind of go on and we accept that and move on. We  
15 don't really know what that means unless you live here. And  
16 even if you live here I don't know if you know what we are  
17 really breathing.

18 But if you take the national ambient air quality  
19 standards that are established for the entire country, last  
20 year, and last year being a good air year for California,  
21 Bakersfield exceeded the eight hour ozone standard 70 times,  
22 or 69 to be specific, and the particulate matter, fine  
23 particulate, 28 times. So both of those are unhealthy  
24 ranges for children to be breathing. So if you put together  
25 you're looking at like 90 to 100 days out of the year I am

1 subjecting my children, my eight-year-old to air that's  
2 harmful for him to breathe.

3           And to see this project move forward again -- I'm  
4 happy we're sequestering or attempting to sequester carbon  
5 dioxide but that's not the struggles we face here in Kern  
6 County, it likes primarily with NOx, that's the big primary,  
7 the primary source for ozone and particulate matter that we  
8 are forced to deal with and it's going to take a collective  
9 effort by the entire valley if we are ever going to get our  
10 levels down. From residents to businesses we all have to be  
11 a bit more diligent about how we live life if we want to  
12 improve our quality of life here.

13           Dan Bartel made some comments about the brackish  
14 water being used here. I being a farmer as well in this  
15 area and located in the Buena Vista Water District disagree  
16 with his statements. Yes, that water is brackish. But  
17 given the correct facilities, you could take that water,  
18 blend it with clean water and use it on crops that are  
19 capable of using salt, like we grow here. Primarily  
20 pistachios, not a problem. So to me I look at that water as  
21 wasted water not being utilized to its full potential where  
22 it lies right now.

23           And also to your point about kind of complementing  
24 renewable energies. I'm not thinking -- I don't see how  
25 this necessarily complements renewable energy. I would like

1 to see Bakersfield move towards kind of Jerry Brown's idea  
2 of the 8,000 megawatts of power he has proposed by 2020. We  
3 have abundant marginal lands in this area, we have abundant  
4 sunshine, and it's just a way better fit.

5 So in closing I would just like to say, you know,  
6 where and what we pollute is a choice, breathing that air is  
7 not. Thank you.

8 HEARING OFFICER RENAUD: Thank you for your  
9 comment. Tom Frantz. And then I have a card, Chris  
10 Romanini will be the next speaker after Tom. Go ahead.

11 MR. FRANTZ: Okay. I live about 11 miles as the  
12 crow flies that way and farm 40 acres of almonds. I'm a  
13 retired school teacher and an air quality advocate.

14 I'm glad Mark said what he did because I was go  
15 into that too. This proposal is a huge pollution source  
16 here in Kern County. And when AIR made a data request to  
17 compare this plant to Avenal we're looking at total project  
18 emissions, not simple boiler emissions.

19 The HECA project states in their documents,  
20 whether it's correct or not I don't know, that there will be  
21 164 total NOx -- tons of NOx emitted by the project and then  
22 the transportation could add another 90 tons of NOx to that.

23 That's 254 tons of NOx. And Avenal at over twice the power  
24 was only 144 tons of NOx, you know, relatively cleaner.

25 Now they didn't mention particulates. HECA is 170

1 tons of particulate matter, PM<sub>10</sub> and PM<sub>2.5</sub>, you know, about  
2 50/50. That is far more than a plant like the Avenal plant.

3 And I think a reason for that is they insist on water  
4 cooling even though Avenal wanted to be more high-tech and  
5 more environmentally conscious maybe and go to air cooling.

6 And so best available control technology, you know, maybe  
7 should be air cooling for a project in a polluted  
8 environment such as ours here.

9 And I agree with the brackish water comments just  
10 made. Brackish water is a relative term, that's not an  
11 absolute term. You can have a whole range of total  
12 dissolved solids and call it brackish water. That water is  
13 usable.

14 And of course as this project uses that water,  
15 where is the clean water coming from to take its place?  
16 There is no surplus clean water in this valley, we're water-  
17 limited here. And that clean water that moves into that  
18 pore space once they remove the brackish water is coming  
19 from somewhere and is already being used. It's not like  
20 they are producing clean water out of thin air here and  
21 doing a wonderful thing. They're basically stealing the  
22 clean water probably from another water district like the  
23 Kern Water Bank or something somewhere like that. It's not  
24 all good as they want it to appear.

25 At the workshop in Sacramento. I'd like to know

1 who was it that said, if there is a CO<sub>2</sub> leak that CO<sub>2</sub> would  
2 turn to ice and probably make the Bakersfield residents  
3 happy because it's so hot here? Now I know that's a joke  
4 and I didn't quote it exactly but it should be on record  
5 that that was said at the workshop. It was probably a  
6 proponent of the project that said that.

7           And that's, that's implying that we're pretty  
8 stupid down here to say something about that in such a  
9 serious matter. If there is a CO<sub>2</sub> leak it could be deadly  
10 to hundreds of people or even thousands of people as it was  
11 in Africa at one point where 1,700-and-some people died  
12 suddenly in one night. Coal miners know how deadly CO<sub>2</sub> is  
13 in the mine where you die instantly if you go into a pocket  
14 where there's CO<sub>2</sub>. So to make a joke about CO<sub>2</sub> leaking  
15 from this project is totally inappropriate at a public  
16 meeting.

17           HEARING OFFICER RENAUD: One more minute, please.

18           MR. FRANTZ: Yeah. Well, I can't begin to refute  
19 all the misinformation we have heard tonight about this  
20 project from the proponent so as an intervenor I'll try and  
21 do that in writing.

22           This project is wrong on so many levels but the  
23 air pollution is the thing we are most concerned about.  
24 It's not appropriate to have such a polluting plant. It's  
25 ironic that this is not clean hydrogen power. When you burn

1 hydrogen -- they're producing NOx at very high levels. And  
2 when you transport a fuel in and a waste product out you're  
3 creating NOx at very high levels for an area that can't  
4 afford it.

5 And the mitigation that would be proposed by the  
6 air district is totally insufficient because it's based on  
7 emission reduction credits from the past. They are  
8 sometimes bogus, sometimes very old, and this product will  
9 add new additional NOx to this southern end of the valley  
10 where we have the highest pollution and the worst health  
11 from that pollution in the nation. So I'll have to stop  
12 there.

13 HEARING OFFICER RENAUD: All right, thank you,  
14 sir, appreciate that. Chris Romanini and the next will be  
15 Arthur Unger.

16 MS. ROMANINI: Hello; my name is Chris Romanini.  
17 Our family is the fourth generation to farm in the  
18 Buttonwillow area. We have been stewards of the land for  
19 over 100 years and want to pass to the fifth generation a  
20 healthy, viable future in farming.

21 As neighbors of HECA's project we have concerns.  
22 Number one, they're proposing a rail. Where will it be? We  
23 don't know. It's impossible for me to comment on how it  
24 will affect my ranch if they won't tell us where it's  
25 planned for. When are they required to present a route for

1 the Buttonwillow area?

2 HEARING OFFICER RENAUD: Is there anyone that has  
3 a quick answer to that? We are not necessarily here to  
4 answer questions, we are here to listen. But if there is a  
5 quick answer to that we'll be happy to try and help you.

6 MS. DeCARLO: It is my understanding that the  
7 route plan has been filed as confidential until they have  
8 finished their discussions with landowners. We can't go  
9 forward with a full analysis, obviously, until we have an  
10 identified route. So it would be before we release our, one  
11 of our staff assessments, for sure at the very latest.

12 MS. ROMANINI: Our second question is eminent  
13 domain. HECA has stated that they do not have the power of  
14 eminent domain for this project. But will the CEC promise  
15 that eminent domain will not be forced on us for this  
16 project by any government or public entity or by HECA? Can  
17 you promise that?

18 PRESIDING MEMBER DOUGLAS: The Energy Commission  
19 does not have eminent domain authority. We can't make any  
20 promises about -- and HECA does not either.

21 MS. ROMANINI: You can't make promises?

22 PRESIDING MEMBER DOUGLAS: About what some other  
23 entity that is not us could do. But I can't imagine that it  
24 is being proposed. If anyone is aware that eminent domain  
25 is being proposed by anyone they can speak up. But that is

1 not an Energy Commission authority, it's not something we  
2 have ever --

3 MR. CARROLL: It is not something that the  
4 applicant is pursuing. We did file some responses to data  
5 requests that were made in writing indicating that there are  
6 no plans to pursue any of the rights-of-way or land that's  
7 necessary for the project through eminent domain, primarily  
8 because we don't have the power of eminent domain.

9 MS. ROMANINI: My third question is traffic. I  
10 can't imagine the huge volume of vehicles. I'm figuring  
11 over 1,000 vehicles a day when you count 300 coal trucks,  
12 200 employees, coke trucks, fertilizer trucks, service  
13 people, and then they all have to go back home. They will  
14 be passing our farms, competing on the road with our slow-  
15 moving farm equipment, flocks of walking sheep, school buses  
16 and sometimes in dense tule fog. If rail brings the coal  
17 the roads will still be clogged. Will you require that they  
18 specify a route and who will enforce them from keeping to  
19 that route?

20 MS. DeCARLO: If they end up going with a route  
21 using trucks for the coal delivery staff always ensures that  
22 there is a specified route and that we analyze the potential  
23 impacts from using that route.

24 MS. ROMANINI: Thank you. And then health. Kern  
25 County has the --

1 HEARING OFFICER RENAUD: Ms. Romanini, I'm sorry  
2 but you're over your three minutes. We do have a lot of  
3 your neighbors here waiting to speak. Can you, can you  
4 finish up quickly.

5 MS. ROMANINI: Well.

6 HEARING OFFICER RENAUD: You can submit your  
7 questions in writing, you know, and they will get in the  
8 docket. The public comments that are in writing do get  
9 responded to.

10 MS. ROMANINI: Can I finish the one sentence on  
11 health, my one statement on health?

12 HEARING OFFICER RENAUD: Yes, please.

13 MS. ROMANINI: We have the worst air in the nation  
14 and HECA's emissions will only make our air worse. Some of  
15 our employees and my family members have asthma,  
16 cardiovascular disease or cancer. The closer you get to the  
17 facility the more concentrated the toxics will be and the  
18 higher our health risks.

19 I am requesting that HECA show they are good neighbors.  
20 Require them to construct an independently monitored air  
21 monitoring station on the exterior of the perimeter of their  
22 property so their plant -- so that we can see the degree of  
23 concentration we in the neighborhood, what we are exposed  
24 to. Thank you.

25 HEARING OFFICER RENAUD: Thank you. Okay, Arthur

1 Unger followed by Trudy Douglass.

2 MR. UNGER: I'm Arthur Unger, I live in  
3 Bakersfield, I'm a Sierra Club member. And I came to this  
4 school and I saw the white roofs and then I saw when we got  
5 on the bus the solar panels that one of the neighbors has  
6 and I figured people in Tupman are a little smarter than the  
7 people in my neighborhood. But then I saw all the dark,  
8 naked roofs, no solar panels, just like most of my  
9 neighborhood.

10 I wonder if we took the \$400 million of taxpayer  
11 money that DOE has given to this project and used them to  
12 put solar on the roofs, how many counties we could cover,  
13 how much jobs we could make and how much energy we could  
14 produce and how much air pollution we could save? And the  
15 400,000 tons of carbon dioxide that are not going to go down  
16 to produce oil, which we don't need anyway because we are  
17 going to burn that and make more air pollution and more  
18 carbon dioxide.

19 I don't think we could get as many long-lasting  
20 jobs out of solar because it works so well you don't have to  
21 maintain it much.

22 I wonder where the coal comes from in New Mexico?  
23 I had the honor to train there as a physician in the 1960s  
24 in Albuquerque. And I wonder what part of the state they're  
25 tearing up to get the coal and where they're building the

1 railroads through the Land of Enchantment to carry the coal  
2 to California so we can breathe it? Thank you.

3 HEARING OFFICER RENAUD: Thank you. Trudy  
4 Douglass, followed by Gordon -- I'm not sure if I can read  
5 that. Niños maybe?

6 SPEAKER FROM THE AUDIENCE: Sierra Club?

7 HEARING OFFICER RENAUD: Sierra Club, yes.

8 MS. DOUGLASS: I'm Trudy Douglass, born and raised  
9 in Bakersfield. I am neither a political or an  
10 environmental activist, I am just an outraged citizen. I'm  
11 skipping some of this stuff and going to this point.

12 SCS has been trying to permit PurGen One in New  
13 Jersey but New Jersey is saying no. What they are saying no  
14 to is a project that was set in an industrial area, a DuPont  
15 chemical factory designated as a toxic waste site, with  
16 ocean breezes to dispel the pollution and a thick sandstone  
17 formation to hold the CO<sub>2</sub>.

18 Our site is farmland in a closed end of a valley  
19 with a porous shale to hold the CO<sub>2</sub> until holes are drilled  
20 through our protective barrier for the oil.

21 I think that this project represents the worst in  
22 capitalism where the government and private interests  
23 combine to overwhelm the public health and safety.

24 There's a lot of money to be made and they talked  
25 about their stream of whatever they're going to do, a lot of

1 money. But it's at the expense of the people and of the  
2 health and of the welfare of all of us.

3 If the project goes through as it is right now  
4 there will be higher medical costs for pollution-based  
5 diseases. There will be a lower or reduced longevity, lower  
6 productivity of the people and the land and higher fees and  
7 fines for our failure to meet the EPA particulate standard.

8 Although HECA is the polluter in this case they  
9 will avoid the censure by buying those magical (made quotes  
10 gesture) air credits with our tax money to offset their  
11 offense against us. This might be legal but it's not right  
12 and building a facility in Kern County goes beyond foolish  
13 to criminal.

14 If the Energy Commission feels that California  
15 desperately needs a new resource for electricity they should  
16 promote or permit SCS to get a gas facility, a natural gas  
17 facility.

18 If it is to be a chemical factory let the county  
19 of Kern decide and let them put it, the facility in an area  
20 zoned for the manufacture of hazardous materials.

21 Please act at least as wisely as New Jersey.

22 In conclusion, other meetings should be scheduled.

23 It would be good to schedule them in Arvin and Bakersfield  
24 so that people with disabilities or transportation problems  
25 can attend. As you saw, this is like the middle of nowhere

1 and after it gets dark it's dangerous to drive. So that's  
2 it, thank you.

3 HEARING OFFICER RENAUD: Thank you. Okay, Gordon  
4 and then Victoria Golden.

5 MR. NIPP: My name is Gordon Nipp, I'm the Vice  
6 Chair of the local Sierra Club chapter, I live in  
7 Bakersfield. The Sierra Club will turn in detailed written  
8 testimony by the July 27th deadline so I am not going to go  
9 into a lot of detail on these.

10 Needless to say, we are concerned about many of  
11 the issues that have been already brought up. Air  
12 pollution, we fight it out here with Los Angeles every year  
13 for the dirtiest air in the country. Arvin, the air  
14 pollution from this project is going to drift down to Arvin,  
15 southeast Bakersfield, Lamont, areas like that that really  
16 do have the dirtiest air in the country.

17 Not only that but those are environmental justice  
18 areas, low-income areas. The environmental justice issue  
19 there needs to be really addressed.

20 Coal. I have to "coal" is a real flag for the  
21 Sierra Club. That sort of really brought us to attention  
22 here. Bringing in coal from New Mexico, a new coal-fired  
23 power plant in California. That's probably not something  
24 that ought to happen. What are the impacts in New Mexico,  
25 for example? What are the impacts along the -- along the

1 railroad line between here and there? What are the impacts  
2 in southeast Bakersfield as this coal goes through southeast  
3 Bakersfield, another environmental justice area.

4           Greenhouse gas emissions Arthur mentioned too.  
5 The ten percent of the GHG emissions that are not being  
6 sequestered amount to about 400,000 tons per year. That  
7 puts this project into about number 66 in California, the 66  
8 highest greenhouse gas emitter in California. A new one  
9 that we're doing this to?

10           There are a lot of other issues. Well, one issue  
11 that I should mention here that didn't come up in the staff  
12 Issues Identification Report, this new Issues Identification  
13 Report, is farmland conversion. It's a very important issue  
14 here in Kern County and certainly an important CEQA issue.  
15 It's especially important in that the land is under  
16 Williamson Act contract and so you should be dealing with  
17 the farmland conversion issue as well.

18           Well, like I say, we will turn in detailed written  
19 testimony and I'll leave it at that. Thank you for your  
20 consideration.

21           HEARING OFFICER RENAUD: Thank you. Okay,  
22 Victoria Golden. The next speaker will be Christina Snow.  
23 Victoria Golden, are you here?

24           (No response.)

25           HEARING OFFICER RENAUD: No? Okay. Christina

1 Snow. Good. And after Christina will be Ron James.

2 MS. SNOW: Hi, I'm Christina Snow, I'm a farmer  
3 here in Buttonwillow. And my concern is the traffic. It  
4 just -- we've got slow-moving --

5 PRESIDING MEMBER DOUGLAS: Could you move closer  
6 to the mic.

7 HEARING OFFICER RENAUD: Pull the mic down a  
8 little bit.

9 MS. SNOW: We have slow-moving tractors and slow-  
10 moving equipment and we've got a lot of trucks already  
11 driving through Stockdale Highway and Highway 58. Oil field  
12 related already. This is a farming community. And if you  
13 put this complex in it's going to be an industrial complex.  
14 And we've got some of the best farm ground in the world and  
15 we're going to lose 1,000 acres. And I'm really concerned  
16 that we're going to lose another natural resource, farm  
17 ground. So that's my concern.

18 HEARING OFFICER RENAUD: Thank you. Okay, Ron  
19 James followed by Mark Lambooy.

20 MR. JAMES: Ron James, Operating Engineers Local  
21 12, Bakersfield Office. I'm about the only person that's  
22 going to be for it, I guess. Well, I am for it because I  
23 don't feel it's going to be built if it is unsafe.

24 You know, we have tons of people out of work in  
25 Kern County, we need jobs. And it will be jobs for our

1 membership, jobs for people in Kern County. The economy is  
2 going to get money, the county. I mean, it seems like in  
3 Kern County any time you build something they don't want to  
4 build it, you know, except for maybe wind farms because  
5 they're in the desert. People don't want wind farms in the  
6 desert but they keep building them.

7 I think this is an ideal spot just for the simple  
8 fact it's close to Elk Hills. What do you want to do?  
9 Build a pipeline that is going to be 200 miles away from  
10 here? It's not feasible.

11 Anyway, I hope it is built and I'm for it. Thank  
12 you.

13 HEARING OFFICER RENAUD: Thank you. Okay, Mark  
14 Lambooy followed by Beau Antongiovanni. I think I messed  
15 that name up but you probably know who I mean.

16 MR. LAMBOOY: Yeah, my name is Mark Lambooy, I'm a  
17 local landowner. In fact, I'm right across the street from  
18 the applicant's site.

19 I disagree with the guy right in front of me, I  
20 think this is the worst possible area to do this. The  
21 further down you go on the list the less you can say your  
22 ideas because it's all getting redundant.

23 But my concerns, brackish water, we heard that it  
24 might not be brackish water. My concern is, what's the life  
25 span on it if it is brackish water? Is it infinite? Will

1 it come to an end? And then where is the rest of the water  
2 going to come from?

3 I'm reading the "HECA and the Environment" in your  
4 brochures. I'm reading under "Preserving Valuable Fresh  
5 Water." One of the third sentences from the end in that  
6 group: "as well as refrain from using fresh water that can  
7 be better used by others."

8 I know there's a new water bank from West Kern  
9 right next door. I understand that potable water is going  
10 to be supplied to the plant from this West Kern Water Bank;  
11 is that accurate? Can someone answer that, potable water?

12 MS. MASCARO: Potable water will come from West  
13 Kern Water District, I am not sure of the exact location  
14 with respect to --

15 MR. LAMBOOY: That's right next door to the East  
16 Side Canal, kitty-corner. And 75 gallons per minute, 75  
17 gallons per hour, what was the number on that potable water?

18 MS. MASCARO: I don't have those numbers --

19 MR. LAMBOOY: Is there anybody in this room that  
20 can refresh my memory on that?

21 SPEAKER FROM THE AUDIENCE: Seventy-five gallons  
22 per minute.

23 MR. LAMBOOY: Per minute? Seventy-five gallons a  
24 minute, 108,000 gallons a day, 39 million gallons of water  
25 per year.

1           What guarantee that this plant will not continue  
2 to grow? It came in with BP at \$2 billion and 100  
3 employees, now it's \$4 billion, 200 employees.

4           Concerns with obvious things as an immediate  
5 neighbor, you know, lighting. Yeah, the lighting is going  
6 to be diffused and not a big deal. It won't be noisy.  
7 These are all things that are concerns of mine.

8           The business and the traffic, unsightly. Two  
9 hundred and fifty foot towers. Is that accurate, 250 foot  
10 tall? Anybody know how tall these towers with the blinking  
11 lights will be? Anybody? Two hundred and 13 feet? Okay.  
12 Vary slightly.

13           Property value. What happens to our property  
14 value. I use my imagination, is this going to help my  
15 property value to hold? Will it raise it, will it drop it?

16 I fear it will drop it, grave concern.

17           As a pistachio grower we have the trees right  
18 across the street on Adohr. Those trees need a minimum of  
19 800 hours of chilling hours below 45 degrees. As a producer  
20 what will this plant do? Will it emit any kind of heat  
21 where I'm looking for under 45 degrees? And even if it is  
22 just a little bit will part of my orchard be affected? All  
23 of it? One row? Ten trees? It's all negative, you know.  
24 We're looking for things that we need to produce our crops  
25 so that's a concern.

1           The pollution. It's been talked over and over and  
2 over again, 350 trucks a day. We were informed that trucks  
3 are a minimal part of the overall emissions. It's  
4 frightening to hear that.

5           Again, we heard best farm ground with deliverable  
6 water going to be taken out.

7           It just doesn't seem like this is the place for  
8 this, in this valley. The air quality has been touched on  
9 more than once.

10          I mentioned this at the BP town hall meeting when  
11 they were here and I got a little bit of a chuckle from it.

12          But just, you know, things you think about. As this thing  
13 comes into town and is it going to make our life better,  
14 worse, the same, you know. It was closer to 9/11 when this  
15 thing was first coming on the discussion block or whatever  
16 you want to call it and what are the odds.

17          But, you know, the Buttonwillow grid, you know,  
18 it's a valuable part of California's electrical system and  
19 this would be a huge enabler for that grid. You know, use  
20 your imagination. I doubt it would happen too but these are  
21 things we think about as neighbors on is our life any better  
22 or any worse. And it always, the needle always tips toward  
23 worse. We don't want that. We want our life to, you know,  
24 improve.

25          HEARING OFFICER RENAUD: If you could wind it up,

1 please, you're over.

2 MR. LAMBOOY: Yes, thank you. Finally on the 16  
3 percent less polluting than other plants. What's the plan  
4 down the road? That by 2017 this will replace -- all the  
5 other plants will become hydrogen?

6 Anyway, so just thanks for the opportunity to  
7 comment. It's just our prayer that it won't happen in this  
8 valley. Thanks.

9 HEARING OFFICER RENAUD: Thank you. Okay, Beau.  
10 You're here, good. And then Regina Houchin.

11 MR. ANTONGIOVANNI: Hello, how are you guys? I  
12 too, like the member of the Sierra Club, will be making most  
13 of my comments formally through writing. I just want to  
14 clarify on some of what I consider the smoke and mirrors of  
15 the operation.

16 We've spent some of the night or most of the  
17 presentation talking about the sequestering of CO<sub>2</sub> gasses.  
18 And what they didn't talk about was the NO<sub>x</sub> the VO<sub>x</sub> and all  
19 these -- the particulate matter that is going to go up into  
20 the atmosphere and we're going to then breathe in as smog.

21 And most people already touched on that but just  
22 to quantify some of it. At one of the meetings with some of  
23 the HECA officials, as Mark said, they told us that there  
24 was 350 truckloads a day -- there are 350 trucks a day  
25 coming into the plant for fuel purposes. This represented

1 .5 percent of the total emissions for the project. So what  
2 that means is that the project is going to have 70,000  
3 diesel trucks worth a day of emissions coming out of it.

4 Now as farmers here, pistachio farmers, when we  
5 plant our crops we put -- our crops are pollinated by male  
6 trees. In the northwest corner of every orchard we start  
7 putting our male trees so that the pollen can drift across  
8 the entire crop. And it occurs to me as we stand here in  
9 this building, and someday my kids may come here and go to  
10 school, that five miles from here in the northwest corner is  
11 going to be the source of 70,000 diesel trucks a day worth  
12 of NOx, VOx, black carbon and whatever other particulate  
13 matter that will lead to everything else that, you know, the  
14 people before me have talked about. So I just wanted to  
15 quantify that.

16 Also in relation to something that Mark just said.  
17 There is a report out by Thomas McKone, one of 18  
18 distinguished experts in public health economics from the  
19 Berkeley Lab Energy Service co-authoring a national report  
20 on the hidden cost of energy production. One of those  
21 hidden costs -- I'll read from it here: "Economists, as  
22 external costs, they include the economic impacts from human  
23 health effects, physical damages to structures and reduction  
24 in grain crop harvests caused by air pollution."

25 Now -- so there is data out there that proves that

1 the emissions from this type of facility causes reduction in  
2 crop production.

3 I have been privileged to be part of a study about  
4 25 miles from here where we study yields on pistachio trees  
5 in a peer-reviewed -- in a peer-reviewed study. And we have  
6 data that shows over a six year period the production of the  
7 orchard in closest proximity to the emitter has -- was far  
8 less than the production of the other orchard, of the rest  
9 of the orchard. And the trees themselves prior to harvest,  
10 according to measurements that we have taken, would have led  
11 you to believe that production would actually be greater  
12 based on tree size. So something happened that caused those  
13 trees to abort nuts and not produce. So what Mark said is a  
14 real issue.

15 Now he also touched a little bit on terrorist  
16 threats and, you know, mentioned that he was kind of laughed  
17 at the last time. But I did some research online. And in  
18 1995 I think we all remember that Timothy McVeigh blew up  
19 the Oklahoma City Federal Building. And when he did it he  
20 did it with 5,000 pounds of ammonium nitrate.

21 Now based on numbers given to me at another  
22 meeting, I was told that this facility would produce 500,000  
23 tons of ammonium nitrate a year. They will keep onsite at  
24 all times a 45 day supply, which is 61,644 tons of ammonium  
25 nitrate. That means that there will be 22,831 times the

1 amount of ammonium nitrate that Timothy McVeigh used to blow  
2 up the Oklahoma City building on this site at all times.  
3 And every -- according to my calculations from people who  
4 take deliveries of ammonium nitrate, every truck that comes  
5 off this facility delivering it will contain 52,000 pounds  
6 of ammonium nitrate. That's 9.6 times the amount of  
7 ammonium nitrate that was used to blow up the Oklahoma City  
8 building. That's a real threat. Especially when we are  
9 located about seven miles from one of the largest power  
10 grids in the state, if not the nation.

11           Obviously I'm not a terrorist but how easy would  
12 it be? Think about it, think like a terrorist. How easy  
13 would it be to get one or two drivers on one of these  
14 trucks, make a right turn instead of a left turn, and blow  
15 -- and blow one of the largest power-producing facilities in  
16 the state if not the nation off the grid. And that's  
17 something I would like to request the DOE talks about with  
18 Homeland Security. I think they might have some input on  
19 that. Now --

20           HEARING OFFICER RENAUD: If you could wind up.  
21 We've let you go on --

22           MR. ANTONGIOVANNI: My last point.

23           HEARING OFFICER RENAUD: -- almost five minutes  
24 here.

25           MR. ANTONGIOVANNI: Okay. My last point is

1 related to the Isabella Dam. And I don't know if you guys  
2 are all aware but -- well first of all, according to the  
3 Miller-Haggin Agreement from the 1800s, they talk about --  
4 it was basically the agreement that helped drain some of  
5 these lands from the waters that are held behind Isabella  
6 Dam. It talks about the water to the south and east of here  
7 and refers to this land as swamp and overflowed land. So  
8 this agreement was enacted to drain the swamp and overflowed  
9 land or to keep the water from going there.

10 And also within this agreement they make a  
11 statement that it is expressly understood and agreed that no  
12 party to this contract will claim any damage resulting from  
13 the breaking of such reservoir or levee or other works.  
14 It's all right here in this, in this document.

15 And in the early 1900s the United States of  
16 America entered into a contract among the -- the United  
17 States of America, the North Kern Water Storage District,  
18 Buena Vista Water Storage District, Tulare Lake Basin Water  
19 Storage District and the Hacienda Water District.

20 In this agreement the United States of America, I  
21 believe the same people that write you your paychecks,  
22 acknowledged the Miller-Haggin Agreement as -- as a, you  
23 know -- basically they acknowledged that nothing in this  
24 document supersedes this Miller-Haggin Agreement in which  
25 you cannot hold liable any party to the agreement for

1 damages from flood and establishes that ground as swamp and  
2 overflow ground. Now according to my research online --

3 HEARING OFFICER RENAUD: Excuse me, Beau, really,  
4 we have let you go on about three times as much time as  
5 you're supposed to have so if you could wind it up, please.

6 MR. ANTONGIOVANNI: Yeah, I will. According to my  
7 research online -- in November of 2007 the Army Corps of  
8 Engineers released the Isabella Dam consensus report. That  
9 confirmed the high risk classification of the dam, ranking  
10 Isabella Dam among the six highest risk and highest priority  
11 dams in America and later they elevated it to the highest  
12 priority. So the water behind Lake Isabella Dam has been  
13 rated by the US government as -- as the highest risk dammed  
14 water in the nation.

15 Now according to my research, according to  
16 contours and elevations, the site for this plant is actually  
17 below, below the elevation and ground level of the land that  
18 was formerly talked about in this document as swamp and  
19 overflow land. So if that dam breaks or if there is a flood  
20 this ground is going to be flooded, and has every right to  
21 be flooded and there will be -- there will be no possible  
22 recourse by the parties involved in this land.

23 So my question to you, the DOE. Knowing that, do  
24 you believe that it's -- that it's good policy to give \$400  
25 million of taxpayer money to build a facility at the bottom

1 of an ancient lake bed that has a dam that has -- that has  
2 been determined by the US to be the biggest threat or most  
3 likely to erupt in the country? And that's all I have to  
4 say about that.

5 HEARING OFFICER RENAUD: All right, thank you.  
6 Regina Houchin and then -- I'm really having a hard time  
7 reading this. It's Don, it looks like maybe U-A-W.

8 ASSOCIATE MEMBER McALLISTER: Don Van.

9 HEARING OFFICER RENAUD: Don Van. Okay, Don Van.  
10 You probably know who you are. Thank you.

11 MS. HOUCHIN: Hello, my name is Regina Houchin.  
12 And I have no land in the area, I have no vested interest, I  
13 have no possibility of monetary gain but I have been in  
14 Buttonwillow for 50 years. My children live in  
15 Buttonwillow, my grandchildren live in Buttonwillow. And my  
16 main concern is the health and safety of my family.

17 I am the president of the Buttonwillow School  
18 Board. I am on the Buttonwillow Recreation and Park  
19 District Board. All of them obviously involving children.

20 And so when information comes to me that there are  
21 going to be such increased volume of traffic on our roads.  
22 And you can say we are so far away but trust me, if the  
23 trucks are coming in on Stockdale that is going to make  
24 those people that use Stockdale use our 58. It's not going  
25 to -- it's not going to help at all.

1           While I say I have no monetary gain, I certainly  
2 do have the potential for a reduced gain as I am a  
3 bookkeeper and predominately my clients are agriculture, of  
4 which some spoke this evening. And if their crops are  
5 adversely affected and they leave the area then so does my  
6 business.

7           And I just ask that you represent me, the  
8 individual resident of one of these communities, in doing  
9 diligence in looking at every avenue outside of the money  
10 needed by Kern County, the money needed by the state of  
11 California. Because money cannot buy your health. And as a  
12 parent and grandparent that is ultimately and should be  
13 ultimately our concern. Thank you.

14           HEARING OFFICER RENAUD: Thank you. Okay, Don.  
15 And then we'll have Marvin Dean after him.

16           MR. VAN: Thank you, I won't take much of your  
17 time here right now. I've heard all the stories tonight and  
18 I've heard a lot of the stuff. And one thing I have very  
19 much -- we sit two miles here in Tupman from this plant.  
20 The plant, they've said all the things they're going to do  
21 with CO<sub>2</sub>, NO<sub>x</sub>, everything. But I have heard nothing at all  
22 -- our wind here is a prevailing west wind, average 7 to 12  
23 miles an hour on a daily basis, sometimes more, sometimes  
24 less.

25           But there's an ammonia plant right there. It is

1 going to put out a lot of ammonia. Anhydrous ammonia is a  
2 byproduct of urea. So they say storage facility. Shows  
3 there maybe a pipeline going to rail cars there. What  
4 happens if something happens to one of these storage tanks  
5 and this school sits right here two miles away. That's a  
6 big concern of ours here and all the other people that live  
7 here.

8           Sure, we're a small community. But we have just  
9 as much rights here as the other people do. But that  
10 particular one thing right there would bother me more than  
11 anything. And that's one of the things, unless they can  
12 give a perfect guarantee that none of those facilities and  
13 none of those tanks could ever rupture and that could blow  
14 that ammonia right over here to this community. Thank you.

15           HEARING OFFICER RENAUD: Thank you. Okay, Marvin  
16 Dean and followed by Justin Bone.

17           MR. DEAN: Good afternoon. Good evening, I should  
18 say, or good night.

19           HEARING OFFICER RENAUD: Good night (laughter).

20           MR. DEAN: I'm going to be brief. My name is  
21 Marvin Dean, I live in southeast Bakersfield. I represent  
22 the environmental justice community out in that community.  
23 Before I get started I want to just give a little bit of a  
24 history of my background and from where I make my remarks.

25           One, I started my career right there at the Midway

1 Substation there at Buttonwillow building power lines into  
2 the Diablo nuclear power plant, so I am very familiar with  
3 power plants and construction and power lines and all that  
4 kind of stuff we're talking about.

5 I also, when the air district was formed, the San  
6 Joaquin Valley Unified Air Pollution Control District, I was  
7 one of the first hearing officers for the southern office,  
8 this area here, Bakersfield, for ten years. So I am very  
9 familiar with these type of projects coming in, putting  
10 these projects in with the best technology, the best  
11 practice.

12 And I find that a lot of the promises that are  
13 made on the front end when these projects are constructed  
14 don't always hold true. And I'll say to you all, listening  
15 to the Commissioners' questions and also the staff's  
16 questions, I think you're right on key. Keep asking the  
17 hard questions. Because we make these projections and they  
18 don't always come through.

19 The second thing is -- I wanted to say is that the  
20 concerns that I see here -- what really brought -- let me  
21 just say this also. I just found out about this about a day  
22 and a half ago so I really haven't done a lot of research on  
23 this. So I'm just going to make some general remarks but I  
24 will be writing some things for the written record later.  
25 But your staff outlined some of the things that I thought

1 you were right on time -- air quality. The ground and water  
2 issues, waste, the traffic.

3 And the main thing that really brought me out more  
4 so than anything was this coal, use of the coal. And  
5 trucking that stuff and also bringing it in by rail into my  
6 community, southeast Bakersfield. I would ask about the  
7 control of dust from the transport. How is that stuff going  
8 to be transported in? Is it going to be on trains, is it  
9 going to be open cars, is it going to be closed containers?

10 Then when it gets to the truck -- we need to really look at  
11 that in terms of the pollutant from the coal dust.

12 Why is that important? Some of us know here --  
13 one other thing I want to say, I also serve now on the air  
14 environmental justice task force for the air district so we  
15 look at environmental justice issues. And some of you know  
16 that the EPA has fined this valley \$29 million that we have  
17 to pay a year until we can get the attainment -- clean up  
18 our air here.

19 So one of the things that this project is going to  
20 do, even though they're saying that it's going to be a  
21 little cleaner than the Avenal plant and all that, but my  
22 question would be is what impacts is that going to have on  
23 the air quality? And if that is going to not help us reduce  
24 the air quality, clean it up, I don't think it will, then we  
25 all in this community, in this valley, when we pay our

1 registration fee, we're going to have to pay an extra \$14 a  
2 year until we can come back in attainment level. And that's  
3 going to impact environmental justice and low-income people  
4 in a way that is going to be something that we are going to  
5 have to mitigate if this project goes forward.

6 And then the second part of that is if the project  
7 does go forward -- I want to just put a few things up  
8 perhaps for mitigation. Is that, again, the air quality is  
9 not only bad air, I talked about the EPA fine, but the  
10 health effect that some of these other people spoke about.

11 We need to have to make sure that in terms of  
12 mitigation they address the coal dust in terms of making  
13 sure that that doesn't -- that be secured in such a way that  
14 it doesn't impact this valley.

15 We want to make sure that if they are going to use  
16 credits to offset some of the pollutants. Because, you  
17 know, these ER credits they can usually say that we're going  
18 to offset the effect by buying these credits. I would say  
19 that there ought to be a burden of two. For every pound of  
20 air that they pollute there ought to be 2-to-1. Because  
21 sometimes they'll go 1-to-1 -- or sometimes they'll even go  
22 1-to-1. So I'm saying if it's going to do it, because of  
23 the \$29 million fine we have, it ought to be a 2-to-1. For  
24 every air pollutant that they put in here that they have to  
25 offset it by these credits. I don't necessarily like

1 credits but if you use it they ought to be a 2-to-1 ratio.

2 The other thing is because of the low-income  
3 people that's going to be paying that fee. If this project  
4 does go forward there ought to be a program established so  
5 that part of the construction that the folks in these low-  
6 income neighborhoods are going to be a part of the  
7 construction process. They fund the program that also gets  
8 these folks job-ready. And also that women and minority  
9 subcontractors be included in this process. Because we are  
10 all going to be affected. So if this project is going to go  
11 forward then we all should share in the rewards of that.  
12 And I'm saying if it's determined that the project is going  
13 to go forward.

14 And then the other thing is they ought to -- and I  
15 would ask EPA, the department that's putting some money into  
16 this thing, is if you are going to support this project and  
17 finance it then you ought to give us some relief from this  
18 \$29 million fine that we are being fined because of the air  
19 quality because this project may impact the air quality. So  
20 therefore you are fining on one hand, then you ought to give  
21 us some relief if you are going to support this project and  
22 finance it.

23 So those are just some general statements. And I  
24 think most of the people that I heard speak tonight and the  
25 questions that staff has raised, you guys are right on

1 target and I just want to wish you well.

2 HEARING OFFICER RENAUD: Thank you.

3 MR. DEAN: It was a way to find this place. It's  
4 the first time I've come out here. I'll tell you, it was a  
5 -- it was a job getting here. But thank you.

6 HEARING OFFICER RENAUD: Okay, thank you. All  
7 right. Justin Bone and followed by Richard Chapman.

8 MR. BONE: Hi, my name is Justin Bone and we -- my  
9 family and I both live and farm in this area. We heard a  
10 lot about the projected emissions from this project.

11 And my question is, does this include the  
12 emissions from the importation of the fuel, the coke and the  
13 coal? Does it include the exportation of the product and  
14 the waste and does it include the emissions from the  
15 employees that will be coming?

16 My concern, as others, is that this project is not  
17 helping us in our efforts to better our air and so I want to  
18 ask, what is the total net air pollution added to our area  
19 with this project?

20 And then just really quick as well, this project,  
21 it was alluded to earlier but I think it deserves to be  
22 mentioned again. It does remove prime farmland from our  
23 area. And once it's gone it will never come back and I  
24 think that's something that needs to be addressed. Thank  
25 you.

1 HEARING OFFICER RENAUD: Thank you. And I can  
2 just say that the things you mentioned are all parts of the  
3 staff analysis and will be in the staff report.

4 Okay, Richard Chapman followed by Ben McFarland.

5 MR. CHAPMAN: Hi, good evening. My name is  
6 Richard Chapman, President and CEO of the Kern Economic  
7 Development Corporation. And we represent Kern County  
8 through a public/private coalition, businesses, communities  
9 and the like, all 8400 square miles. Our mission is, plain  
10 and simple, to retain and recruit jobs, good, high-value  
11 jobs for Kern County. When we're faced with double-digit  
12 unemployment, extreme poverty and the like and how do we,  
13 how do we help the citizens with jobs.

14 Obviously given that our litmus test is capital  
15 investment. Each project, does it meet the litmus test of  
16 capital investment, wage income as well as public revenue.  
17 Money, tax revenue that goes back to the citizens in terms  
18 of infrastructure.

19 And the good news for this project, it hits on all  
20 those. Again, economic development merits, \$4 billion.  
21 Capital investment. The construction alone, 2,000  
22 construction jobs is critical at this time when the  
23 construction industry has taken a big hit. We're rebounding  
24 but we have a lot more to go. \$1.7 billion over five years  
25 for just construction employment.

1           Also the \$50 million a year labor income  
2 throughout the life of the project is critical for us. A  
3 lot of projects we work in they're built and then the jobs  
4 tend to go away. And this is not the case here. We are  
5 proud that there is going to be retention of full-time  
6 permanent jobs. The pay for these jobs is 20 percent, up to  
7 20 percent, 17 to 20 percent more than the county average, I  
8 think it's about \$47,000. Add in the multiplier effect,  
9 it's critical. Are there indirect induced jobs, purchases?  
10 Are people, are they buying local products, people eating  
11 in local restaurants? I believe that this has met muster  
12 for that.

13           And public revenue. There are projects, I  
14 believe, like we're campaigning for the heavy maintenance  
15 facility. But that won't pay tax, that won't pay tax  
16 revenue. This project will. So that's critical for us when  
17 we look at every type of especially renewable energy  
18 project, will or they will not -- they are not exempt from  
19 sales tax or property tax.

20           And then finally the overlay of diversification is  
21 key. We talk about working with oil companies, enhanced oil  
22 recovery. We are number one in the country; this will help  
23 retain that edge.

24           And the complementary part is just critical. And  
25 just showcasing Kern County as innovative. We already have

1 the world's -- the country's largest wind farm they're  
2 building. A project like this of economic significance  
3 would definitely showcase how -- how progressive and  
4 innovative Kern County is. So thank you for your time.

5 HEARING OFFICER RENAUD: Thank you. Ben McFarland  
6 and the next speaker would be -- Edward Rosareff I believe  
7 that is.

8 MR. MCFARLAND: California Energy Commissioners  
9 and staff, my name is Ben McFarland, I am the Executive  
10 Director of the Kern County Farm Bureau, an organization  
11 that represents more than 1400 agricultural entities, their  
12 employees and families in Kern County. It is our mission to  
13 promote, protect and strengthen Kern County's agricultural  
14 interests.

15 I am here to advise you of our initial concerns on  
16 the impacts the proposed Hydrogen Energy project would have  
17 on agriculture and those who live on and work the land in  
18 the Buttonwillow/Tupman community. Specifically the  
19 bifurcation of local farming operations as the result of new  
20 rail lines, irretrievable loss of prime farmland as  
21 classified by the state's Department of Conservation,  
22 disruption of neighboring farming activities and a  
23 contribution of emissions negatively impacting local air  
24 quality and which our farmers already face the severest  
25 regulations and costs for compliance in the world.

1 Thank you for your interest in our concerns and we  
2 look forward to working with you as this process develops.

3 HEARING OFFICER RENAUD: Thank you. Edward --  
4 sorry, I couldn't read your last name.

5 MR. KOSAREFF: Kosareff.

6 HEARING OFFICER RENAUD: Kosareff, okay, thank  
7 you.

8 MR. KOSAREFF: Thank you for your time. I'm a  
9 concerned citizen more than a farmer in this area, although  
10 I do live and farm here. And all I could say is dittos to  
11 what all the people said. I would just be reiterating what  
12 they all said.

13 One topic comes to mind. I want to tell a little  
14 story until I get there. We were in the LA area, my wife  
15 and I, and she likes pistachio ice cream. And so we sat  
16 down in an outdoor café and ordered pistachio ice cream.  
17 And the gentleman explained to us what came with it and all  
18 this. So my wife got her ice cream and no pistachios on top  
19 of this ice cream. So we asked him, why no pistachios? And  
20 he says, well didn't you know that there is a salmonella  
21 scare in the pistachios. Yeah, we have heard about it being  
22 pistachio farmers. So at that time there was a terrible  
23 salmonella scare with these pistachios. And the market fell  
24 apart and slowly it's come back.

25 So my point is that there's a lot of pie in the

1 sky with this project. We see a lot of numbers floating  
2 around, 90 percent sounds like saving a lot of CO<sub>2</sub>. But  
3 what about the 10 percent? What about the other pollutants  
4 that we seem to be -- that they're throwing around and then  
5 fast they disappear, we don't talk about them.

6           The previous owners, BP, spoke about -- I asked  
7 one gentleman, we had a meeting with him about the byproduct  
8 of the coal, that there would be some sort of byproduct in  
9 the form of a slurry. Now I don't know if the whole project  
10 has changed where that disappears now or now we hear this  
11 fertilizer project. So what is it? Are we making  
12 electricity or are we selling fertilizer?

13           If we kept all the fertilizer here for California  
14 and we didn't allow it to go beyond the boundaries of  
15 California my PCA tells me there's a million pounds of  
16 fertilizer to be -- that would be enough for the whole state  
17 of California. We know good and well that that fertilizer  
18 will not stay in California, it goes to the highest bidder.

19           So back to the story of the pistachios. All we  
20 need, all we need here in this area is for one scare, one  
21 scare to come from this plant to say that there's something  
22 in the air, there's something in the soil, there's something  
23 coming from this plant that is polluting our crops. Whether  
24 it be pistachios or almonds or cherries or grapes or any  
25 other product that's grown in this area. And then we get a

1 call from our processors that say, I don't think we want  
2 your product anymore because of your proximity to that plant  
3 and what can happen to this -- to your products and could  
4 devastate the entire product. And that's all I have to say  
5 on that. Thank you for attention.

6 HEARING OFFICER RENAUD: Okay, thank you very  
7 much. That's all the blue cards I have. Let me ask if  
8 anybody, if there is anybody on the telephone listening in  
9 who wanted to make a comment?

10 (No response.)

11 No indication? No. Is there anyone who didn't  
12 submit a card who would like to speak?

13 (No response.)

14 No, all right. Let me ask our Commissioners if  
15 they have any closing remarks before we adjourn, either of  
16 you?

17 PRESIDING MEMBER DOUGLAS: I just have a brief  
18 closing remark, again, this is Commissioner Douglas. I want  
19 to thank all of you who have come out here. Some quite  
20 local, some from Bakersfield or further, further away. It's  
21 really beneficial for us to hear from you so we appreciate  
22 you making the effort. And I see a lot of people who stayed  
23 throughout what's been a long night so again thank you for  
24 making the effort.

25 ASSOCIATE MEMBER McALLISTER: I'll just reiterate

1 that. This is really a key part of the process and having  
2 everybody in the community here is -- gives us all a reality  
3 check and is actually, you know, one of the most important  
4 parts of the project -- of the gathering of the record so  
5 that we can make, you know, a good decision that makes sense  
6 for California. So thank you all again. And we are  
7 embarking on a relatively long process so I'm sure we'll see  
8 each other again in the relatively near future so thank you  
9 very much.

10 HEARING OFFICER RENAUD: Thank you.

11 PRESIDING MEMBER DOUGLAS: So with that this  
12 informational hearing is adjourned.

13 (Whereupon, the Informational Hearing/  
14 U.S. Department of Energy Scoping Meeting  
15 was adjourned at 9:18 p.m.)

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## CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter and Transcriber, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing/United States Department of Energy Scoping Meeting and that I thereafter transcribed it.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July, 2012.

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RAMONA COTA, CERT\*478