INFORMATIONAL HEARING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

DOCKET
11-AFC-3
DATE JAN 25 2012
RECD. FEB 2 2012

In the Matter of:)
)
Application for Certification of) Docket No.
The Quail Brush Generation Project) 11-AFC-3
_____)

CITY OF SAN DIEGO MISSION TRAILS VISITOR CENTER

ONE FATHER JUNIPERO SERRA TRAIL

SAN DIEGO, CALIFORNIA

WEDNESDAY, JANUARY 25, 2012

4:27 P.M.

Reported and transcribed by:
Martha L. Nelson, CERT

APPEARANCES

COMMITTEE MEMBERS

Karen Douglas, Commissioner and Presiding Member

Carla Peterman, Commissioner and Presiding Member

HEARING OFFICER AND ADVISORS

Raoul Renaud, Hearing Officer

Galen Lemei, Advisor to Commissioner Douglas

Jim Bartridge, Advisor to Commissioner Peterman

OFFICE OF THE PUBLIC ADVISER

Lynn Sadler, Assistant Public Adviser

STAFF, CONSULTANTS AND STAFF WITNESSES

Stephen Adams, Senior Staff Counsel

Chris Davis, Siting Office Manager

Alana Matthews-Davis

APPLICANT

Gary L. Palo, Cogentrix

C. Richard Neff, Cogentrix

Constance E. Farmer, Tetra Tech

Ella Foley Gannon, Bingham McCutchen

APPEARANCES (Continued)

PUBLIC SPEAKERS

Pedro Orso-Delgado, Deputy City Manager, City of Santee

Melanie Kush, Planning Director, City of Santee

Dorothy Leonard

Morris Dye, City Project Manager, City of San Diego

Mason Herron, Representative, Assembly Member Brian Jones

Rudy Reyes

Phil Connor

Rob Hutsell, San Diego River Park Foundation.

Retha Knight

Elizabeth Klebaner, California Unions for Reliable Energy

Robert Meisner

Mike Nagy, San Diego Regional Chamber of Commerce

Scott Hasson

Randy Smith

Barbara Thompson

Theresa McCarthy

Rob Hingten

Jeff Khan

Sandy Kuntz

Keely Mayrakos

APPEARANCES (Continued)

PUBLIC SPEAKERS (CONT.)

Jack Zarour

Nicole Capretz, Environmental Health Coalition

Phyllis

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PROCEEDINGS

4:27 P.M.

COMMISSIONER DOUGLAS: All right. Thank you, everybody. I'd like to welcome everybody to the informational hearing and public site visit for the Quail Brush Project. My name is Karen Douglas. I'm the presiding member of this siting committee. I'm a commissioner of the California Energy Commission. We've done introductions earlier, but we'd like to do them again in case anybody who is here now was not here to hear -- to hear the introductions then.

To my left is our Hearing Officer Raoul Renaud. And to his left is Commissioner Carla Peterman, the associate member of this committee. Her advisor, Jim Bartridge, is to her left. My advisor, Galen Lemei, to my right. And on the far right, Eileen Allen, who is technical advisor to commissioners for siting issues.

At this point I'd like to ask the hearing officer to -- actually, let me recognize a few more people.

The public advisor in the back of the room, Lynn Sadler. So for members of the public who are interested or have questions on how to engage in this process and what your options are for getting more information or for having the level of engagement you'd like in the process, Lynn will be a great resource for you.

The parties, let's start with staff, if you could

introduce yourselves.

MR. DAVIS: My name is Chris Davis and I'm the Manager of the Siting Office at the Energy Commission, which is a power plant licensing office.

MR. ADAMS: Steve Adams. I'm a Staff Counsel with the Energy Commission.

MS. MATTHEWS-DAVIS: Alana Matthews-Davis, Staff Counsel, Energy Commission.

COMMISSIONER DOUGLAS: Thank you. Applicant.

MS. GANNON: Ella Foley Gannon, Counsel to the applicant.

MR. NEFF: Rick Neff, Vice President of Environment Health and Safety with Cogentrix Energy.

MS. FARMER: Connie Farmer, Environmental Consultant and Project Manager for the applicant.

MR. PALO: Gary Palo, Vice President, Development, Cogentrix.

COMMISSIONER DOUGLAS: Thank you. Let me ask at this point if there are any representatives of local, state or federal government agencies other than the energy Commission here today? If -- if you could we'd appreciate it if you would introduce yourselves.

MR. ORSO-DELGADO: Pedro Orso-Delgado, Deputy City Manager for the City of Santee.

COMMISSIONER DOUGLAS: Thank you.

MS. KUSH: Melanie Kush, Planning Director, City of Santee.

COMMISSIONER DOUGLAS: Thank you.

MS. LEONARD. Real quickly, I'm Dorothy Leonard. I trail the Mission Trails Regional Park Citizens' Advisory Committee for the City of San Diego. And this comes within our Mission Trails Design District, so we will be taking position when it gets to that point.

COMMISSIONER DOUGLAS: Thank you.

MR. DYE: I'm Morris Dye. I'm the City Project Manager for the City of San Diego on the project.

COMMISSIONER DOUGLAS: Thank you.

MR. HERRON: My name is Mason Herron. I'm from the office of Assembly Member Brian Jones.

COMMISSIONER DOUGLAS: All right. Thank you. Thanks for being here.

Is there anybody on the phone representing local, state or federal government agency? All right.

With that I will turn this over to the hearing officer to just discuss the purpose and the agenda and the procedure we'll be following today.

HEARING OFFICER RENAUD: Thank you, Commissioner Douglas. And again, welcome. A couple of maybe housekeeping things I'll tell you about first.

During the presentations today we will be using

slides. The room is set up so that they are behind you. But feel free to turn around and look at the slides. That's the way the set up of the room was.

The second thing is that as a public proceeding this is being recorded and is also being taken down stenographically. And that means that eventually there will a transcript of this proceeding in the docket, that is the public record of the Quail Brush Generation Project proceeding, available for public viewing at the Energy Commission. That's why I told you before we went on the bus trip that if you wanted to have any comments or questions on the record you should save them for in here. The -- let's see. Okay.

So now I'll get to the notice. On January 10th the Energy Commission sent out notice of this hearing, provided notice to the parties, to adjoining land owners, and interested governmental entities.

If I could move to slide four, please, Lynn.

Now a little bit about the California Energy Commission. The Energy Commission has permitting authority over some thermal plants that are 50 megawatts or greater. The project in question here today is 100 megawatts, so obviously that's within the commission's jurisdiction. The commission is the lead agency for the California Environmental Quality Act review and ongoing compliance. And the review, the assessment, and the approval process is carried out under the commission's

certified regulatory program.

The commission has five members. Currently there are two vacant seats on the commission, but there are five seats on the Energy Commission. And when an applicant submits an application for certification that is seeking a license to construct and operate a power plant two members of the commission are appointed to be a committee to oversee the -- the environmental review process. And as I said earlier, in this case Commissioner Douglas is the presiding member, and Commissioner Peterman is the associate member.

The committee will, at the end of this review process, issue a presiding members proposed decision, which we call the PMPD, that makes a recommendation to the full commission whether to approve, reject, or amend the proposed project. And the way we get to that PMPD is a process about which you will hear more in the forthcoming slides.

One of the most important things I can tell you about our review process is that it is the commission’s goal and intent to keep this process as open and transparent to the public as possible. We work very hard to make sure that members of the public have a full opportunity to participate in the process, to be aware of everything that is going on, and to attend and participate in all meetings.

We also have a rule called the ex parte rule. Since Commissioners Douglas and Peterman are, in effect, the decision

makers for whether to approve or reject the project you could liken them to the judges. And that means that the parties, and by that I mean the applicant and the Energy Commission staff, and any other parties who intervene in the process and have a stake in the outcome are not permitted to communicate with the commissioners about the project, except in a public open forum such as this one. Any communication of that nature must be in a meeting that has been noticed and is open to the public. Okay.

So again, that's called the ex parte rule, and that's just one of the ways that the commission strives to ensure that the public can have complete confidence that this process is a public spirited and open process designed to come to a full and fair review and resolution of the application.

Can I have the next slide please.

The Energy Commission staff in reviewing the project worked very closely with local, state and federal agencies. In this case the local agency is the City of San Diego because the project is within the city limits. Obviously, the San Diego County and the San Diego Air Pollution Control District are involved. Also, state and federal agencies, such as the Department of Fish and Game, the Native American Heritage Commission, Environmental Protection Agency, and National Park Service are just among many, many agencies that coordinate with the Energy Commission staff in conducting the environmental

review.

At this point we will turn to the applicant for a presentation concerning the project. And I think at the end of that presentation we'll take a pause for any questions of the applicant before we proceed to the next stage.

By the way, I see there are some people standing. There are a few seats here up in the front. If you'd care to come up here and have a seat, please feel free to do so.

Okay. Applicant, go ahead then, please. I think you'll have a slide presentation to put on yourselves.

MR. NEFF: Yeah. While the slide presentation is getting cued up on the computer, once again, may name is Rick Neff. I'm with Cogentrix Energy. And we thank you all for coming here today. Actually, I have a question. Is this presentation going to -- you know, our presentation available on the CEC website?

HEARING OFFICER RENAUD: Yes. In fact, that reminds me, I should have said this. One of the ways we allow public participation is through the use of our WebEx System. The Energy Commission has a computerized system that allows people to phone in and listen, and also to view the presentations on their computer screens. And so that's operating right now. So whatever goes on that screen will be available out there on the web. In addition, your presentation will be made part of the docket.

MR. NEFF: Okay.

HEARING OFFICER RENAUD: And so it will be in the record for anyone to view.

MR. NEFF: Okay. And the reason I brought up that point, I know that -- well, first off, thank you all for being here, and especially for the folks out at Mission Trails who have provided the facilities for us. I know they have a hard stop. There's another use of this room at six o'clock. There are some items on this presentation that I'm going to go through relatively quickly so that we can preserve time for the questions you have. I know I saw a fair number of blue cards up here, and we want to be able to get to those this evening.

So with that, let's go to the next slide please. Here's quickly what we're going to do, an introduction to the company, Quail Brush Genco, go over what the project is, talk about the need for the project, the benefits. And to date several issues have been identified by the commission staff, and we want to review those for you. All right.

Quail Brush Genco is a wholly owned subsidiary of Cogentrix Energy. Cogentrix is an independent power producer. As our name would imply, we got our start almost 30 years ago using energy efficient cogeneration technology. As the market has changed we have gone on ahead and gotten more into renewable resources. We're currently commissioning a 30 megawatt solar plant in Colorado. We have another solar plant

in the State of California. And we also work with utilities to help them with their peaking and intermediate load needs.

Because we're an independent power producer we're only as good as our last project. And we do have a history of commitment to the communities that we operate in and that we live in.

Next slide, please. Very briefly, that shows you the projects that the company has developed, owned and operated over the past 30 years.

The next slide, please. All right. This project is -- came about in response to a request for proposals by San Diego Gas and Electric. As the project ultimately ended up with, it is a 100 megawatt intermediate and peaking load facility. What peaking means is that during the -- the hot summer afternoons when air conditioning use is high there is demand for the facility. The intermediate part to it is the project is also designed to help support SDG&E in their transmission needs as they are bringing more and more renewable resources into their service territory.

It's a natural gas-fired machine. We're looking at a maximum of 3,800 operating hours a year. One of the reasons we were selected is that the technology we're proposing gives the system operator very fine tuning in the amount of electricity that is delivered to the system at any one time. Having a smaller number of larger units, one may need two or three

megawatts but you may be only able to deliver it in increments of five or six. This type of technology does allow you to have small increments of power that go into the system.

The site we looked at today, it's a total of 21.6 acres. Roughly 11 acres of that will have some disturbance on it. And inside the fence line of the facility is 4.6 acres. As we saw, it's near existing transmission lines. And at the corner of Mast Road is where the existing natural gas pipeline is. All right.

This, very briefly, shows one of the generation interconnect alternatives. We drove the road up due north from the power plant site. From there there's an option to head off to the north and west into the 230kV system.

Next slide please. Here's just the main components of the facility. We went over this briefly. There are the 11 engines. There is one exhaust stack for each engine. All of it is in an acoustically controlled building. It's a closed-loop cooling system. As a result the water use on the facility is very low, on the magnitude of about one gallon a minute when the facility is operating.

Next slide. All right. For someone who is looking at the details, that will be in the slide presentation of how the plant layout will be.

Next slide. We're also looking at an alternative point of interconnection which is the preferred

interconnection. It ties into the existing 138kV system. Doing that it -- there's 20-some-odd acres less land that is potentially impacted by the power plant. For the rate payers that tying into the existing line and into an already built switchyard means that the interconnect costs and network upgrade costs are quite a bit lower, too.

Next slide. There's the line. That's the one we were looking at today before we did our turnaround on the trip. Once again, we go north out of the plant site. In this case the smaller lines, typically on a monopole rather than a lattice tower. And you follow the pathway where we are paralleling the existing 138kV line which goes into the existing Carlton Hills Substation.

The need for the project is one that was determined by San Diego Gas and Electric. Really one of the basis is they do have a need for peaking power within their system. They're also looking at having generation being close to the load center. And part of that helps them in their ability to meet their 33 percent renewable portfolio standard for the project. All right.

Next slide please. All right. The benefits to the project, we are supporting SDG&E in getting its remote renewable energy into the system. The peaking resources is in the load system, so extensive transmission is not required for the project. We're looking at setting aside land for

conservation purposes. We've already had some preliminary discussions with the City of San Diego, and also with Mission Trails. We're looking at assisting in the regional park expansion.

We do have a history of supporting the local community. So far we are participants in the Santee Santas, the San Diego River Foundation, Mission Park Trails, others. Ultimately, if the project is approved, I'll bet that we're going to have a softball team or two that we are sponsoring, as well.

The technologies, they are low air emissions, and they are one of the lowest water-using generation technologies. There will be tax revenues for the City of San Diego and into the county. We're looking at roughly 150 construction jobs and about 11 full-time personnel during operations.

On this figure, if you look off to the west of the site there's the purple land which is -- my little marker isn't showing on that -- that's the area. There's multiple parcels which we've been in conversation -- there we go, thank you -- for potential mitigation land looking at the project.

Next slide. There was an earlier meeting, a project introduction meeting, with the City of San Diego staff and the Energy Commission in early December. One of the outcomes of that are the several issues that are listed up here. One of them, the surveys we did last year on the biological resources,

we missed the window for when the Quino checkerspot butterflies were in-wing. Over the next several weeks, as they start hatching and coming out, we will be picking those surveys back up.

We do have a land use process that we are just engaging with, with the City of San Diego. We are in the East Elliott Community Plan. That is a multi-species conservation program area. And there's some community plan amendments and rezoning applications that are in process with the city, and in processing the initial applications were just submitted today.

Finally, the whole Camp Elliott area has been previously used by the Department of Defense. In World War II, especially, and up to the late '50s there was live ordinance training that went on in the area. There is a possibility that there are some UXOs in the area. Sometime over the next several months we will be conducting surveys to make sure that the area is cleared for UXOs and any discarded munitions that may be on the site.

After the -- today, and I'm sure is -- we'll be hearing later from the commission, there will be more issues for the project, there will be more information we're looking at. This information is to contact us, or all of the documents we have submitted, there are quite a few, they are available at that CEC website address. So for finding detailed engineerings of the plan, the air modeling analysis, biological surveys,

cultural resources, on down the line, all of that information is presented at the CEC website. As new information is developed those will be added to the docket. All right.

And that's it for the formal presentation.

HEARING OFFICER RENAUD: All right. Thank you very much. Any questions of the applicant before we proceed to a presentation by the commission staff?

Sir, come up to the microphone, please, and state your name.

MR. REYES: My name is Rudy Reyes. I am currently a candidate for 2nd District County Board of Supervisors in the East County.

Environmental impact reports; where are they? There's a serious lack and need. Why would we back a project that isn't even doing the work in regards to environmental impact reports? I am Native American in my background. That's a culturally preserved site. I'm very upset at the fact that you guys would even go on there and try to put anything in that land. There's NAGPA (phonetic) resources there, in other words, resources that should be repatriated when they're found. What are you guys going to do? Why is there a serious lack in these type of reports?

HEARING OFFICER RENAUD: Maybe I should explain. The purpose of filing the application for certification to the Energy Commission is so that the Energy Commission can perform

that study.

MR. REYES: Well, I'm letting you know there are cultural resources on that hill --

HEARING OFFICER RENAUD: Yes.

MR. REYES: -- and they're purposely stepping on them.

HEARING OFFICER RENAUD: Right.

MR. REYES: That is an archeological site.

HEARING OFFICER RENAUD: There are 21 environmental areas that are reviewed, including cultural resources.

MR. REYES: And if you guys aren't going to --

HEARING OFFICER RENAUD: And they do ensure that --

MR. REYES: -- disclose this to the public why should the public support you?

HEARING OFFICER RENAUD: Well, we're -- I'm not sure I understood your question.

MR. REYES: We're asking the group here. Why -- you asked me to ask them directly. If they're not willing to do this work and let us know as a public what's really going on and they're keeping things under hush-hush, why should we support this?

MR. NEFF: Well, the information has been available on --

MR. REYES: I looked on the website --

MR. NEFF: -- the CEC --

MR. REYES: -- and you have not put it on the website.

UNIDENTIFIED MALE: (Off mike audience member.) (Inaudible.)

MR. REYES: I know. He didn't answer.

MR. NEFF: It is on the website. We can provide you the direct links to the sections that you're looking for.

HEARING OFFICER RENAUD: Are you referring to the Energy Commission website, sir?

MR. REYES: Yes.

HEARING OFFICER RENAUD: Oh, well, you know, we do have an open and public process. I mean, I don't think there -- there can be any question of that --

MR. REYES: I'm assuming --

HEARING OFFICER RENAUD: -- that all information -- excuse me.

MR. REYES: Okay.

HEARING OFFICER RENAUD: All information that is submitted by the parties in this case and by members of the public is on there and is available to the public for viewing.

MR. REYES: And I was assuming that when you said your website, was referring to their project.

HEARING OFFICER RENAUD: Each project that is a study of a -- the subject of -- of a study at the Energy Commission has its own area on the Energy Commission website.

MR. REYES: The second issue I have is there seems to be discrepancies in the points that you're making. You said 11 full-time positions, when even on your own paperwork it's saying 7 full-time positions. Again, you can't be wishy-washy about these things. You're dealing with a community that, really, to be honest with you, we don't want you here. We don't want your type of power here in San Diego. You're giving us a 1950s solution to a 2010 problem. You're saying this is all renewable resources, yet you're burning natural gas. Where is that renewable?

MR. NEFF: The project is supporting renewable transmission --

MR. REYES: Again --

MR. NEFF: -- and --

MR. REYES: -- you're confusing people with your words.

MR. NEFF: Well, the transmission of renewable energy is not straightforward. Renewable energy does not come into the power grid as a constant signal. There are variations in generation. And if one does not have rolling generation to support the generation of renewables the renewable generation will not make it into the power system.

MR. REYES: Okay. So let me ask you two other questions. You guys have on here the word "renewable, renewable, renewable resources;" nothing here is renewable.

Part two is --

MR. NEFF: I think you're taking the word out of context.

MR. REYES: No. You're taking the word out of context. Renewable resources means that it can be free out of the world -- out of the world, as in solar, as in wind, as in a method for me to get it to where I'm not destroying my earth to get it. What you are suggesting here is something which is going to be using quoted 1,900 gallons a day, practically a million gallons of month of water in San Diego that we do not have. You're talking San Diego --

HEARING OFFICER RENAUD: Sir, excuse me.

MR. REYES: -- and we don't have the water for it.

HEARING OFFICER RENAUD: You know, this is specifically for questioning. And I'd appreciate it, if you have a comment maybe you could save that for the public --

MR. REYES: Okay. Again --

HEARING OFFICER RENAUD: -- comment period.

MR. REYES: -- San Diego --

HEARING OFFICER RENAUD: But if you have a question --

MR. REYES: -- we do not have the water --

HEARING OFFICER RENAUD: -- we'd -- we'd --

MR. REYES: -- for this project.

HEARING OFFICER RENAUD: There are a lot of people

here who would like us to get on with the presentations.

MR. REYES: Okay. San Diego does not have the water for this project. Where do you intend to get it, and why is it going to be squeezed from us to get it?

HEARING OFFICER RENAUD: Water is part of -- again, water resources is -- is a large part of the Energy Commission's environmental review. And that's exactly why they've submitted to us -- submitted the application. The -- the review hasn't started yet. It's --

MR. REYES: I just see --

HEARING OFFICER RENAUD: -- just getting going.

MR. REYES: -- the hole of information sitting here, and it's not being filled and there's not being answered the questions.

COMMISSIONER PETERMAN: I would ask the hearing officer to take a minute, if you don't mind now, to explain a little bit more about the 21 categories that are covered, where we are in the process, just so that everyone know when -- how these issues will be covered and when.

HEARING OFFICER RENAUD: That's actually an excellent segue into the staff presentation, which is the next thing on the agenda. And we'll hear a complete description of the review process from Energy Commission staff. So why don't we proceed with that.

COMMISSIONER PETERMAN: And the questions after.

MR. DAVIS: Thank you. Eric Solorio is the project manager this application, coordinating staff's work as we analyze the project. And Eric sends his regrets. He's ill today. My name is Chris Davis and I'm the manager of the Siting Officer, so I'm going to fill in for him.

One of the questions you asked was about an environmental impact report. The Energy Commission process is certified by the resources secretary in California as being the equivalent of an EIR. So what we're going to do is we're going to analyze this project in 22 or 21 different technical areas, air quality, water quality -- we'll be answering the water questions you wanted to ask -- cultural resources, biological resources, traffic and transportation.

We will analyze the project in each one of those areas, and for what impacts that we discovery we will suggest measures to mitigate them so that they are mitigated to a level of less than significant so we're not putting a power plant in your area that is any -- any air pollution, for instance, will be mitigated in other ways so that there is not a net gain in the air pollution in the San Diego area.

To start that process the first thing we do is what's called data adequacy. There is a list in each one of those technical areas, again, air quality, etcetera. They have all the information that staff needs in order for us to begin analyzing this project. And when all those boxes are filled

with “yes” we have all the information we need. We recommend to the executive director at the Energy Commission that it’s ready to go to a business meeting. When the commission votes on it, the project as being data adequate, they assign a committee, which we have here, and that starts the clock at the Energy Commission on our review process. And that just happened November 16th. So this is one of the first events in a process that is about a year long process.

Once it’s accepted as data adequate staff goes through the discovery and analysis period. Staff asks questions, including the Quino checkerspot butterfly, for instance, we need more information; are there some in the area? And there’s and exchange of information. We send data requests. The project owner sends data responses. Staff then writes -- writes its sections analyzing the project again in the 20-plus technical areas.

During that time there will be public workshops. And they might occur if, for instance, the project owner has questions about what information staff is really asking for if staff is not getting the information that we really wanted. And so then we’ll get together and we’ll talk about it and clarify the issues, and so staff can get the information they need.

And then when we have that we write a preliminary staff assessment. So again, that looks at the project, any

impacts it might have, and conditions of certification that we would propose to be imposed so that all impacts are mitigated.

Then there's a final staff assessment, and there are comments on the preliminary staff assessment. Folks like you can make comments, written or oral, and staff answers them. Any information holes that maybe we didn't have complete information for the preliminary staff assessment, we'll fill those in, in the final staff assessment.

At that point the committee then holds an evidentiary hearing. That includes the final staff assessment that staff produces. That includes information from the project owner, information from interveners who get involved in the process, and our public advisor will explain more about how that works for those who are interested. The committee writes -- based on the information they get at the evidentiary hearing they write a proposed decision similar to what staff has done. It talks about all the impacts and all the suggested conditions of certification that would mitigate them.

And then there is a hearing with the full Energy Commission. They will vote on the PMPD, presiding members proposed decision, on whether or not to approve the project.

Next chart please, or next slide. This is just a pictorial representation of what I've just explained to you. The top one, pre-filing, we meet with the project owner, give them an idea of what kinds of information we're going to be

looking for, who to contact, U.S. Fish and Wildlife Service for protocols for biological surveys, that type of thing. The second AFC accepted, that, again, was November 16th. That was when the project was confirmed by the Energy Commission to be data adequate.

We're now in the IIR, which is issue identification report, which the applicant has already told you about, and data requests. We'll be coming up -- staff intends to issue the first set in a couple of weeks.

Next slide please. So again, we're in the discovery and analysis process at this point to determine if the proposed project complies with laws, ordinances, regulations and standards, and that includes local things, state laws, federal laws. We conduct and engineering and environmental analysis. Again, we have staff in each of the technical areas that write a report analyzing the project, identifying environmental impacts and mitigation measures that we call conditions of certification; evaluate alternatives to the project, as well, to see if -- if there are issues with the project that maybe seem insurmountable or that might be lessened by putting it somewhere else. We will have an analysis of the alternatives which could include different sites, different technologies.

We try to do a pretty robust job of determining if there are any preferable alternatives to the proposed project, and then make our recommendations to the committee.

Raoul?

HEARING OFFICER RENAUD: Okay. The next slide is -- this describes our evidentiary hearing and decision process. The -- the way that we get to the point where the committee can issue a PMPD is by creating an evidentiary record. That kind of sounds like going to court, and in a way it is. Our proceedings are not conducted in court; they're administrative proceedings.

But in many ways they are like a court trial. We have -- these are -- it's a public hearing. We take in evidence. We have witnesses and witnesses are sworn, and witnesses give testimony. They can be cross-examined. And documentary evidence is introduced into evidence. So it's -- it's very much like a trial in that sense, it's just that we don't have the judge and a jury in a courtroom.

The reason we do that, again, is to make sure that all of the evidence that's used to write the decision is part of the public record. And that is the only information that can be used in creating that decision. Everything that goes into the decision must be part of the evidentiary record. And that's part of my job, in fact, as a hearing officer is to ensure that the evidence comes in during the hearings in a proper and legal fashion.

The part of the hearing, in fact, involves testimony by some of the scientists who have done the review of the

various topic areas. And the scientists typically will describe what they did and describe their opinions. They can then be cross-examined by other parties in the case. And it really does give the -- an opportunity to have a full airing of the issues in the case.

Once we have completed that evidentiary record and the record has been closed the presiding members proposed decision is prepared. That is a substantial document, typically running to several hundred pages. That will be issued to the public and open for public comment and review.

Eventually that proposed decision will go before the full Energy Commission for a decision as to whether or not it will be adopted. And if it is adopted, after that the Energy Commission's job is not done. They continue with monitoring compliance for the life of the project to make sure that all the conditions of certification are complied with.

And I want to make sure that there isn't any confusion here in understanding that this -- what we're telling you today is what is going to happen. It hasn't happened yet. The reason we have this informational hearing is to let the public know what is going to happen with respect to the application that's been filed. But as far as all the review and -- and so on that you're hearing about, that is coming. That's what's down the road from here. Okay.

The next presentation we have is by our Public

Advisor, Lynn Sadler. The Energy Commission's public advisor is there to assist members of the public in participating in the process to make sure that if you're interested in a particular case you know how to participate in an effective manner. So I'll turn it over to Lynn. Thank you.

MS. SADLER: Next slide, please. So I think you get the idea of my role, which is to assist you. The public advisor is and independently appointed attorney, and that is Jennifer Jennings.

And next slide, please. We participate -- we do a number of things to help you. Some of you got notices from us telling you about this. We go to a very broad category of folks, attempting to let people know. And we also buy ads in the newspaper. We do what we can do to get the word out. I know that some people got flyer -- called us and asked for flyers, which was sent to them.

And next slide please. So the ways that you can participate are -- there are two. The first level, which is public comments, is the easiest. You make verbal comments at public meetings. You fill out the blue card that many of you have given us, and then you come speak. You state your name clearly because, remember, there's a transcript for this. And then you -- what you say is recorded and becomes part of the record. Or you can send us written documents, and those get put -- they're called docketed. You'll hear us say that. And

then that gets put into the record.

When things are in the record that is considered by the commissioners, but it’s not considered evidence. You heard him speak of that earlier. If you want what you are saying to be considered evidence -- next slide please -- you go to a slightly more formal level of participation, and that’s the second level, and that’s more involved. That is called intervening. Anyone may file a petition to intervene. The petition is considered by this committee, and if it’s approved you become a party to the proceeding with the same rights and responsibilities as the other parties.

And I want to stop there to explain one thing, because I was confused about this when I came to the commission. The decision makers are Commissioner Douglas and Peterman, and they are separate from commission staff. Commission staff is a party, and they have a responsibility to hear everything that is being said and create an analysis. They listen to interveners who are parties, and they listen to the applicant who is a party.

But sometimes -- and we’re guilty of this, we speak loosely about the commission, and so it confuses people because you think that the commissioners and the staff are somehow the same, but they are actually separate. They can’t talk to each other about this, except on a procedural level. So if you have any questions about that ask me about it later. But just

wanted to get that clear because that's a little bit confusing, and I've heard a few people have already asked questions about that earlier.

If you want to intervene you do not have to be an attorney, and you don't have to have an attorney to intervene. The public advisor's office is here to help you in that process. The public advisor can not represent you as an attorney, but they can advise you how to proceed.

Next slide. So if you are interested in this proceeding one of the things you want to do is sign up to receive notices of upcoming events. Many of you have already done that in the back when you've checked the box if you want us to sign you up to receive -- you're on a list serve to receive electronic notices. And that -- you get notice of anything that is docketed. Any documents that come in or announcements of things that are about to happen, you would get notice of that. And you'd click to receive it so it doesn't jam up your mailbox. You just get notice of it and then you can decide if you want to download it.

You may submit written comments straight to dockets, or you can submit written comments and give them to us and we'll submit them -- send them into dockets for you. You can provide oral comments, and you can attend events like this. Non-English speaking people are very welcome. People who need special accommodations are also welcome. We just need a little

notice so that we can work with you.

Next slide please. So the most important thing to notice is that you go to www.energy.ca.gov. The sheet -- I mean, the main page looks just like what you're seeing there. And part way down the page where those arrows are pointing it says "Power Plant Licensing Under Review," and you go down to "Quail Brush" and you click on that.

Next slide please. And so there you'll see what that looks like. On the right where it says "List Server," if you haven't already asked me to sign you up you can go there and sign yourself up. And over on the left side where it says "Public Participation," you can go there and you'll see where it says "Power Plant Siting Proceedings, Frequently Asked Questions, How to Intervene." So you can -- there's -- in fact, there's a guidebook that's about this thick if you print it out, and it has -- answers, I think, every question you could possibly ever have. I don't recommend that, actually. I do the frequently asked questions. But there's forms if yow want to intervene. So that's where you find what you need to get yourselves started. And then you -- excuse me -- and then you call us to get more information.

Next slide, please. And that's where you call. We do have a toll-free number that you can call. You can also email -- it's easy to remember -- publicadviso@energy. And it's a new -- you could use that. But it's -- actually, we

have also an easier one energy.ca.gov. So publicadvisor@energy.ca.gov. And I'll be in the back of the room if you have any questions and I can help you out.

MR. CONNOR: I have a question. My name is Phil Connor. I'd like to get something clarified. Mr. Renaud stated that everybody who comments is going to be part of the public record, and whether the non-intervener public testimony today will be considered in the decision-making process?

HEARING OFFICER RENAUD: Yeah. That's an excellent question. And you've you've used the exact terminology. There's -- public comments are considered, taken into account by the committee in making their decision. But public comments are not evidence in the formal sense of being like sworn testimony. Only parties can submit sworn testimony. And that's -- if you want to be a party then you need to be an intervener. But public comment is listened to, attended to, and taken very seriously by the committee, and is referred to in the decision. So it's certainly part of the record and important to the -- very important to the committee.

MR. CONNOR: If the testimony were sworn would it have the same standing as an intervener?

HEARING OFFICER RENAUD: Well, no. You mean if the comments were sworn?

MR. CONNOR: If the comments were sworn and the testimony?

HEARING OFFICER RENAUD: No. No.

MR. CONNOR: No?

HEARING OFFICER RENAUD: No, it wouldn't be. That, we don't -- we haven't -- we don't swear in people who are not witnesses called by a party.

COMMISSIONER DOUGLAS: Let me give an example. This is really only members of the public who might stand up and say that this trail system is very important to them, or the community has a certain point of view, that they have a certain point of view. That's information that we can take into account. That doesn't have to be sworn. That's important for us to hear.

If you want to stand up and prove a fact to us, if you want to say, no, staff is wrong about the air quality analysis because, actually, something is different, and look, and I've got proof, you know, that's where -- that's getting to the level of evidence. However, the public will have opportunities to work with staff and the applicant in a workshop setting. So those types of fact-based issued can be addressed with the applicant and the staff in a workshop setting, as well. It's another opportunity.

MR. CONNOR: I don't want to take up too much time. I apologize for that. But the question would be that if a non-intervener submitted written documents, written information that included fact-based information --

COMMISSIONER DOUGLAS: Uh-huh.

MR. CONNOR: -- would you consider that on the same basis as an interveners written documentation?

COMMISSIONER DOUGLAS: The public comments that are submitted in writing are responded to initially in staff assessment. They will -- so if the intervener writes and has comment that includes fact-based information, staff has an obligation to respond and say we considered your comment and you said this, and we agree or disagree with -- with what you have said, and here's why. So those comments are --

COMMISSIONER PETERMAN: No. I don't think that was his question. I think -- I think the answer is, no.

COMMISSIONER DOUGLAS: But I think if -- if the -- if what you're asking -- so that's the way in which those comments are addressed. If you're asking, you know, if you -- if a member of the public writes something and --

MR. CONNOR: Well, let me -- let me kind of focus the question.

COMMISSIONER DOUGLAS: Oh, absolutely.

MR. CONNOR: Let's say you have an intervener, and the intervener has a scientist, and the scientists submits X, if a non-intervener, you know, consults with the same scientist and submits something that says X, what is the difference between the non-intervener and the intervener's scientist's submission to the -- to the California Energy Commission?

COMMISSIONER DOUGLAS: Primarily the difference is that when an intervener brings a scientist in as a witness and he submits a document or she submits a document that -- that scientist is available for cross-examination. And so all of the parties and the committee has an opportunity to say, well, on what basis was -- was that written and what were your assumptions, and to probe and to test the information. And when we're given -- when we're given a scientific document that -- where the parties have not had that opportunity to probe its contents and its assumptions and its underlying basis, then that information is -- that report is not something that we would --

MR. CONNOR: Is less probative, maybe.

COMMISSIONER DOUGLAS: Right. That could be very important to the parties. And so that report would not be used in the same way as a report.

MR. CONNOR: Got it.

COMMISSIONER DOUGLAS: Is there -- is there something in particular -- what I -- what I might suggest --

MR. CONNOR: We're trying to decide whether we're going to intervene or not.

COMMISSIONER DOUGLAS: Right.

MR. CONNOR: Okay. So --

HEARING OFFICER RENAUD: Right.

MR. CONNOR: And -- and, you know, what standing we

would have, what advantage we would have if we were interveners is the question. And I'm sorry for taking so much time.

COMMISSIONER DOUGLAS: Well, you're -- you're welcome to take up the time that you need, and I appreciate your questions. The public advisor might be able to help you talk through what information in particular you'd like to make sure we're able to consider and how best to do that, in terms of your decision about whether to put the resources and time into intervening versus participating in workshops and -- and commenting and --

COMMISSIONER PETERMAN: And I guess I'll add just two other points. I think there's an opportunity, especially early on, if there's an issue that you think needs to be looked at further by staff you can say that in public comment, and then staff will look into that issue. And then that becomes a part of the record.

And I'd also ask the public advisor or hearing officer to also comment on is there a timeline upon which one can intervene, until when can make -- can one make that decision?

MS. SADLER: You can decide whether or not you want to intervene when you set the --

COMMISSIONER DOUGLAS: Right.

MS. SADLER: -- the deadline --

HEARING OFFICER RENAUD: The schedule.

MS. SADLER: -- which is usually at the -- by the first evidentiary --

HEARING OFFICER RENAUD: It's --

MS. SADLER: -- evidentiary hearing.

HEARING OFFICER RENAUD: It's up to 30 days before that. Yeah.

MS. SADLER: Uh-huh.

HEARING OFFICER RENAUD: After this proceeding today the committee will issue a scheduling order which will set forth all the various deadlines, and one of them is the deadline for intervention. But you have a long time to do it. It's typically up until about 30 days before the evidentiary hearing, which would be, you know, months and months from now, nine -- nine months. Not -- not that we encourage that. We encourage intervention as early as possible so that you can fully participate in the case, also so that we know what you want us to see. It's -- it's less effective if you intervene late in the case and then slam us with wheelbarrows full of documents than if you slammed us with the wheelbarrows full of documents right at the beginning. It would be better.

COMMISSIONER DOUGLAS: But -- but a couple things that might be helpful. Staff will talk about the issues identification report. So that will give you your first insight into what issues staff is considering and what issues staff feels as though they need to do the most analysis.

Your comments today will help us scope that analysis and will help us ensure that we are addressing all of the issues, in particular, that are -- are raised by the public, in addition to the ones that we -- well, staff feels as though they -- they need to address. If the committee hears issues that concern us that -- that were not really prominent in the issues identification report we would say so in a public setting like this one. You know, staff, really we'd like you to focus on -- you know, make sure you analyze something. And -- and so the -- the dialogue between the committee will -- will always be in public in terms of what we think they might need to add.

You've got -- you've got time to make this decision. You -- you may -- you know, staff can tell you what the workshop schedule is. You may have the opportunity to interact with them a bit in workshops before you make this decision.

When you -- when people intervene they take the case as they found it. So decisions made before you intervene, whether procedural or substantive, are made. So -- so, you know, that's -- that's one con of waiting. But -- but on the other hand, if your real interest is to make sure that certain information gets in the record and is analyzed in the correct way then -- then, you know, you'll -- you'll find the right time.

MR. CONNOR: Thank you.

HEARING OFFICER RENAUD: Great.

COMMISSIONER DOUGLAS: Thank you.

HEARING OFFICER RENAUD: Thank you. That's a good question. All right.

Now we'll turn back to staff for discussion of the issues identification report. The issues identification report is produced in response to a committee request when we notice this hearing that the staff provide kind of a preview of what they see looming as potential issues in the case. It doesn't mean that there aren't other issues that will come up. But as far as from a first look, these are the things that -- that popped out.

MR. DAVIS: Thank you. If you could, please, give me the next slide. This is how the issue identification report works. Raoul kind of pretty much touched on it. Basically, to let everybody know who's involved in the case who's interested about potentially significant issues that staff believes will either possibly cause delays or cause problems during the analysis, this is, again, an early focus. There are many times where during staff's analysis and workshops things come up and new issues are discovered. And because they are not addressed today or they aren't listed today doesn't mean that they won't be fully analyzed during the -- during the analysis and staff assessment process.

Some of the things that we look for that may cause

issues are things -- problems that may be different to mitigate the result from the project, that if the project doesn't comply with all laws, ordinances, regulations or standards that would be in effect in that area where the project was. There could also be conflicts between the parties about findings or conditions of certification. Staff will propose conditions, and maybe the applicant doesn't agree with them. And just -- and also issues that can delay the commission's 12-month process, things that might take longer than expected to get information, things of that sort.

The applicant has already talked about some of the issues. If I could have the next slide. Again, they are in the areas of biology, land use, and waste management.

Next slide, please. The biological issue that has been discovered already is that this project may possibly affect the Quino checkerspot butterfly, which is a federally listed endangered species. And to develop the preliminary staff assessment and proposed conditions of certification staff is asking for protocol level surveys to confirm or not whether the checkerspot butterfly is in the area. And those surveys will probably be in, in a matter of weeks.

Next slide, please. The area of land use, I think the applicant has pretty much outlined them. Should I go into these more? Or since the applicant has already addressed them, in the interest of time --

HEARING OFFICER RENAUD: Just --

MR. DAVIS: Okay.

HEARING OFFICER RENAUD: -- a quick summary.

MR. DAVIS: All right. The proposed project, at this moment, is inconsistent with the City of San Diego's East Elliott Community Plan which designates the site currently as open space. The general plan designates the site as a park, open space, and recreation. And the municipal code designates the site zoning as single-family residential. So those things would have to be addressed and changed.

The proposed project is located in and inconsistent with the city's Multi-Species Conservation Program Subarea Plan. Nice title. The applicant would need to get from the city a boundary line adjustment of that area. And further potential issues with applicable laws, ordinances, regulations, and standards include the project's compliance with the city's Environmentally Sensitive Land's Regulation, the project's consistency with the Mission Trails Regional Park Master Plan Update, which identifies a trail at the northeast corner of the project site. So those are just some of the things staff has already identified.

Next slide, please. In the area of waste management and worker safety, there is the munitions issue because the site was formerly Camp Elliott, a military training base, and wouldn't be good for anybody to be stepping on live munitions.

And so they will survey and -- and clear the site of those. And U.S. Army Corp of Engineers is working on that. Staff has started participating in meetings with the U.S. Army Corp of Engineers concerning how the investigation should be conducted for those munitions, and if there are additional federal permits or procedures that would need to be followed.

Next slide, please. This is the proposed schedule, and this is staff's proposed schedule. The committee will issue a schedule in the weeks to come. Right now -- or months. No, weeks to come. Staff issued the issue identification report there, the second item, on the 13th of January. The third item is today's informational hearing and site visit. And the first round of data requests, staff's first list of information that we're asking for from the applicant is scheduled to come out around February 3rd. And then the schedule past there, again, will be issued by the committee.

HEARING OFFICER RENAUD: All right. The next slide, please. The -- this slide simply shows the Energy Commission contacts, the members of the committee, myself, the project manager, the public advisor's office. All of this information is very easily available on the commission website. And I encourage you to check that out, explore, and look at this project site. You -- you would be amazed at how much information you can find there.

The scheduling order will be issued by the committee

quite soon. We hope to do that within the next several days. That will give everybody a sense of at least a preliminary calendar for how we hope things will go. Often, perhaps more often than not, as we head down the road, environmental issues arise which prove to be more complicated than anticipated, and they require additional study, additional information and so on, and -- and the schedule is subject to change. We try to stick to a 12-month review process, but frequently that's not possible and it takes longer than that, but we do our best. Okay.

We're next going to go to our public comment period. We scheduled that to begin at 5:15 and it is 5:25. So we're definitely -- I think we're going to move straight into that. People who have indicated an interest in speaking have filled out a blue card and submitted those to me, and I'm just going to call you in the order in which the cards were submitted. If you would then come up to the microphone and state your name. Give the number of cards we had here, I'd like to ask each speaker to limit themselves to -- to three minutes. I think if we do that we will probably be able to conclude this within an hour or so.

Let me call Rob Hutsell, San Diego River Park Foundation.

MR. HUTSELL: Is this turned on?

HEARING OFFICER RENAUD: Yes, sir.

ADVISOR BARTRIDGE: Could you -- could you call the next person in line so you can do it quicker?

COMMISSIONER PETERMAN: That's a good idea.

HEARING OFFICER RENAUD: Good idea. Yeah. Okay. And the next speaker will be Rudy Reyes.

COMMISSIONER PETERMAN: Commissioners, thank you. Welcome to San Diego.

COMMISSIONER DOUGLAS: Thank you.

MR. HUTSELL: My name is Rob Hutsell. I'm the executive director of the San Diego River Park Foundation, as well as the chair of the San Diego River Coalition. Those organizations were founded about ten years ago to bring renewed attention to the San Diego River and work toward the creation of a 50-mile-long park system. We're partners with the state. There's a state agency, the San Diego River Conservancy, which might also be interested in this issue, as well. We're here today just to listen and learn about the process. Our organizations have not yet taken a position on this, on the project. We anticipate we might.

We also want to acknowledge the fact that the folks from Cogentrix are nice people. They have met with us and they've been open and invited us out on tours, and it's been very, very helpful. We really do appreciate that.

The things that have really come to our attention that we have discussed are visual impacts. The San Diego

River, and the Mission Trails Regional Park in particular, is a very, very special place to many people. Please do not underestimate the importance of the visual impacts. One hundred foot towers is something that we truly are concerned about. We would strongly -- and we heard that might be an opportunity to lower those towers and combine them into a larger facility, we would be interested in that issue and exploring that, and we would support that.

We also are very interested in, if this is built, the screening of the facility. We noticed on some of the graphics there was trees that didn't belong. They're not part of our landscapes. Rocks and lower vegetation is a much more appropriate screening tool for us. And so we -- we would be very -- that would be important to us, as well, as well as the placement of the screen there.

The other things which have come up which you might be looking at already is could you use reclaimed water? You have Santee Lakes nearby, which is a water reclamation plant. You're using a 500,000 gallon tank for fires. That potentially could be a source of that water. Water in San Diego is a very, very precious resource.

The other thing is, and I'm sure you'll get into, we were pleased to see the potential conflicts for land use designations and MSCP, the change of MSCP boundary adjustments are not necessarily an easy process, so that might take some

effort.

And then finally, we did just want to let you know that Mission Trails Regional Park, while it's very vast, is part of a larger system. And so Santee and -- and the areas downstream and upstream are part of a 52-mile-long river park that tens of millions of dollars are being invested in. So this is really important to many people. Thank you.

HEARING OFFICER RENAUD: All right. Thank you.

COMMISSIONER DOUGLAS: Thanks for your comments. I'll just mention that this -- this morning I had the opportunity to take a little walk in this park, and it was -- I was impressed by the number of people I saw on a Wednesday, I guess really early afternoon. So it was definitely evident that a lot of people use the park.

HEARING OFFICER RENAUD: Thank you. Okay. Rudy Reyes. And the next speaker will be Pedro Orso-Delgado, City of Santee.

MR. REYES: Again, my name is Rudy Reyes. I'm running for county supervisor here. I need you stop and realize the community that you're stepping on. You need to realize what the history is here and what's really happened. I'm speaking to you folks right here as Congen [sic] or whatever your name is. Look at the history here. Have you guys looked at San Diego Powerlink, the Sunrise Powerlink and how that was forced on this community? Have you guys looked at

the -- the -- the -- the Las Colinas that the county that the county forced on this community?

We have a history of things like this being forced upon us, and we don’t like it and we don’t want it. Do you understand that? We have a history of having to deal with things that other people in other communities will not take. We have a history of dealing with people coming in and telling us how we’re supposed to live within our community.

Look at the area; it does not fit, not within our -- our resourcing, not within the zoning, not within anything here. You guys want to use power and water which does not exist. Again, we’re talking 3,800 hours a year out a total of 8,700 hours in a year. That’s running over half of time or around half the time, 43 percent of the time to start with. You guys are forcing that on us, and we don’t want it.

Look at the history of the community that you’re working with here. Because I understand you’re saying, oh, we’ve given money to this group and that group and we don’t want your money like that. We don’t want you to force your money on us anymore. We want to be self-sufficient. We want solar. That hill should be covered in solar panels, not in a 1950s, burning natural resources, power plant. Don’t come into -- into our community with a 1950's solution to a 2010 problem. We want to be self-sufficient, not being held by the proverbial you-know-whats by San Diego Gas and Electric. Thank

you.

HEARING OFFICER RENAUD: Thank you. Pedro Orso-Delgado. Next would be Retha Knight.

MR. ORSO-DELGADO: Pedro Orso-Delgado, Deputy City Manager for the City of Santee. Commissioners, thank you very much.

We have met with the representatives of Cogentrix, and we have discussed the project. They have also discussed it with our elected officials. We have some concerns about the project, and those arise from visual, noise, biology, emergency response impacts if the plant is built in our community. The sentiment is shared by Santee residents in this. The project would be located at the main gateway to our city, which in turn is a gateway to the east county. Seeing 11 stacks, each 100 feet in height, is not the first impression that the City of Santee wants to offer its citizens and visitors. The Santee location within the east county is comparable to no other for its natural setting.

As you pointed out, we're here at Mission Trails Regional Park, and we're also within the boundary of the multi-habitat planning area that play key roles in the preservation of these gateways and the natural attributes to the City of Santee. The City of Santee strongly believes that visual resources is a major issue that should be fully analyzed by the CEC.

Where there are currently undisturbed vegetative slopes the project proposes a level, graded path and access road, vegetation caring for accommodating a 25,000 square foot metal building, enclosing 11 engines, 11 towers, each 100 foot in height. Outdoor tank storage with secondary containment, overhead transmission lines and new poles, upslope of the plant, and maintenance of fire breaks. Combined these would be a significant industrial feature. But the City of Santee is most concerned with the number of stacks.

The project should be designed to fit the terrain, rather than altering the terrain to fit the project. Therefore, the City of Santee urges the CEC to explore these options. One, could the project profile be lowered, placing the pad lower on the hillside and designing the facility to more closely fit the existing topography? Two, combining the stacks and lowering their height. The applicant believes that it is possible to remain in compliance with air emissions requirements with combining and lowering the height of the stacks.

HEARING OFFICER RENAUD: You’ve got one minute left.

MR. ORSO-DELGADO: Yes, sir. Replacing metal buildings with architecturally designed buildings, representing the Mission Trails Regional Park design standards, ensuring that retaining walls and perimeter fencing are architecturally designed and blend. Poles and transmission lines should

utilize existing roads.

Under noise, we would propose that you look at a 3TB (phonetic) threshold reduction and that all feasible sound measures should be incorporated at the time of project construction.

You mentioned the Quino checkerspotted butterfly. That is a major concern.

And lastly, the emergency response, one of the areas that is mostly of concern to us, fire response or emergency response. It is stated that the City of San Diego will provide this. Their closest station is six-and-a-half miles away. The City of Santee's closest fire station is 1.6 miles away. Therefore, we will be responding to that, and we need to have some sort of a formal automatic aid emergency response agreement with the City of San Diego to be able to do this.

We also have written testimony that collaborates a little bit more on what I have and that we would like to present that to you formally. Thank you very much.

HEARING OFFICER RENAUD: Thank you. If you could leave that with the public advisor we'll make sure it gets docketed.

MR. ORSO-DELGADO: Thank you.

HEARING OFFICER RENAUD: Okay. Retha Knight, followed by Elizabeth Klebaner. Okay.

MS. KNIGHT: Hi. My name is Retha Knight. I'm one

of the homeowners in the Sunset Greens Homeowners' Association opposed to this project. Our high school, West Hills High School is just a few hundred yards from this proposed project.

Our homeowners' association directly overlooks the Regional Park. So this will be in direct sight of our homes. I've been in there 22 years. And the pollution from the smokestacks, we don't need to expose our students to that and we don't need to expose the homeowners. We have numerous new condo projects that have recently been built with no knowledge of this. You know, who would have bought a property that is exposed to this? I mean, would any of you want to look at this or have all that pollution coming down on you? That's why they put this in Santee, because it's the City of San Diego that is doing this to us, not Santee. And they keep forcing things on our small town because we can't afford to go to legal battles with the City of San Diego or SDG&E.

So we need you to take into consideration that these are human beings living in this area. It's not just a wildlife preserve, but it's also a city full of citizens that have been there more -- you know, a lot of years. And we already have pollution in our valley, thanks to the Interstate 125 coming through our city, and the 52. We don't need added pollution. And, you know, we just would like you to consider our property values will be affected greatly. And the water resources, we're always I a drought condition, and we all conserve on our

water. I have ceiling fans. I don't need, you know, more power to my home. You know, I -- I'll -- I'll live through a blackout. That's fine with me. I have candles, you know?

And Mission Trails is one of the nation's largest urban natural parks. It includes two lengths of scenic stretch of the San Diego River. The Old Mission Dam has a 40-site campground that will be in full view -- visual view of this site and over 40 miles of trails to accommodate bikers, mountain bikers, equestrians. You're going to ruin our area, our town that we love. San Diego might own that park, but we are on the border. Santee is the one facing that, not San Diego. You know, we're -- we're always -- they're destroying our city. Nobody is going to want to live in Santee. You know, we're not going to be able to sell our homes to get out of Santee because I don't want to live with all this pollution. I mean, it's bad enough as it is. But to have more pollution in our city is unacceptable.

HEARING OFFICER RENAUD: Thank you. Okay. Elizabeth Klebaner, followed by Robert, no last name, from Sunset Greens.

MS. KLEBANER: Good evening. Elizabeth Klebaner. I represent California Unions for Reliable Energy. CURE is a coalition of labor unions that -- whose members build and operate power plants. We advocate for sustainable development of power facilities throughout California. CURE has not intervened in this proceeding. We are monitoring the project.

And at this time we just would like to thank the applicant for the site visit and for the informational presentation. Thank you.

HEARING OFFICER RENAUD: Thank you. Okay. Robert from Sunset Greens, followed by Mike Nagy, San Diego Regional Chamber of Commerce.

MR. MEISNER: And it's Robert Meisner (phonetic). Welcome. I haven't done any public speaking, so this is one of the first times. But a little story about me. I immigrated to the U.S. in 1985, and I lived -- it was actually more than a quarter-mile from the park. I liked it so much I bought a home. And if you look at that picture right there, my home is the last piece of property facing the Mission Hills Park. This is my everyday view from my living room. When I wake up and I open my shades this is what I see. Now do you think I want to look at that when I wake up in the morning?

I learned how to climb in Mission Hills Park. When I joined the Boy Scouts in '86 I did my first --

MS. SADLER: You need to speak --

MR. MEISNER: I'm sorry.

MS. SADLER: -- into the microphone.

COMMISSIONER PETERMAN: I think you can pick it up. You can pick the microphone up and turn all the way around, if you'd like.

MR. MEISNER: I -- when I joined the Boy Scouts I did

my first scouting trip here in Mission Trails Park. When I got my Eagle Scout in 1993 I had a ceremony by the dam. Now this place means a lot to me. And, you know, aside from the panel here, you guys just want to build something and make money.

You know, I scraped and saved with my wife, you know, to move to this area because it is what it is. It's -- it's away from everything but still living in the city. I can still commute to work in 15, 20 minutes and live in a park setting. What kind of park setting is this? You know, don't call it Quail Brush. Call it the 11 chimneys from hell. The only thing that's missing is single fingers in the middle, because that's how I feel, and higher than the other six stacks. This is what I see every day. I don't want to see this, you know? Especially in these economical times, I've spent the last four or five years scraping and saving to spend $135,000 on a 817 square foot condo. That's all I have. This is my million dollar home, and that's not what I want to see. Thank you.

HEARING OFFICER RENAUD: Thank you. All right. Mike -- Mike Nagy, followed by Scott Hasson. Scott Hasson, you'll be the next speaker.

MR. NAGY: Good evening, Commissioners. Michael Nagy with the San Diego Regional Chamber of Commerce, and we represent over 2,600 local businesses. We're actively involved in many projects and policies here in the San Diego region. We thank you, again, for this opportunity for -- for holding this

informational hearing. We, too, the chamber does not have -- have an official position on the Quail project. But we have had Cogentrix come to our Energy and Water Committee several months ago to -- to see a presentation of the project.

Generally, the first reaction that -- that they -- we -- our committee has been very supportive of it. However, we know this is early in the process and that there's still a lot of information that needs to be -- that needs to be -- that needs to be looked at.

But, however, you know, the chamber, historically we support projects that will help improve the regions of reliability. We believe projects, co-gen plants, natural gas plants, peaker plants, whatever, those are necessary and vital to this region. If you look at the power blackout back in -- back in September, as well as the -- as the issues that we -- that we dealt with back in the early 2000s, we need to have some kind of peaker plants available here in the region.

So -- so -- and your -- excuse me. And, however, this is a project that would create temporary and permanent jobs. Yeah, it may not be a lot but, however, San Diego is facing an unemployment rate of over nine percent. Any job is needed. Any job is helpful. After all -- after all, we do thank you for this -- for this informational meeting, and -- and thank you for moving along with this process.

HEARING OFFICER RENAUD: And let -- let me ask

members of the audience, please, to respect the rights of the others to speak. They -- they were -- they respected your right to speak. Please allow them the right to speak, as well.

Scott Hasson, followed by Randy Smith.

MR. HASSON: Good evening. I'm Scott Hasson. I'm here to speak in support of this project. A couple reasons. I'm a Tierrasanta resident. The facility is within a few miles of my home. I've sat on the community counsel at Tierrasanta since 2005, but I'm here speaking for myself as an energy person because I work in renewable energy. It's -- my full-time job is renewable energy. My company puts up wind turbines and solar farms all over these United States, and Mexico, and Canada.

A couple of things happened here recently which sort of make this project palatable for me, somebody in the renewable energy business, is, number one, it's next to a landfill. Clearly, there's not going to be anything else built on that property because it's next to a landfill.

Number two, it's behind a cell site. There's a cell phone site already -- already zoned, already put in there. And every year they're coming back doing -- enhancing and increase that cell site. They're adding more towers onto that cell site. True, gentleman, you're all correct. The stacks are an issue that we need to deal with, or the project needs to deal with. But still, there's already something -- there's already

something there on that side right in front of it.

The next thing is this -- this community was -- was, just like the previous gentleman who stole my thunder, thank you, we had a huge blackout. There's no -- there's no doubt SDG&E has got some serious things that you -- you people need to deal with. And this is just one piece of the puzzle. We've got to look at all the pieces of the puzzle to make California and energy -- a place where we can have a reliable source. And there has to be alternatives, and this is one. This is -- this is a decent project. I think it's got a good opportunity. The location may not be great for everyone. But then again, is San Onofre a great location for everyone? Does everyone like having a nuclear power plant that was put so many years ago next to the ocean? No. But it as done. So some things --

UNIDENTIFIED FEMALE: (Off mike.) (Inaudible.)

MR. HASSON: Are you being rude for some reason?

UNIDENTIFIED FEMALE: Yes.

MR. HASSON: Well --

COMMISSIONER DOUGLAS: Excuse me. I'd like to ask everybody --

MR. HASSON: Yeah.

COMMISSIONER DOUGLAS: -- to please let the speakers speak. You know, shouts from the audience really don't help. And we want everybody to be respected when they speak. Thank you.

MR. HASSON: Well, I'll just continue. One of the things SDG&E and the rest of the power suppliers in California, they have to produce one-third of their energy by renewable sources. This is not going to go towards that. But the reality is, is they need alternatives. And this -- this, to me, seems like a viable location for a peaker plant, which SDG&E needs. We need -- we need alternative energy. We can't put enough wind turbines. There's not any wind in San Diego County where you can put enough wind turbines to generate energy that we need. It's just not here.

So SDG&E is getting companies like my company to go to Tehachapi, we're going to Kern County, we're going to Banning, we're going to Colorado and -- and -- and dealing with energy credits and the way that works. So there has to be an alternative, and this is one viable alternative, I believe, that you should consider. So thank you.

HEARING OFFICER RENAUD: Thank you. Okay. Randy Smith. The next speaker would be Phil Connor.

MR. SMITH: Well, if you don't mind, I'd like to yield my time to Phil and switch it.

HEARING OFFICER RENAUD: Go ahead.

MR. SMITH: -- if that's okay. Thank you.

MR. CONNOR: So that's all right?

HEARING OFFICER RENAUD: You're Phil?

MR. CONNOR: Yeah, I'm Phil.

HEARING OFFICER RENAUD: Okay.

MR. CONNOR: Phil Connor. I'm the president of the homeowners' association. We've taken a position opposed to the power plant and submitted our seven items in opposition. I think we're probably the first on the block.

I have to say that our concern is with the -- the checkerspotted homeowner, not the -- not the -- not the butterfly. And we are at ground zero. We are, I believe, the closest neighborhood to the proposed project.

I want to address items that were in the filing that appeared yesterday on your website and how they relate to some of the issues that we have already posted. Number five says, "The present peak-time demands may soon become the norm, resulting in this project running continuously."

Yesterday's filing in Table 22 really makes our point the -- that this is not a peak-time project. And that staff needs to analyze this from 100 percent usage, not from the 46 to 43 percent usage that is referred to in the applicant's response to the staff requested information that was filed yesterday. Unless -- and that is for a number of reasons.

The trajectory of the increase of power, it may be a reason why we need more power in San Diego, but it is exactly the reason why this should not be considered a peak-time project but a full-time project. And pollution, noise, everything flows from that presumption of small percentage

usage when even the applicant's response shows that by 2016, just four years from today, not from the opening, four years from today that the usage will be up to 58 percent. So the trajectory of this is -- is going up and is probably going to be accelerating to a full-time power plant before, you know, my grandkids are entering school.

Item number six on our list was,

"Stated efficiencies of this project will encourage the sale of more efficient and less expensive energy to distant consumers, further pressuring the continuous use of the project, not just in peak times."

You know, I wanted to say, the folks from this company have been courteous and open, and this is not a personal issue. It's not a personal issue. This is business, and this is homeowners fighting for whatever little piece of turf that we have out there.

But it's impractical for the -- the stated efficiencies, it's impractical to treat the stated efficiencies as a plus and not consider the minus. And the minus is that if SDG&E calls -- and that's what this is -- this project is based upon the demands of SDG&E. If SDG&E calls this project is going to run more. And the demand in our system for power moving from one place to far away is one of our -- one of our problems, as this gentleman from Tierrasanta mentioned. And if it's -- if it's as efficient as they say it will be then SDG&E

is going to want this to run all the time so that they can make money off of it.

One of the assertions of the applicants is that as renewable resources come online this plant will be used less. You know, SDG&E has been -- is -- is fighting to tax solar usage right now. Okay. They lost this last round. But do you think they're not going to come back? It's going to happen.

The final point is that -- number four is,

> "A natural desire to accelerate the return on $150 million investment will create pressure to run the power plant at times outside the peak time, if not all the time -- all the time."

Now if you took $150 million and you put in a power plant, who much would you like it to be sitting there idle? How much? Zero is the answer. Zero. So this must be treated as a full-time project by staff, and not a so-called peak time. You know, there -- there's language in the application that -- that kind of slides over the issue that it's a peak-time or, you know, supplementary project. We urge, implore, and really beg the staff to start looking at this thing as a full-time 100 percent project, because it's going to be there sooner rather than later.

You know, we -- we have numerous other issues that we wanted to address, particularly things that I read last night until three o'clock in the morning in their -- in their

response, but there's just not -- not enough time to do that. It's one of the reasons why we're considering intervening. But you need to have another hearing like this in 60 to 90 days. And I would hope that you would consider adding that to your timing for that, we hold another hearing at the same time, same place and air out some of these other issues when staff has had a chance to review the supplemental or response to staff's requests, and that we can move on.

But I'll tell you what, we are not in a position to compromise. We are not interested in compromising with the -- the plant. We are opposed to this plant being built, and we believe that we will win. Thank you.

COMMISSIONER PETERMAN: I'll just -- I'll just comment that the runtime of the plant and potential runtime is something that staff does analyze as a part of the 21 sections. So your points are duly noted. But that is something that staff would have done regardless.

HEARING OFFICER RENAUD: And as for the additional opportunities to speak, I should point out that staff conducts workshops which are public meetings, obviously, and you're -- you'll be -- you'll be able to receive notice of those and participate in them. Okay.

Randy Smith.

MR. SMITH: Good afternoon. My name is Randy Smith. I'm also on the homeowners' over at Sunset Greens, the closest

community to the area. I'm a commercial driver in San Diego. I've drive 25,000 miles in my commercial vehicle, in addition to my own driving. I see what construction projects do to our commutes, our driving. It plays havoc with them.

Your own staff or traffic counts come to 2,200 cars, 2,300 cars going through the intersection at Mast and near Highway 52 during a typical peak time in the morning. With construction traffic the 2,300, 2,200 cars, that's in one hour, that is, it's 35-and-a-half cars a minute. That's two -- less than two seconds between every car going through the intersection. That's -- that's a busy, busy intersection. We start putting construction traffic through there during the 18-month construction period, it's going to really bring a lot of havoc, on top of in the permanent positions that the -- the plant, employees over time, more cars going -- going through the area.

There's also a traffic concern where your pipeline is going to be coming through the -- across another busy intersection, Mast and -- I wrote it down somewhere here. The --

MR. CONNOR: West Hills.

MR. SMITH: West Hills. Mast and West Hills; that's correct. You know, the -- the eight inch tie-in to the lower San Diego Gas and Electric community, that's going to be a substantial period of construction leading up that road,

being -- making the tie-in, going -- going through one of the major feeder routes out of Santee over the 52, and then the Mission Gorge Road tie-in.

It was mentioned before about the traffic. I know over on Highway 52 they just completed a 67 extension out of the communities to the east, out to Lakeside, an alternative route to get to Highway 8 if you cut through there, another alternative, a lot of traffic coming to -- into and from San Diego during the peak periods take this route. As -- as economic conditions improve these communities property values will probably be increasing as, hopefully, they will here in Santee, also.

But my -- well, I guess my point is, mentioning them, we won't have the improvement opportunity with this power plant hanging on the hill over our heads. Everybody will be driving past us to get to their communities on our freeway extensions here, past us, and we'll be stagnant with this pollution plume coming over our community from the 11 smokestacks that are the project.

I think those are -- those are all the -- the notes that I made. I do believe we are opposed, obviously, and I believe that we will win. Thank you very much for your time.

HEARING OFFICER RENAUD: All right.

MR. SMITH: I appreciate you having this hearing.

HEARING OFFICER RENAUD: Thank you. Okay. The next

speaker is Barbara Thompson. I know I didn't call you in advance. Barbara Thompson, are you here?

MS. THOMPSONS: Yes.

HEARING OFFICER RENAUD: And followed by Theresa McCarthy.

MS. THOMPSON: Good evening. I'm Barbara Thompson. I'm from the Sunset Greens Homeowners' Association. We filed a proposal. I'm seeking on proposal number one concerning the pollution from this project.

COMMISSIONER PETERMAN: Ma'am, would you bring the microphone a bit closer to you, if you don't mind?

MS. THOMPSON: Yes, I will.

COMMISSIONER PETERMAN: Thank you.

MS. THOMPSON: Thank you. I understand that 43 percent of that power plant will be in operation, increasing to 58 percent over the next four years. Along with that we'll have an increase in pollutants. We go from 46 percent, which is 33 tons of CO pollutants, which is a contributor to formaldehyde, which has also been proven to be a carcinogen. I, myself, do you not that plume of pollution coming over my homeowner's site and over the years being subjected to that, nor do any of the other homeowners in my project.

On Table 47, 4 of your -- your -- gosh, I'm -- the paperwork.

MR. CONNOR: It's the supplemental response.

MS. THOMPSON: Okay. Supplemental response. We're going to go from annual tons of -- of this carcinogen output, it will be 2.9 solid tons per smokestack or engine. There's 11 of those. That's an incredible amount to endure if this is on part-time to full-time use.

And on Table 475A of the estimated study stated maximum hourly, daily, and annual criteria of pollutant emissions for a single engine, like I say, it's going to be 2.7 per engine, and there will 11 of those. That's just too much pollution, when we've already got enough coming from the freeways.

I would like, also, to have another meeting within 60 to 90 days to go over this again. And I, as a member of the homeowners' association, being the closest to this project and opposed to this project, I also believe that we will win this. And I thank you for your attention and allowing me to speak.

HEARING OFFICER RENAUD: Thank you. All right. Theresa McCarthy, followed by Rob Hingten.

MS. MCCARTHY: Good afternoon. My name is Theresa McCarthy. Thank you for allowing me to talk here today. I am with this same homeowners' group, and I am also here to oppose this project. And I simply want to point out that the imposing building and the 11, when they are smoking, smokestacks, or venting or whatever they do, is going to be much more of an eyesore than what we're seeing here. So you know, the visual

impact in this rural, beautiful area, the historic landmark, Mission Dam, is -- I don't know how many yards from there, how many hundreds of feet?

MR. CONNOR: About 100 yards.

MS. MCCARTHY: Okay. That's sac religious. As many as 34 90-foot tall power line supports. An industrial facility is planned in our beautiful backyard. I can't accept that. And I -- I will do everything I can do to support those that also oppose it.

You just heard from a lifetime military, retired from the navy, resident and homeowners who spent her entire building her equity and -- and enjoying her home in this area. And she just retired a couple of months ago, and -- and this is what she's retiring to. That -- that's not right.

I also request a scheduling of an additional public hearing three to six months from now, here.

Mr. Renaud, you mentioned the transparency of this process. I will tell you that it is very transparent, even to the point of invisibility. Over Christmas we learned, due to one of our homeowners attending the regular Mission Trails Regional Park meeting, and I believe that's a quarterly thing. Wow, what a Christmas gift.

An additional public hearing is strongly requested within three -- or after three months, before six months, here, to -- to truly profess that this is a transparent process, to

bring it from invisibility to transparency. We are doing our part to inform concerned citizens, and we're finding that they're just flowing forward. So they deserve that time. We deserve that time.

Myself, I just recently, after a lifetime of, you know -- well, I'll sure a little of my personal opinion. I know this isn't personal. But anyway, I've worked hard my whole life. I've raised my four children on my own. I was finally able to get my own little place in this area that's in San Diego. But you know, I get to enjoy, you know, having my lifetime of struggles and, you know, living in areas that, you know, I mean, you rent there because that's what you can afford. Well, I found my little, you know, gem near the historical Mission Dam. My children and my grandchildren come and we walk the trails, as you mentioned earlier. And now this is going to be in our future to do what we can to halt this. We -- we -- we will do everything we can. We absolutely oppose it. And thank you for your attention to my comments.

HEARING OFFICER RENAUD: Okay. Thank you. Rob Hingten, followed by Jeff Kahn. Is Rob Hingten here? Okay. Jeff Khan, followed by Charles Ringer.

MR. KHAN: Good evening. I live in Santee. I've recently moved here.

COMMISSIONER DOUGLAS: Please speak into the microphone.

MR. KHAN: Thank you. I've lived in San Diego, Encinitas, and I have grave concerns about the pollution and the impact, specifically the health impact that this is going to have.

Can I pull it up? I'm pretty tall. (Microphone adjusted.)

I'm specifically concerned about dangerous compounds within the gas that you're collecting and how you're going to separate these dangerous compounds. Just burning the gas isn't going to solve the issue. I know this, from what I've understood, the research I've done, the gas does have to be taken care of. We just can't let it sit there. It's dangerous. But there are toxic compounds that are going to collect. And those compounds need to be separated before we burn this. So the threat to the community is very real, and these are cancerous compounds. We need to address that.

And what I'd like to know is what information-research you've gathered on this process of separating these compounds and how you're going to address this issue when you do burn them, and where we could find that information so we can all make a conscious choice together that this is the best solution. So thanks for your time.

HEARING OFFICER RENAUD: Thank you.

MR. RINGER: Good evening. I'm Charles Ringer. I've lived in Santee for 35 years. My name Charles Ringer.

I've lived in Santee for 35 years, and I've watched the city grow and progress. And I, too, am opposed to the proposed project, and I'm totally against it. I feel we can get energy elsewhere and a safer use.

And -- and as far as cutting down the smokestacks, there's a reason they put them up so high, to make that pollution go away and disburse. You cut them shorter, well, that doesn't help us in Santee. And the way they are you've got -- you still won't thin them out because all of those low sodium lights that will be up there. They'll be up there at night so planes don't hit them. So planes and helicopters that fly through there looking for lost hikers or what have you will not -- will not be able to find the hikers in the evening with the sodium lights. Plus the sodium lights will be able to be seen from everyone within a five or ten mile area. That's all I had to say tonight. Thank you.

HEARING OFFICER RENAUD: All right. Thank you. Sandy -- Sandy Kuntz, followed by Keely Mayrakos. Pardon my pronunciation.

MR. KUNTZ: Hi. I'm Sandy Kuntz. I'm a Santee homeowner, also. I live near the proposed plant.

First of all, the -- the gentleman from Tierrasanta, just in case you don't know, Tierrasanta is a San Diego community that's upwind from the project. But I'm a Santee homeowner, downwind.

Second of all, I'm just wondering, what's the point of the -- of our zoning codes if -- if they don't have to be followed because they can be changed by SDG&E and other companies when they decide they need to change them?

But most of all my concerns are about the emissions, as some other people have mentioned, affecting my health and the health of those Santee residents nearby. If you live right next to a power plant there -- there really are no safe emissions, in my opinion. The safe emissions would be zero toxic emissions. So that needs to be addressed to make sure that they have zero toxic emissions from the plant.

And, finally, regarding mitigating air pollution in other parts of San Diego, I'm not sure that that will address the issue of the pollution problems for those of us in Santee. Thank you for your time.

HEARING OFFICER RENAUD: Thank you. And -- and just to provide a bit of information in response to you and the previous speaker, excuse me, one of the areas that is examined in the environmental review is -- is public health and impacts on public health. So that will be -- those concerns will be addressed quite thoroughly. Okay.

Keely, followed by Jack.

MS. MAYRAKOS: Keely Mayrakos. I'm also a member of the Sunset Green community. I'll try not to speak to everything that all of my other community members have tried to

speak to. Other things that I would like to really be taken into consideration, most importantly, are real estate studies being done regarding this, also, in other areas similar to where Cogentrix has also built and how the -- it has impacted those areas. As we know, California is in an extremely difficult time right now for buying and selling real estate, and this is an issue that's going to be related to that.

The other thing is the, you know, story boarding here is great, but at some point is something going to be put on the site like, you know, the two-by-four story boarding on the site for us to actually physically see what that's going to look like? You know, this all kind of looks okay, but even that is a little bit not quite the area that we were shown today on tour. So it seemed like it was a little bit over further than what you're showing us.

The other thing that I'd really like to -- you guys to take into consideration is you're very -- your site is very close to Highway 52. Highway 52, now that we have the 125 and the 67 expansion going on, is going to need to be expanded. And if that is going to need to be expanded they obviously can't closer to the power plant, it means it's going to come closer to our property. And it may even cause us to have issues with our own property. So that's all I have. Thank you.

HEARING OFFICER RENAUD: Thank you. I'm having a

hard time, but it's Jack --

MR. ZAROUR: Yes.

HEARING OFFICER RENAUD: -- Z. Okay. And the next will be Nicole --

MS. CAPRETZ: Yeah. Capretz.

HEARING OFFICER RENAUD: Okay.

MR. ZAROUR: Yes. My name is Jack Zarour. I'm a Santee resident, 167 Via Montessi (phonetic), which is in the old parking lot of the Kmart. Now it's condominiums. I addressed this meeting the last time. I think you may remember my name. My concern was as a landowner in East Elliott. This is the elephant in the room that nobody's talked about. We've got a lot of studies about species. We've got a lot about pollution. But nobody has addressed the issue of the landowners.

My father is an immigrant. I'm an immigrant who came to San Diego in 1971. He worked for the American Embassy and got a special immigrant visa to come to this country, the land of opportunity. Okay. He bought 9.3 acres in East Elliott.

In 1964 the U.S. Government auctioned off four parcels, A, B, C and D. One parcel is now Scripps Ranch. The other parcel is Miramar. The other parcel is the City of Tierrasanta; all master-plan communities. The third -- the fourth parcel, East Elliott, because of some special interests in continuing a park, and the City of San Diego has denied

building. There's a reason why all the land is zoned residential. It was supposed to be part of a master-plan community.

Ordinance has already been approved. They've done that before. Brim Corporation (phonetic) spent over $1 million in trying to make a master plan. The City of San Diego -- who is also on the payroll of the landowners because we pay -- we pay the property taxes -- the City of San Diego did not do the best interest of the citizens of the City of San Diego. Had they done so they probably wouldn't be bankrupt right now, had they allowed building.

My father had that lot. It's owned -- we still own that. My father since has passed away, and so have many others, which made a lot of opportunistic people come and buy all this land. There are over 1,200 acres in East Elliott between the Miramar Air Station and the City of Santee. This plan does not need to be right here. I am not against power plants.

I am a painting contractor. I conduct my business in a clean manner. I'm with the -- with the Better Business Bureau, A-plus rating for over seven years, because there is an ethical way to do business. And I trust that this is the way that you would do business. I see that. And there is a way to do that. But carcinogens flowing into Santee, you know, we have a problem with the landfill. The City of San Diego,

again, has made it impossible to build on our residential lots, but has allowed heavy industrial use by waste management and has more than tripled the size of that facility. And we have -- we have been smelling the stuff at different times of the year because the wind goes east. I think they do something else with the vegetation now. I don't know where they go with it.

But the point is the landowner -- landowners have been betrayed. The elderly ones who have passed away fought, put in a lot of money, legal fees lost, and their children have given up and they've sold that land for $10,000, $15,000 an acre. Heavy industrial land is not $15,000, $20,000 or $30,000 an acre.

So for Cogentrix, you need to do the right thing. If you plan on buying land, which is a question I did address last time and someone took my name, nobody bothered to contact me. As a matter of fact, I've been -- I could say I'm blackballed. I called Mr. McKenzie at the city, who has never returned my calls. I've also called the broker who had contacted me a year ago considering this item. He does not return my calls or emails.

Obviously, there's a problem, but you have to do the right thing. If you are going to put this plant together you need to spend your $150 million dollars; whatever return you're going to get you need to make sure that people who have been

harmed are compensated equitably. That's one concern.

HEARING OFFICER RENAUD: Sir, you just -- you have one minute left.

MR. ZAROUR: Yes, sir. The most important species that needs to be protected are the people. Yes, I, you know, I -- I love San Diego. We've lived here 41 years. My sons, three of them, they play at West Hills Little League All Stars. They're going to be -- my sons, they're at Carlton Oaks. They're going to be attending West Hills. It's only a few hundred -- a few hundred yards away.

I enjoy going to the river trail parks. Oh, and by the way, the City of San Diego does not own all the land that's out there. All the existing trail systems that are out there are on some public land and some private land. People who are walking are trespassing. Our land is being used. We pay the taxes and have not been able to reap any benefit. This is the elephant in the room that has not been addressed, and I did not see it anywhere in any of the reports.

So my challenge is for you, Cogentrix, for the people in the city and the state who are on the payroll of the residents of the community and the landowners and the homeowners, that maybe you need to do a profit sharing for the people if you're going to continue and move forward. That's my recommendation.

HEARING OFFICER RENAUD: Okay. Thank you. Okay.

Nicole. And then followed by Phyllis. I don't have a last name, just Phyllis.

MS. CAPRETZ: Good evening. My name is Nicole Capretz with Environmental Health Coalition. We are a 32-year-old community based social environmental justice organization working to protect public health in the environmental.

You know, we -- this is kind of a first-pass look at this project for us, but we do have a history with the CEC in fighting proposed power plants, and we're proud of that history. And, you know, so I try to look at this from a more technical perspective. We're certainly sensitive and understand all the community issues, the cultural issues, and the public health issues. It's just that in our experience we have not found those to be the winning issues. And so I'm going to focus on the issues that, for us, I'm happy to talk with a committee member in the future about how we see a power plant in our community in Chula Vista.

One of the main issues that I believe CEC staff needs to address is whether even there's a demand, whether there's a need for this power. When you look at a concurrent LTP -- LTPP -- sorry, there's way too many acronyms in my head -- there's a long-term procurement plan proceeding at the CPUC happening now that's addressing what the demand forecast is for all the IOUs. And when you look at the staff tables for resources demands you'll find that SDG&E's information is all

over the map. And they -- and I think, obviously, you guys need to use your own expertise. But they seem to have inflated their need for -- to meet this peak demand, and deflated the values of efficiency and conversation and renewables. And I'm sort of hoping that can be something that staff addresses in a meaningful way.

And, in fact, just to point out, they didn't just, you know, kind of in a diminimis fashion minimize the value of efficiency, but they -- they reduced it by 400 megawatts for efficiency and conservation, which means they're basically telling you they're not going to meet state energy conservation goals. They're just stating that outright, clearly not afraid of any repercussion for not meeting those goals. So that's something we hope you look at in the long-term procurement plan data.

The second thing is that even if we were to assess that there was a need for this generation, the reason we were able to successfully defeat the MMC expansion of the peaker plant in Chula Vista is because there was not an alternatives' assessment. There was not an evaluation of all the ways we could meet this power demand through cost effective energy efficiency.

And we're happy to report that just two weeks ago the CPC -- oh, my god -- well, the C, yeah, the PUC [sic] said -- told the IOUs in no uncertain terms that they had to follow the

loading order when they're going to meet generation, when they're going to meet demand. And this was kind of a historic directive by the -- yes, you know what, I am totally getting my -- California -- CPUC. Oh, my god. Sorry.

COMMISSIONER PETERMAN: You should explain that so people know what the CPUC is --

MS. CAPRETZ: Oh. Okay.

COMMISSIONER PETERMAN: -- versus the CEC.

MS. CAPRETZ: Yeah. Exactly. The California Public Utilities Commission versus these guys, the California Energy Commission.

So the CPUC issued that directive two weeks ago as part of their -- oh, my gosh -- long-term procurement plan proceeding. And so what we're very concerned with is that in this application there has not been an exhaustive analysis of alternative ways to meet this demand. If, like I said, in my opinion, there's not the demand need, but if there is what are the alternatives and have they been appropriately exhausted?

And, finally, you know, just to end on a note of, you know, what our president said last night in the State of the Union, the easiest way to save money is to waste less energy. And I think it's incumbent on us to -- to old the IOUs accountable for the state efficiency goals that we have and to hold them accountable to meet the loading order requirements. So we urge you, as you move through this process and do your

kind of expert analysis to look at alternatives. Thank you.

HEARING OFFICER RENAUD: Thank you.

COMMISSIONER DOUGLAS: I just wanted to clarify one thing -- and I appreciate the speaker's comments -- we're not going to do a formal determination of need in this process. So we're not going to re-litigate what is done at the Public Utilities Commission. There's actually statutory language that prohibits the Energy Commission from denying a project on the basis of a finding of need. We -- we used to do that, and that changed with the deregulation bill.

What -- those issues are not irrelevant, however. And this description -- what we essentially do is the environmental review and the environmental analysis. If we were to find issues that can not be mitigated below the level of significance, or if we were to find conflicts with local laws, ordinances, regulations and so on, such as zoning, then the commission would be in the position of considering whether an override of those issues was appropriate. And at that point arguments such as, you know, one on hand, the importance of a project or, on the other hand, the perceived lack of need of the project would be relevant.

So -- so I'm not going to tell you that it's not relevant, but I am going to tell you that you're not going to see probably protracted factual litigation of need in this process.

You have a question?

MR. CONNOR: Phil Connors. My question is: By -- by what your answer was and what your explanation was, does that mean that Cogentrix of SDG&E has been to the Public Utilities Commission and they have reached some kind of finding that would rationalize or propose or suggest this project?

COMMISSIONER DOUGLAS: Why don’t -- why don’t you talk about whether you have a power purchase agreement for the project?

MR. PALO: Yes. Gogentrix Energy has executed a power purchase agreement with SDG&E. And I can say that it is a fact that SDG&E has an application covering the power purchase agreement and other power purchase agreements before the PUC at this time in a separate proceeding which they are an applicant for. We are an unregulated company, so we can not be an applicant from the PUC. So a need determination and other such issues are being addressed in their application in front of the CPUC.

COMMISSIONER PETERMAN: I’m going to ask you to explain that in a little bit more plain English, if you don’t mind.

MR. PALO: I’m a little uncomfortable because it really isn’t our application.

COMMISSIONER PETERMAN: Okay.

MR. PALO: There are representatives of SDG&E here,

but I don't know if they've even come prepared to -- to address that. But I think the CEC could certainly, with the PUC being a sister agency, find out a little bit more about that. Is that appropriate, just to suggest that?

COMMISSIONER DOUGLAS: I think we should -- we should provide -- I see that there's interest in the room. I think we should provide the -- the docket number and the information on the process to --

MR. PALO: We -- we can -- we can give you that.

COMMISSIONER DOUGLAS: Okay.

MR. PALO: We -- we don't have that right this minute.

MR. CONNOR: May I ask the applicant a question about that? Is -- are you, as the applicant, providing information to SDG&E for this particular project before the Public Utility Commission?

MR. PALO: No.

MR. CONNOR: Okay.

COMMISSIONER DOUGLAS: Okay.

MR. CONNOR: And do you know what the status of your -- what do you call it, the purchase agreement?

MR. PALO: Well, I don't -- I can't speak to the exact status because we're not an applicant there. And that's -- that is a very evidentiary rule-making kind of proceeding, as well. So I want to be careful since we're not

involved directly in that. But I think you're -- you could direct questions, and we can give you names of -- of -- of, perhaps, appropriate folks at SDG&E to ask your questions to. They have public affairs people that could address, I assume, comments from the public about their applications.

So why don't I try to find that out and see if we can't deliver that to --

COMMISSIONER DOUGLAS: That would be great.

MR. PALO: -- to the appropriate people to seek --

MR. CONNOR: Yeah. I just want to say that I'm -- I'm very concerned about the -- the due process issues, about a process going on independent and separate, outside of your purview -- outside of your purview that may be deciding this issue before we ever have an opportunity to be heard on this subject.

COMMISSIONER PETERMAN: And, sir, I appreciate your concern. I guess just to make it very plain that the Public Utilities Commission determines the economic need, and therefore SDG&E is the applicant there, and we look at the ability for environmental compliance of the project by the person who's building it. So they're both proceedings you should be aware of.

MR. CONNOR: I'm understanding what you're saying, and I incorporated that in what --

COMMISSIONER PETERMAN: Right.

MR. CONNOR: -- what I'm saying.

COMMISSIONER PETERMAN: Uh-huh.

MR. CONNOR: But it doesn't make sense that this process be halted until that process is over and we even find out, you know, whether it's necessary of not?

COMMISSIONER DOUGLAS: Interestingly, applicants have approached it in different ways. Some like to get a license and then initiate the process at the Public Utilities Commission. Some go all the way through towards -- to getting a contract and then initiate a license proceeding with us. And some do both at the same time. So -- so there's no -- there's no set order in which that occurs.

MR. CONNOR: Okay. My question is: Why does the applicant get to choose the process, as opposed to --

COMMISSIONER DOUGLAS: The applicant chooses --

MR. CONNOR: -- the government --

COMMISSIONER DOUGLAS: I'm sorry if I interrupted. The applicant chooses the order in which the applicant goes through both processes. But the applicant -- the -- the processes are not optional. If the applicant wants to build a power plant and have SDG&E compensate them for doing so, neither process is optional.

HEARING OFFICER RENAUD: All right.

MR. CONNOR: Okay.

HEARING OFFICER RENAUD: We -- we still have a

speaker waiting. Phyllis, please.

PHYLLIS: I live at Treviso Condos. And --

HEARING OFFICER RENAUD: Come up closer, please.

COMMISSIONER PETERMAN: Ma'am --

PHYLLIS: I live at Treviso Condos. I thought I'd give you a little visual of what the little person, the 99 percenter looks like. This is our smokestack. This is the 99 percent. I don't know. So I just thought that following that I've got to break with the joke, I guess.

So I never thought that I would ever live in Santee. When I was a kid we used to come out to Santee Lakes and dreaded it as a kid. You know, I don't know want to go there, there's -- it's the boonies. Back then maybe that was the time and the place to build things like La Salinas.

I bought my condo in '05. You know -- all know the economy in '05. So now that I've bought that condo for that dollar amount I'm going to have to die in that condo. I'll have to work until the day I die to pay off that condo. It's a little -- cute little place, but, one, I get no radio reception, serious. And Syrius, I don't get Syrius. I tried that, too. I had to stand outside my bedroom and hold out the antenna before I got actual Syrius. So seriously, if they put in these things there is it going to assist in having quality of life in Santee? Nope.

Also, when I bought my condo Wawanesa would not

insure me because I live so close to Mission Trails. I had to go to another company, more money. The first year, of course, up it goes again.

MR. CONNOR: Are you talking about health insurance?

PHYLLIS: No. Homeowner's insurance.

MR. CONNOR: Oh, homeowner's insurance.

PHYLLIS: Homeowner's insurance.

MR. CONNOR: Okay.

PHYLLIS: So you guys want to pay my HOAs? Great. You want to pay my insurance? Fantastic. You want to support me when we all get cancer from this? Great. Take me to my chemo. Pay that when my insurance company quits, says, sorry, we can't pay anymore. I can't tell you guys how many funerals that I've gone to lately that's all been cancer. Why are we all getting cancer? Too many carcinogens in the air, too much pesticides in our food.

I think that we need to be sustainable. There's a great little town in Oregon we need to model ourselves after.

Also, I think that SDG&E needs to be accountable. The blackouts that were mentioned earlier, one little guy flicked one little switch. How ridiculous is that? And I know a few people that work for SDG&E, actually, and pretty high up, too. How ridiculous is that, one little guy in one little flip of a switch? And that company doesn't have a backup plan for something like that? It didn't bother me too much. I played

Scrabble with my dog, and he won. So I think they need to be accountable.

I've learned in my career, which is a piddly little job, nothing fancy like any of you guys or some people here, you've got to be accountable for your actions. If you don't admit to any of your mistakes you know it's going to come back and bite you in the butt.

So if anyone will volunteer to become my friend and take me to chemo, I'll take you up on it. But it's got to be someone younger, because you're going to outlive me. Thanks. That's all I've got to say. Thank you.

HEARING OFFICER RENAUD: Thank you.

MS. CAPRETZ: I just have a question because -- just based on Commission Douglas's remarks. Because we --

COMMISSIONER DOUGLAS: Please state your name for the record.

MS. CAPRETZ: Sure. I'm sorry. Nicole Capretz, Environmental Health Coalition.

In the recent proceeding at the California Energy Commission where we were fighting expansion of the power plant in Chula Vista, and we won, not because of health impacts, not because of land use, not because of anything environmental, but because there wasn't an appropriate alternatives analysis. And I really encourage you to read that decision. Because before everybody was precedent setting, and I don't know that, but

just that there seems to be some place for the CEC to evaluate, not to do a fact-based needs assessment. I know that that's the job of the CPUC. But there seems to be some integrated role for the CEC to look at whether the loading order has been followed and the alternatives' assessment was exhausted. So I just hope that that's still a part of it. Thank you.

COMMISSIONER DOUGLAS: I guess this would be the -- the place to say that I -- I was one of the commissioners who voted on the decisions and --

MS. CAPRETZ: Oh. Okay.

COMMISSIONER DOUGLAS: -- I'm familiar with it.

MS. CAPRETZ: Okay.

COMMISSIONER DOUGLAS: Alternatives' analysis is a very important part of what the Energy Commission does. And so I will ask staff, and they already know this, to do --

MS. CAPRETZ: Oh. Okay.

COMMISSIONER DOUGLAS: -- a very good alternatives' analysis, as --

MS. CAPRETZ: Okay. Thank you.

COMMISSIONER DOUGLAS: -- as they do.

We were supposed to give up this room at six o'clock. It's well past six. Let me ask if there's anybody who has not made a comment and not filled out a card who would like to make a comment? Had anybody come in late, not fill out a blue card, who would like to make a comment? I see there's one more

person who'd like to come back, and that's fine. I'm just seeing if we've left anyone out. Okay. Come -- come on up, but quickly please because we -- we're wearing out our welcome here.

MR. REYES: I'm just adding my --

COMMISSIONER DOUGLAS: I know.

MR. REYES: I'm just adding my voice --

COMMISSIONER DOUGLAS: Thank you.

MR. REYES: I'm just adding my voice to another meeting in 60 to 90 days, and also formally asking that we freeze this until the -- the California Public Utilities Commission can come out with something in regards to their need.

COMMISSIONER DOUGLAS: Okay. Thank you for your request.

MR. REYES: Thank you.

HEARING OFFICER RENAUD: All right. This meeting is adjourned.

(Thereupon the California Energy Commission, Application for Certification of the Quail Brush Project, adjourned at 6:36 p.m.)

CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of February, 2012.

/s/ Martha L. Nelson

MARTHA L. NELSON – CERT 00367