

MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ORIGINAL

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

THURSDAY, FEBRUARY 9, 2006
10:10 A.M.

KATHRYN S. KENYON, CSR
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APPEARANCES

COMMISSION MEMBERS

Mr. Steve Westly, State Controller, Chairperson, also represented by Ms. Cindy Aronberg

Mr. Cruz M. Bustamante, Lieutenant Governor, also represented by Ms. Lorena Gonzalez

Mr. Michael C. Genest, Director of Finance, represented by Ms. Anne Sheehan

STAFF

Mr. Paul Thayer, Executive Officer

Mr. Jack Rump, Chief Counsel

Ms. Christine Sproul, Attorney General

Ms. Kimberly Lunetta, Executive Assistant

ALSO PRESENT

Ms. Sarah Abramson, Heal the Bay

Ms. Dorothee Alsentzer, Natural Resources Defense Council

Mr. John Asuncion, Blue Whale Sailing School

Ms. Catherine Bowie, California American Water

Ms. David Breninger, Placer County Water Agency

Ms. Krista Clark, ACWA

Mr. Jonathan Clay, San Diego County Water Authority

Mr. Michael Corbett, West Basin Municipal Water District

Mr. Tom Ford, Santa Monica Baykeeper

Mr. Larry Gallery, California American Water

APPEARANCES CONTINUED

Mr. Joe Geever, Surfrider Foundation
Mr. Tom Gross, Southern California Edison
Mr. Jackson Gualco, CCEEB
Ms. Angela Haren, California Coastkeeper Alliance
Mr. Adam Laputz, State Water Resources Control Board
Ms. Shana Lazerow, Communities for a Better Environment
Ms. Lorell Long, California Earth Corps
Mr. Tom Luster, California Coastal Commission
Ms. Julee Malinowski-Ball, Los Angeles Department of Water
and Power
Mr. Jim McKinney, California Energy Commission
Mr. Jim Metropulos, Sierra Club
Ms. Lorraine Paskett, PG&E
Mr. Ben Rottenborn, Stanford Law School
Mr. Matt Vander Sluis, Planning and Conservation League
Mr. Scott Welch, IVW, Pipe Trade Sheet Metal Workers

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PROCEEDINGS

CHAIRPERSON WESTLY: I'd like to call this meeting of the State Lands Commission to order. All of the representatives of the Commission are present.

I'm State Controller Steve Westly. And I'm joined today by Lieutenant Governor Cruz Bustamante, and Anne Sheehan representing the Department of Finance.

For the benefit of those in the audience, the State Lands Commission administers properties owned by the state as well as its mineral interests. Today we will hear proposals concerning the leasing and management of these public properties.

First item of business will be the adoption of the minutes from the Commissioner's last meeting.

May I have a motion to approve the minutes?

COMMISSIONER BUSTAMANTE: So moved.

ACTING COMMISSIONER SHEEHAN: Second.

CHAIRPERSON WESTLY: All in favor?

(All ayes.)

CHAIRPERSON WESTLY: The minutes are unanimously adopted.

The next order of business is the Executive Officer's report.

Mr. Thayer, may we have your report?

EXECUTIVE OFFICER THAYER: Thank you, and good

1 morning, Mr. Chair, and members of the Commission.

2 I just have one item this morning. I want to
3 report and note the passing of one of our retirees, Bud
4 Uzes, who retired in the '80s and was quite a person, a
5 gentleman, with great accomplishments for the Commission
6 and for the outside world as well. He was our supervising
7 boundary officer when he retired. He's been a member of
8 the Commission staff for 33 years. He authored a number
9 of books and articles about surveying and had a personal
10 collection of old surveying equipment. He was very much
11 into what he did. And he was always a gentleman around
12 the office. He came in frequently. After he retired he
13 helped us out on this and that. He remained active.

14 He lived until he was 71, so you also want people
15 to live forever, but he had a very full life, a very rich
16 life. And a lot of people who work at the Lands
17 Commission now remember and worked with him in the past.
18 And so I wanted to honor him by taking note of all of his
19 good works.

20 CHAIRPERSON WESTLY: Thank you, Mr. Thayer. Thank
21 you.

22 EXECUTIVE OFFICER THAYER: That concludes the
23 Executive Officer's report.

24 CHAIRPERSON WESTLY: The next order of business
25 will be the adoption of the consent calendar. I would

1 like to call on the executive officer, again, Mr. Thayer
2 to indicate which items have been removed from the consent
3 calendar.

4 EXECUTIVE OFFICER THAYER: There are just two
5 items. It's items 29 and 33, and these will be heard at a
6 future Commission meeting.

7 CHAIRPERSON WESTLY: Thank you.

8 And would Mr. Shultz still like to speak, knowing
9 we're going to be postponing that issue? On C 22, rather?

10 EXECUTIVE OFFICER THAYER: 22 is not postponed.

11 CHAIRPERSON WESTLY: Okay.

12 And then is there anyone else in the audience who
13 wishes to speak on an item still on the consent calendar.

14 EXECUTIVE OFFICER THAYER: I just want to make
15 clear, 22 -- I hadn't seen his request to speak. 22 has
16 not been postponed, so he may still want to speak on that.

17 CHAIRPERSON WESTLY: We'll come back to that. The
18 remaining group for the consent items will be taken up as
19 a group for single vote.

20 And may we now proceed with that vote?

21 ACTING COMMISSIONER SHEEHAN: So we're not doing
22 22.

23 EXECUTIVE OFFICER THAYER: Mr. Thayer, what would
24 you advise?

25 COMMISSIONER BUSTAMANTE: Any items that are

1 pulled --

2 EXECUTIVE OFFICER THAYER: The two that are
3 pulled, it's 29 and 33. But I'm trying to ascertain, does
4 the Chair have a speaker slip for 22? He's in support, so
5 I presume he doesn't wish to speak at this time.

6 CHAIRPERSON WESTLY: If he is fine with it, he's
7 waiving approving, and so I agree.

8 ACTING COMMISSIONER SHEEHAN: So I'll move the
9 consent calendar as modified.

10 CHAIRPERSON WESTLY: Second?

11 COMMISSIONER BUSTAMANTE: Second.

12 CHAIRPERSON WESTLY: Okay. All in favor, please
13 say aye.

14 (All ayes.)

15 CHAIRPERSON WESTLY: Thank you very much.

16 That brings us to Item 56, I believe, Mr. Thayer,
17 Consideration of a resolution supporting the elimination
18 of once-through cooling in California power generating
19 facilities.

20 May we have a staff presentation?

21 Before we do that, I just want to thank all of the
22 members of the public who came today. I know a lot of
23 people have come from a quite a distance to speak on this
24 issue. I'm delighted that you are here.

25 We'll start with Mr. Thayer.

1 Your report, please.

2 EXECUTIVE OFFICER THAYER: Thank you.

3 The staff presentation this morning will give an
4 overview of once-through cooling -- which is the subject
5 of the resolution before the Commission this morning --
6 its impacts, alternatives, and then the goals of the
7 resolution.

8 As the Chair has noted, many of the audience are
9 here to speak on either side of those issues associated
10 with once-through cooling. Once-through cooling pumps
11 water through power plants, generally, not always, but
12 generally to condense spent steam after generation. This
13 creates a vacuum to increase the efficiency of power
14 plants and provides the water necessary to create new
15 steam.

16 There are a number of impacts that have been
17 identified from once-through cooling. They are termed
18 thermal, impingement, and entrainment.

19 The thermal impact is to wildlife and plant life
20 that is affected by the discharge, which is often 20
21 degrees or more warmer than the ambient ocean temperature.

22 Impingement is the collection of larger plants and
23 wildlife that collects on the screens that prevent large
24 objects from going through the power plant, and this
25 wildlife is usually killed by being trapped against the

1 screens, hence the term impingement.

2 Entrainment -- and I'm defining these terms
3 because I think a lot of speakers will refer to this.
4 Entrainment is where organisms actually go through the
5 power plant. They go through the screens and are often
6 harmed by the pumps that push the water through or the hot
7 temperatures inside the plant, a variety of different
8 reasons.

9 But all of these effects cause damage to plant and
10 wildlife in the vicinity of these power plants. There are
11 21 power plants along the California coast, and they are
12 permitted to divert about 17 billion gallons of water per
13 day, so it's a very large volume.

14 A variety of studies have been conducted on this,
15 and a number of them demonstrate the environmental impacts
16 of once-through cooling.

17 A report on the impacts from the San Onofre
18 Nuclear Generating Station, prepared for the Coastal
19 Commission, found that 20 to 57 tons of fish were
20 destroyed annually through once-through cooling there.

21 And another study, Dr. Michael Foster from Moss
22 Landing Marine Lab, calculated habitat impacts by figuring
23 out how many individual fish were killed and related that
24 to the national density of fish. He concluded that 13 of
25 California's coastal plants cause fish losses that were

1 the equivalent to the loss of 10 acres of bay and estuary
2 habitat. That's the number of fish that would have
3 occupied that area.

4 And volume of lost fish has been estimated to
5 equal 8 to 30 percent of Southern California's sports
6 catch.

7 So there are a variety of statistics that indicate
8 the depth of the problem.

9 There are several alternatives to once-through
10 cooling, and some of these are being used in existing
11 power plants in California and elsewhere. There are
12 closing systems where cooling water is recirculated
13 through the plant and cooled in towers. There are dry
14 cooling systems where the processed water that goes
15 through the turbines is air-cooled in condensers. And
16 there are wet cooling systems which cool water through
17 evaporation, which requires some moderate amount of
18 make-up cooling water.

19 Use of waste water is technically once-through
20 cooling, but it can have thermal impacts when it's
21 discharged, but it's using water from waste water
22 treatment facilities, so it's not ingesting ocean water
23 and the organisms that are in that water. So there's a
24 environmental benefit from turning to that.

25 These alternatives can make a power plant less

1 efficient in that they generally use more electricity than
2 once-through cooling, although recent advancements have
3 diminished those differences.

4 The cost of retrofitting existing plants obviously
5 varies from site to site and the method that might be
6 used.

7 A California Energy Commission report suggests
8 that the El Segundo power plant could be converted to
9 waste water cooling from the adjacent Hyperion Treatment
10 Plant for about \$12 million and perhaps a little less.
11 And I've seen calculations for some of the other plants
12 and some of those are a little more and some of them are a
13 little less than that figure of \$12 million.

14 The nuclear facilities would require a more
15 expensive retrofitting because of the large amount of heat
16 that they generate. The impact has been recognized by the
17 federal government. The USEPA has adopted the rules to
18 implement the Clean Water Act, and with few exceptions,
19 these rules now prohibit new plants from using
20 once-through cooling as their cooling system.

21 The rules do permit once-through cooling to
22 continue in existing plants but do require mitigation or
23 modification to the equipment where these plants are
24 repowered to use new sources of generating fuel, such as
25 switching from oil to gas or where other modifications are

1 made.

2 The impact of once-through cooling is receiving
3 increasing attention from both the California public and
4 California State agencies.

5 The State Water Resources Control Board has
6 required new studies when its discharge permits are
7 re-approved for these power plants. And the Water Board
8 conducted an informational hearing in December in Oakland
9 to look at the implications of once-through cooling and
10 the alternatives.

11 The California Energy Commission is also involved.
12 Obviously they have jurisdiction over power plants. And
13 in its Integrated Energy Impact Report from 2005, the
14 Energy Commission found that this kind of cooling leads to
15 degradation of bays and estuaries.

16 On the flip side of this, the plants that have
17 once-through cooling provide significant portions of
18 California's energy supply. And it's been calculated that
19 the 21 coastal plants with once-through cooling supply
20 about 39 percent of the energy that California uses.

21 The State Lands Commission does not have the same
22 direct jurisdiction over power plants that the Energy
23 Commission and State Water Resources Control Board has.
24 However, the Commission does have a responsibility to
25 ensure that the activities on the lands that we manage,

1 the Public Trust lands, do not adversely affect the values
2 for which these lands for Public Trust uses. And these
3 uses include for Californians recreation, important
4 fishing, and environmental values. And the impacts that
5 I've previously discussed obviously affect the Public
6 Trust values of the land that we're supposed to manage and
7 protect.

8 Most, if not all, of the 21 coastal power plants
9 that we're talking about here have leases for their intake
10 and their discharge facilities from either the State Lands
11 Commission or grantees -- places like the port of L.A. or
12 Long Beach where they've been granted administration of
13 these lands. Thus, it's appropriate for the Commission to
14 consider the impacts of once-through cooling when it
15 decides whether or not to enter into new leases for these
16 facilities or to renew existing leases.

17 Over the past few years the Commission has often
18 heard from citizen groups who complain about the adverse
19 impacts. I know members who have been to the San Diego
20 meetings will recall that both this past December and in
21 proceeding years, citizens have come and complained about
22 the impacts of the power plants in San Diego Bay and we've
23 also heard from folks from Morro Bay.

24 The Commission staff has also aggressively called
25 for better review of the impacts associated with the El

1 Segundo power plant during the repowering proceedings
2 before the Energy Commission.

3 So consistent with the Commission's
4 responsibilities and long-time involvement in issues like
5 once-through cooling, the Chair of the Commission asked
6 staff to draft a resolution, which is before you today, to
7 try to advance the policy goal of eliminating the impacts
8 of once-through cooling on California's Public Trust
9 lands. This resolution is before you today. It puts the
10 Commission on record as urging the Energy Commission and
11 the State Water Resources Control Board to do the
12 necessary study and regulation to eliminate once-through
13 cooling.

14 It puts industry on notice that 14 years from now,
15 the Commission will stop issuing leases for once-through
16 cooling facilities.

17 The draft resolution does take note of the
18 important contribution of these plants made to
19 California's energy supply and the goal of this resolution
20 is not to shut down these plants, but to cause them to be
21 operated in a more environmentally sound manner. This
22 concludes staff's presentation.

23 CHAIRPERSON WESTLY: Thank you, Mr. Thayer.

24 At that point, I would like to ask if we could
25 have some of the speakers come forward, unless either of

1 the members would like to ask a question about Mr.
2 Thayer's report.

3 COMMISSIONER BUSTAMANTE: Just one quick question.

4 CHAIRPERSON WESTLY: Absolutely.

5 COMMISSIONER BUSTAMANTE: This resolution isn't
6 intended to shut down any of the plants? Even the plant
7 in San Diego?

8 EXECUTIVE OFFICER THAYER: The intent is to cause
9 these plants to be operated in an environmentally
10 beneficial way. There are obviously other issues
11 associated with the Duke plant in San Diego, how it uses
12 valuable water front property and that kind of thing, but
13 this resolution is focused solely on once-through cooling
14 and trying to stop that practice in California.

15 COMMISSIONER BUSTAMANTE: Okay.

16 CHAIRPERSON WESTLY: What I would like to do at
17 this point, we have a number of people who would like to
18 speak from the public on either side of this issue. And
19 what I would like to do is to start with the people who
20 would like to speak in support of this. And then we'll go
21 to the people who would like to speak in opposition.

22 I would like to start with Ms. Angela Haren, the
23 program manager from California Coastkeeper Alliance. If
24 you could please come forward and be sure to identify
25 yourself.

1 Let me, again, thank all of the members of the
2 public for being here. I know people have come from far
3 distances, but I want to be fair to everybody this
4 morning, and that is we would like to keep your comments
5 to three minutes, if you could. Otherwise we just won't
6 have time for everybody to speak this morning.

7 Ms. Haren, please, if you can sit there, and
8 again, for the record, please identify yourself.

9 MS. HAREN: Good morning. My name Angela Haren
10 and I'm with the California Coastkeeper Alliance.

11 The Alliance represents ten waterkeeper groups
12 from the Oregon border to San Diego. We would like to
13 offer our strong support for a resolution, phasing out
14 once-through cooling and to urge the members of the
15 Commission to adopt this resolution today.

16 Once-through cooling is an antiquated technology
17 used by 21 of our coastal power plants that pulls up to
18 16.7 billion gallons of seawater every day. This daily
19 assault on California's coastal environment causes serious
20 and ongoing harm through entrainment, impingement, and
21 thermal impacts.

22 The Ocean Protection Council, state regulatory
23 agencies, including the California Energy Commission, and
24 the Federal Environmental Protection Agency have all
25 acknowledged that the impacts of once-through cooling are

1 environmentally significant and that they could be
2 avoided.

3 To give just one example, last August, the fish
4 killed due to entrainment in the San Onofre cooling system
5 wiped out over 5 tons of anchovies in a single event. And
6 while the regulated community often refers to these events
7 as "rare," there are numerous other examples of the harm
8 that can be caused by once-through cooling, including
9 injury to marine mammals trapped on the screens.

10 Now is the time to make active decisions on how to
11 phase out this harmful technology, not to wait for further
12 evaluations of its clearly established level of ecological
13 damage.

14 A recent report card released by the bipartisan
15 Joint Ocean Commission Initiative gives the United States
16 a D-plus for protecting our valuable ocean resources. The
17 value of those resources is critically important here in
18 California, where 86 percent of our total economic
19 activity is fueled by a healthy coast and ocean, according
20 to the California's new Ocean Economy report.

21 As the proposed resolution astutely acknowledges,
22 phasing out once-through cooling will help to protect
23 these economically valued resources.

24 Cost-effective alternatives to once-through
25 cooling are available.

1 These alternatives are currently being used
2 exclusively by inland power plants, who do not have access
3 to the public resource that the coastal plants currently
4 exploit.

5 California state constitution mandates that the
6 government hold coastal lands in trust for the people of
7 California.

8 It is an abuse of this Public Trust responsibility
9 to allow these plants to continue to use this outdated
10 technology when less harmful technologies and processes
11 are feasible and readily available.

12 Although the regulated community has suggested in
13 the past that older and less efficient plants would not
14 justify retrofit costs of phasing out once-through
15 cooling, multiple plants around the country have
16 successfully begun implementing a range of alternatives to
17 this technology, including using recycled water for
18 cooling.

19 Moreover, its an abuse of the Public Trust and of
20 fair business practices that this state should give the
21 coastal plants a competitive advantage over inland plants
22 by allowing them to use billions of gallons of publicly
23 held seawater, and the life it holds, each day,
24 essentially for free. California's limited coastal
25 resources cannot continue to sustain such unsound business

1 problems.

2 The proposed resolution will help to advance a
3 much needed statewide policy to phase out once-through
4 cooling and to ensure the continued reliability of the
5 electrical grid by setting the realistic phase-out
6 deadline of 2020.

7 We thank the State Lands Commission for
8 acknowledging the serious problem and for taking action to
9 exercise your Public Trust responsibilities to protect
10 California's coastal resources and coastal economy.

11 Thank you.

12 CHAIRPERSON WESTLY: Ms. Haren, thank you. That
13 was very compelling. You had one point there that I
14 didn't hear. You said we receive a D-plus, I think, in
15 coastal protection. Which group is that?

16 MS. HAREN: Oh, that was a recent report card
17 earlier this week. It was released by the bipartisan
18 Joint Ocean Commission Initiative --

19 CHAIRPERSON WESTLY: Got it.

20 MS. HAREN: -- and gave the United States -- I
21 could forward the link to that.

22 CHAIRPERSON WESTLY: If you could do that, I would
23 be very grateful.

24 Thank you, Ms. Haren.

25 MS. HAREN: Thank you.

1 CHAIRPERSON WESTLY: At this point I would like to
2 ask Ms. Sarah Abramson, staff scientist from Heal the Bay
3 to come forward, please.

4 And we would love it if Mr. Joe Geever from the
5 Surfrider Foundation could be prepared to be on deck.

6 MS. ABRAMSON: Good morning, Chair Westly and
7 Commissioners. Thanks for the opportunity to speak on
8 this issue. I'm Sarah Abramson. I'm the staff scientist
9 for Heal the Bay.

10 We strongly support the proposed State Lands
11 Commission resolution on the abolition of once-through
12 cooling systems in California's power plants. We commend
13 your leadership on this issue and urge you to pass this
14 resolution. Once-through cooling is particularly taxing
15 on the coastal environment in Southern California, where
16 13 of the state's coastal power plants are permitted to
17 consume over 10 billion gallons of sea water and
18 associated marine life daily.

19 These impacts occur both on an individual plant
20 basis and cumulatively in the region. A recent study
21 conducted at Huntington Beach Generating Station estimates
22 that the plant entrains and subsequently kills 350 million
23 fish larvae each year. Clearly these ecological impacts
24 are severe.

25 Furthermore, three facilities -- Scattergood, El

1 Segundo, and Redondo Beach Generating Station -- all are
2 located within the same 6-mile stretch within Santa Monica
3 bay. These plants consume 13 percent of the near-shark
4 waters in the bay every six weeks.

5 An even more astonishing impact is that at
6 Alamitos Bay where Haynes and Alamitos generating stations
7 turn over the bay every five days.

8 California is a leader amongst several states in
9 strong policy and public support for protecting our coast
10 and ocean. By approving this resolution, the State Lands
11 Commission will help lead California in shaping a state
12 policy on once-through cooling that is protective of our
13 valuable coastal and marine resources. Thank you for
14 acting timely -- in a timely fashion on this critical
15 issue.

16 CHAIRPERSON WESTLY: Thank you, and thank you for
17 being with us at the last phone meeting we had.

18 Mr. Geever.

19 And if Dorothee Alsentzer of the National -- NRDC
20 could be on deck, that would be terrific. Mr. Geever.

21 MR. GEEVER: Thank you, Commissioners.

22 My name is Joe Geever, and I'm here to represent
23 the Surfrider Foundation. Surfrider is a grass roots
24 organization, nearly 60,000 members, all dedicated to the
25 restoration of our coast and oceans.

1 On a personal note, this issue is a particular
2 interest to me because I spent much of my adult life as a
3 commercial fisherman, so the long and avoidable
4 destruction of healthy coasts and oceans is abhorring to
5 me.

6 I wanted to make just a couple quick points. Mr.
7 Thayer didn't mention it, but Surf Rider is the main
8 plaintiff on federal litigation challenging EPA's 316(b)
9 rule. This is a long-term effort of numerous
10 organizations, spearheaded by the Riverkeepers and
11 numerous state attorneys general.

12 Interesting for you, I think, is that other states
13 do not have the same level of ocean protection that
14 California has already enacted in our laws. As you know,
15 California is a leader among the several coastal states
16 and strong policy to restore and protect our oceans.
17 Those policies, contained in our Marine Life Management
18 Act, Marine Life Protection Act, and Coastal Act, and
19 others, is also stronger than any federal law.

20 All this to say, you don't need to wait for the
21 conclusion of the federal litigation to move forward on
22 state regulations. The federal rule is just a minimum
23 standard, regardless of the outcome of the lawsuit.
24 California policy mandates much stronger ocean protection
25 than federal law, and you can begin implementing that

1 policy now.

2 In fact, if California doesn't take strong steps
3 like this resolution, we will not be enforcing the
4 policies that our legislature has already put on the book.
5 More importantly, we will allow the continuation of a
6 practice that has been shown to dramatically impact
7 complex and precious marine ecosystems.

8 In short, the way the federal rule is currently
9 written, it's entirely predictable and we won't see any
10 improvements to our ocean environment. We strongly
11 support your resolution. Our State policy mandates
12 heightened protection for marine resources, regardless of
13 what USEPA may deem appropriate. The time for coastal
14 generators to employ cooling technology that other
15 non-coastal generators currently employ is long since
16 overdue.

17 Thank you very much for this hearing.

18 CHAIRPERSON WESTLY: Thank you.

19 A question from the lieutenant governor.

20 COMMISSIONER BUSTAMANTE: The gentleman made a
21 reference to that if we don't pass this resolution, that
22 we would not be in compliance with State law. Is that
23 your understanding?

24 MR. PAUL THAYER: I'm not aware of that
25 conclusion, and I would be glad to talk further with the

1 gentleman to understand that more carefully.

2 COMMISSIONER BUSTAMANTE: Please. If you have any
3 more information about this, specifically, you could
4 either -- if you could briefly talk about that or if
5 there's a reference in statute of some kind.

6 MR. GEEVER: Do you want me to do that now or --

7 COMMISSIONER BUSTAMANTE: You could either make
8 the reference now or talk more in detail with the
9 executive director.

10 MR. GEEVER: Okay. I would be glad to talk with
11 you later, but the point I was trying to make just in
12 general is that there are more general policies contained
13 in those organic California laws that --

14 COMMISSIONER BUSTAMANTE: I understand. Thank
15 you.

16 CHAIRPERSON WESTLY: Thank you.

17 Ms. Alsentzer.

18 And if we could have Ms. Vander Sluis from
19 Planning and Conservation League on deck, please.

20 MS. ALSENTZER: Good morning. My name is Dorothee
21 Alsentzer. I'm a legal fellow of the Natural Resources
22 Defense Council.

23 NRDC strongly supports this resolution and urges
24 the members of the Commission to adopt it today. We share
25 the views of other environmental organizations who are

1 here today and would simply reiterate how important this
2 issue is and what a tremendous, positive step this
3 resolution would represent if adopted.

4 In particular, NRDC would like to emphasize that
5 the resolution phasing out alternative cooling
6 technologies is a great way to ensure continued
7 reliability of the State's electricity system. Overall,
8 the phase-in is the responsible way to phase out
9 antiquated cooling technologies that are harmful to the
10 state's invaluable coastal resources in favor of the many
11 available alternative technologies while ensuring
12 electricity reliability.

13 We thank you very much for your effort to take a
14 leadership role on this very important and timely issue.

15 CHAIRPERSON WESTLY: Thank you very, very much,
16 Ms. Alsentzer.

17 Mr. Vander Sluis, can you come up and please
18 identify yourself.

19 And if we could have Mr. Tom Ford of the Santa
20 Monica Baykeeper on deck.

21 MR. VANDER SLUIS: Good morning. My name is Matt
22 Vander Sluis of the Planning and Conservation League. We
23 would like to commend the Commission for moving forward
24 with drafting this resolution. We think it's a very
25 prudent move at this time. Thanks so much.

1 CHAIRPERSON WESTLY: Thank you very much.

2 Mr. Ford, if you could come forward.

3 And if we could have Shana Lazerow from the
4 Committee for a Better Environment on deck.

5 Mr. Ford.

6 MR. FORD: Thank you. My name is Tom Ford. I'm
7 with the Santa Monica Baykeeper. I'm a marine ecologist
8 with that group and work on projects to restore the kelp
9 forests, specifically in Santa Monica bay.

10 As speaking to -- my expertise and experience in
11 that regard, 70 percent of the kelp forest in Santa Monica
12 bay have gone away. We've lost them over the past hundred
13 years with the majority of that loss being concentrated in
14 the past 50. Kelp forests certainly are the cornerstone
15 of our coastal ecosystems, and with their loss, the
16 ecosystems themselves are in trouble.

17 Certainly, as been mentioned by many other people,
18 once-through cooling has technological alternatives
19 already in place in this state, working economically
20 viable, etcetera, and this is both a timely event and we
21 support the passing of this resolution through your
22 Committee today.

23 CHAIRPERSON WESTLY: Question from Ms. Sheehan.

24 ACTING COMMISSIONER SHEEHAN: Yeah. You talked
25 about the loss of the kelp forest, not just the bay, but

1 on the coast in general, the 70 percent.

2 MR. FORD: I was -- I can speak generally to the
3 condition of kelp forest throughout southern California
4 from Concepcion down to south of the border, and
5 generally, it is a 70 to 80 percent loss.

6 ACTING COMMISSIONER SHEEHAN: And do you know how
7 much of that is attributable to the cooling?

8 MR. FORD: No, I could not specify.

9 ACTING COMMISSIONER SHEEHAN: Okay. I'm just
10 curious.

11 Thanks.

12 CHAIRPERSON WESTLY: Mr. Bustamante.

13 COMMISSIONER BUSTAMANTE: Is there climate issues
14 that allow for kelp beds to be managed better? Is there
15 water temperature conditions that promote healthy kelp
16 forests when you are trying to figure out how to expand
17 kelp forces along the coast? Is there a water issue, a
18 water temperature issue?

19 MR. FORD: Certainly. Water temperature amongst
20 other factors do have a demonstrable effect on kelp
21 forests.

22 COMMISSIONER BUSTAMANTE: What's the range? Do
23 you have a sense of what the range of the water
24 temperature would be?

25 MR. FORD: Sure. We have pronounced long term --

1 we have persisting warm waters aboveground 70 degrees
2 Fahrenheit. We will see that affect the continuity as
3 well as the actual life of a given plant.

4 COMMISSIONER BUSTAMANTE: And has there been such
5 a movement or an increase in water temperature along
6 California's coast, even if it's not throughout the entire
7 coastal area, but is there any demonstrable increase in
8 water temperature in and around these facilities as far
9 as -- or any one of the facilities, as far as you know?

10 MR. FORD: Some of the thermal discharge
11 associated with the San Onofre Nuclear Generating Station
12 has had some very clear cut effects on the kelp forests
13 are enumerated on letter from the California Coastkeeper
14 Alliance. But we are looking at the loss of roughly
15 59,000 plants, several, I believe, attributed to 20 acres
16 of 200 acres of kelp forests off of that coast that was
17 lost.

18 COMMISSIONER BUSTAMANTE: Is there a range in
19 which the water temperature has increased? Is it half a
20 mile? A mile? Do you have any sense, or is there any
21 information that you are familiar with that shows the
22 range or the area of which it covers?

23 MR. FORD: There are certainly some maps that
24 depict the thermal plumes of these plants. I would be
25 reluctant to speak to the extent of those at this time, as

1 I'm not terribly familiar with them.

2 COMMISSIONER BUSTAMANTE: Okay. Is there in
3 Southern California, which is the area of the general
4 knowledge that you have, are there any specific areas that
5 you would say are of the highest degree in which kelp
6 forests have diminished? You know, are there some areas
7 that are 30 percent and other areas that are a hundred
8 percent? And there is some direct association or there is
9 some general association with -- even if it's just not the
10 once-through cooling, it's industry or it's cities or it's
11 discharge or it's runoff or a variety of things. Is there
12 a variety of things that have an impact on this?

13 MR. FORD: Your list was fairly comprehensive and
14 all of those things do have their impacts. Specifically,
15 we can look at the Horseshoe Kelp Bed which once existed
16 off of the mouth of the L.A. Harbor. That kelp bed has
17 disappeared, likely due to the effects of dredging.

18 The position of outfalls from sewage plants have
19 been affiliated with disruption in kelp canopy or loss of
20 kelp in places, so there are a number of factors.

21 COMMISSIONER BUSTAMANTE: So this once-through
22 cooling is just one of those factors?

23 MR. FORD: Agreed, yes.

24 COMMISSIONER BUSTAMANTE: Could you give any kind
25 of percentage of how impactful it has been compared to the

1 other factors?

2 MR. FORD: No.

3 COMMISSIONER BUSTAMANTE: Thank you.

4 CHAIRPERSON WESTLY: Thank you, Mr. Ford.

5 At this point I would like to ask Ms. Lazerow to
6 come forward.

7 And if Tom Luster from California Coastal
8 Commission could be on deck.

9 Identify yourself. I'm quite certain I didn't
10 pronounce your name properly.

11 MS. LAZEROW: I'm sorry. I have execrable
12 handwriting, and I'm sure on the speaker card it's even
13 worse.

14 I'm Shana Lazerow with Communities for a Better
15 Environment.

16 CHAIRPERSON WESTLY: Terrific.

17 MS. LAZEROW: We would to follow up on your last
18 line of discussion, we would be happy to submit whatever
19 scientific studies concerning the health of kelp forests
20 after this hearing. I don't have any with me at the
21 moment, but we are happy to supplement your record.

22 COMMISSIONER BUSTAMANTE: And any other kinds of
23 damage that is maybe taking place as well.

24 MS. LAZEROW: Sure.

25 So as I said, I'm with Communities for a Better

1 Environment. We're located in the Bay Area. We do work
2 in the Bay Area and the Los Angeles area in communities of
3 color, and poor communities. We work to address
4 environmental injustice throughout California.

5 And once-through cooling is a big issue and has
6 been a big issue for our organization. So I'd first just
7 like to take a moment to thank you as a body and to thank
8 your staff for taking such a courageous, sort of
9 pioneering first step among the California agencies to
10 resolve that this is the truth that has already been
11 acknowledged, you know, throughout the country and through
12 scientific studies that once-through cooling is
13 devastating to the marine environment and then should
14 resolve that the harms from those, from once-through
15 cooling, must end.

16 So thank you for having this discussion today and
17 I hope for adopting the resolution.

18 I would like to talk about one specific instance
19 where once-through cooling and the effects that it's
20 having in San Francisco Bay, in the Potrero power plant,
21 which some of you may have heard of. I know some of the
22 folks in the audience have heard about it. It has been a
23 rallying cry in our community, in San Francisco, that is a
24 community of color that suffers from cumulative impacts
25 from many, many different industries, many generations of

1 heavy industry and polluting industry. And the Potrero
2 power plant is a dinosaur of a power plant that is
3 impacting our members. It uses once-through cooling to
4 devastating effects in San Francisco Bay. Its water
5 permit has not been reissued for decades and we hope is
6 about to be reissued. We hope and trust.

7 But the City of San Francisco and Cal ISO have
8 already agreed and resolved that the Potrero power plant
9 is not necessary as a source of energy. There are cleaner
10 ways to secure the energy that it is providing, and
11 further, they've already discussed the cleaner
12 technologies that your staff presented to you as options
13 for the Potrero plant. My one caveat to full support of
14 the resolution presented today is that I think 2020 is too
15 late. And it sends a message that once-through cooling is
16 okay until 2020.

17 Once-through cooling is not okay today, and it
18 wasn't okay 20 years ago because these -- you know, dry
19 cooling technology is available, cooling towers which are
20 a very viable option, are available, and there's no reason
21 to wait until 2020.

22 EXECUTIVE OFFICER THAYER: I'm sorry to
23 interrupt --

24 MS. LAZEROW: Oh, I'm sorry.

25 EXECUTIVE OFFICER THAYER: -- but we've reached

1 three minutes.

2 MS. LAZEROW: I apologize. I actually --

3 CHAIRPERSON WESTLY: Go ahead and make a closing
4 statement.

5 MS. LAZERO: I wanted to, you know, say more nice
6 things as my closing statement.

7 Thank you for considering this as a great first
8 step, and I would just urge you to say, you know, we won't
9 renew any more leases today.

10 Thank you.

11 CHAIRPERSON WESTLY: Terrific. Thank you.

12 ACTING COMMISSIONER SHEEHAN: Can I ask her a
13 question?

14 MR. STEVE WESTLEY: Certainly, Ms. Sheehan.

15 ACTING COMMISSIONER SHEEHAN: So you think 2020 is
16 too late, so you think it ought to be --

17 MS. LAZERO: Today.

18 ACTING COMMISSIONER SHEEHAN: -- today.

19 MS. LAZERO: You know, I think maybe a reasonable
20 time line, a year, but 2020 sends a message that there is
21 some reason to reissue leases until then, which
22 technologically isn't.

23 Any other questions?

24 ACTING COMMISSIONER SHEEHAN: No.

25 CHAIRPERSON WESTLY: Thank you.

1 If Mr. Luster from the Coastal Commission could
2 come forward, and I would ask that Mr. Adam Laputz from
3 the State Water Resources Control Board be on deck.

4 Mr. Luster.

5 MR. LUSTER: Thank you, Chair Westly and
6 commissioners.

7 My name is Tom Luster and I'm an environmental
8 scientist with the California Coastal Commission.

9 I'm happy to be here today to provide support for
10 your forward-thinking resolution.

11 Coastal Commission staff believe this resolution
12 helps move California in a direction of cleaner and less
13 environmentally harmful energy supplies and helps to
14 protect one of the state's most valuable and beloved
15 assets, its coastline.

16 I will not repeat the facts and figures that you
17 already heard today but want to put one into perspective
18 for you.

19 The 16 to 17 billion gallons a day of cooling
20 water, that's about 50,000 acre feet which translates to
21 about an area of 1 foot deep by 80 square miles every day.
22 That's 80 square miles of habitat in which every organism
23 that's pulled through the cooling system is killed.
24 That's a significant impact, even if the power plants
25 aren't working at full capacity. That adds up quite a

1 bit. You may hear later today that the entrainment death
2 rate is not that high.

3 However, the most incredible science on this issue
4 recognizes that it is appropriate to consider a hundred
5 percent mortality since the few organisms that do survive
6 going through the systems do not really survive once they
7 are discharged from the system. And you may also hear
8 today that this loss of organisms is not really that big
9 of a deal; there's plenty of them out in the ocean. But
10 that's like saying a habitat full of dead animals is the
11 same as a habitat full of live animals, which I think we
12 can agree is not the case.

13 Another point that may be important in your
14 deliberations is that the California Coastal Act allows
15 existing power plants to undergo reasonable expansion,
16 which includes switching to a less harmful cooling system.
17 This would allow the power plants to occupy a important
18 position in the state's energy grid to stay at their
19 current locations, if need be.

20 The Coastal Commission made specific findings in
21 this regard during the Energy Commission's recent Morro
22 Bay power plant's side of the case.

23 You may also hear later today a number of comments
24 about how your resolution could affect the closed
25 collocation of desalination facilities for some of the

1 these cooling systems.

2 The Coastal Commission, along with the State's
3 Desalination Task Force and others recognize that
4 environmentally and economically appropriate desalination
5 is an important part of California water future.

6 Your resolution will not do away with this option;
7 what it will do is help ensure the desal facilities that
8 are approved are the ones that are environmentally and
9 economically appropriate.

10 For purposes of Coastal Act review, for example,
11 we will be assessing the impacts that will be caused by a
12 proposed collocated desal facility, both with and without
13 the power plant cooling system operating. This review
14 method recognizes that during the operating life of the
15 desal facility, the power plants are expected to shut down
16 anyway, short term or long term, due to maintenance
17 requirements, market conditions, or switching to cooling
18 systems. This will allow us to determine whether a desal
19 facility using water from an active or inactive cooling
20 structure is at least environmentally harmful and a
21 feasible alternative.

22 EXECUTIVE OFFICER THAYER: I'm sorry. It's three
23 minutes for this speaker.

24 MR. LUSTER: Okay. Very good.

25 To close, I just want to reiterate our support for

1 your resolution. Thank you.

2 CHAIRPERSON WESTLY: Thank you very, very --

3 COMMISSIONER BUSTAMANTE: Could you have him
4 submit all of his remarks, even those that were not talked
5 about, for the record.

6 MR. LUSTER: Certainly.

7 CHAIRPERSON WESTLY: If you could submit those for
8 the record, we would be very appreciative.

9 You can hand that to Mr. Thayer, either now or
10 later.

11 Ms. Sheehan.

12 ACTING COMMISSIONER SHEEHAN: Yeah. I've got a
13 quick question.

14 In terms of -- has the Commission acted on this
15 issue? I heard you say you're representing staff, but I
16 don't know if I heard correctly in terms of what the
17 Commission's action has been on this.

18 MR. LUSTER: The Commission has a role in Energy
19 Commission license review. We make recommendations to the
20 Energy Commission. During the last four years, four or
21 five years, there have been four separate power plant
22 licensing cases. In at least two of them, I know the
23 Commission recommended, the Coastal Commission recommended
24 that the Energy Commission require dry cooling or an
25 alternative cooling system, but that didn't happen.

1 ACTING COMMISSIONER SHEEHAN: Okay. All right.
2 But on -- in terms -- so that is how the Commission is
3 addressed on the actions of those plants that came up in
4 the last couple years.

5 MR. LUSTER: Correct.

6 ACTING COMMISSIONER SHEEHAN: Okay.

7 MR. LUSTER: We don't have a direct jurisdiction
8 except for relicensing is less than 50 megawatts.
9 Anything larger is the Energy Commission.

10 ACTING COMMISSIONER SHEEHAN: Thank you.

11 CHAIRPERSON WESTLY: Great. Thank you,
12 Mr. Luster.

13 If Mr. Laputz could come forward, and if Mr. Ben
14 Rottenborn from Stanford Law School could be on deck.

15 Thank you, Mr. Laputz. If you could identify
16 yourself.

17 MR. LAPUTZ: My name is Mr. Adam Laputz with the
18 State Water Resources Control Board. The Water Board
19 would like to request that Commission action on this item
20 be extended so that we could provide some comments.

21 That's --

22 CHAIRPERSON WESTLY: Okay. I appreciate that.

23 COMMISSIONER BUSTAMANTE: Well, that was brief.

24 MR. LAPUTZ: Do you have any questions?

25 (Laughter.)

1 COMMISSIONER BUSTAMANTE: Why are you here? I
2 mean, you're saying you just wanted to extend it so you
3 can provide comments. Do you want to flesh that out just
4 a little bit more?

5 MR. LAPUTZ: Certainly. As you may know, the
6 Water Board has held two public workshops to gather
7 comments regarding the development of a statewide policy
8 for regulation of once-through cooled power plants and
9 implementation of 316(b) requirements. Considering the
10 comments received at the workshops, the Board has
11 initiated the development of such policy and considering
12 the far-reaching implications of how adoption of this
13 resolution would impact how we regulate these facilities,
14 we would like to provide some comments.

15 COMMISSIONER BUSTAMANTE: That's better.

16 MR. LAPUTZ: Thank you.

17 CHAIRPERSON WESTLY: And let me follow up on that,
18 if I may, Mr Laputz.

19 One of the options here is to postpone this
20 potentially to the next meeting. Do you feel if there was
21 an extra month or so, this would give you ample time?

22 MR. LAPUTZ: Yes.

23 CHAIRPERSON WESTLY: So it's not a long-term
24 extension. You think a matter of a few weeks could be
25 significant?

1 MR. LAPUTZ: That's correct.

2 CHAIRPERSON WESTLY: Okay. Thank you very much.
3 Ms. Sheehan.

4 ACTING COMMISSIONER SHEEHAN: Yeah. I just have
5 to say, I think getting that information would be, at
6 least for this, would be very important to understand what
7 the actual regulatory agencies who have direct
8 jurisdiction are doing and what is happening. That would
9 be helpful for me to understand the process. And I've got
10 other questions I know that I may ask staff later, but
11 that would be helpful to understand what your time line
12 is, what the action is taking.

13 CHAIRPERSON WESTLY: Thank you very much.

14 MR. LAPUTZ: Thank you.

15 CHAIRPERSON WESTLY: Mr. Rottenborn, if you could
16 come forward.

17 And if Mr. Metropulos from the Sierra Club could
18 be on deck.

19 Mr. Rottenborn.

20 MR. ROTTENBORN: Good morning. My name is Ben
21 Rottenborn and I'm with the Stanford Law School
22 Environmental Law Clinic. We've worked on prior matters
23 involving once-through cooling up and down the California
24 coast and strongly support the Commission's resolution
25 today.

1 I would like to speak a little bit about the
2 economics of once-through cooling and how industry's
3 assertion that eliminating once-through cooling is so
4 expensive, relies on numbers that simply don't add up.

5 As a preliminary point, let me say the industry's
6 appeal to economics is misplaced because California laws,
7 passed by the people through their Legislature, have taken
8 economics into account and don't call for future
9 consideration of economic factors. Neither the Porter
10 Cologne Act or California Coastal Act allows economic
11 factors to be considered in calling for power plants to
12 use the best available technology to minimize the intake
13 and mortality of marine life, period, without reference to
14 economic factors.

15 These laws play into the idea that states
16 tidelands are, as has been mentioned by Mr. Thayer, part
17 of the Public Trust. The Commission will recognize that
18 California has a duty mandated by state constitution and a
19 long line of State Supreme Court cases to hold coastal
20 lands in trust of the people of California.

21 Courts upheld that this Public Trust does not
22 allow authorities to make concessions to individual
23 entities for the perpetual and exclusive use of portions
24 of the waters without reference to the needs of other
25 inhabitants. According to the court, such concessions

1 would be a clear abuse of the Public Trust. Allowing
2 power plants to use these out dated cooling technologies,
3 without reference to the needs of other inhabitants, when
4 less harmful technologies are feasible, arguably is an
5 abuse of the Public Trust that would be recognized by the
6 courts.

7 But even if these arguments don't resonate with
8 you and you feel that a power plant should be able to use
9 once-through cooling, if the alternatives are unduly
10 expensive, realize the numbers that power plants provide
11 can be highly suspect.

12 Consider the Stanford Clinic's experience at Moss
13 Landing, where the company's own estimates of the costs of
14 once-through cooling, relative to other forms of cooling,
15 changed by over \$20 million over four years to serve the
16 company's changing goals. I'm not sure what the right
17 cost was, but it wasn't two different things, \$20 million
18 apart.

19 On the benefit side, the company valued -- the
20 company established a restoration fund to justify its
21 continued use of once-through cooling where it restored
22 damaged tidelands. It valued the land in this restoration
23 plan at around \$18,000 an acre when all estimates in the
24 administrative record showed that such lands was worth at
25 a minimum of \$60,000 an acre. Had the company valued the

1 land properly and contributed the proper funding,
2 once-through cooling and the restoration plan would have
3 actually come out to be more expensive than alternative
4 technologies.

5 Finally, the company said that the total
6 commercial value of the marine life that once-through
7 cooling would take through impingement and entrainment
8 over 30 years was a grand total of \$2,900. So the fish
9 that would be killed in these processes were worth less
10 than \$100 a year. Such a laughable figure, of course,
11 does not take into account the ecosystem effects of losing
12 certain species.

13 And the bottom line here, in closing, is that
14 site-specific economic considerations can provide flawed
15 snapshots of actual costs and benefits. To see that the
16 economics of alternative cooling technologies do make
17 sense, look no further than the prosperity of inland power
18 plants, for whom using once-through cooling is simply not
19 an option.

20 EXECUTIVE OFFICER THAYER: Mr. Chairman, that's
21 three minutes.

22 MR. ROTTENBORN: Okay. I will close up.

23 Thank you.

24 Coastal power plants are no different from these
25 plants. Through its actions today, the Commission can go

1 a long way to restoring California to its rightful place
2 as a leader in balancing environmental protection and
3 economics. Take the steps toward getting rid of
4 antiquated technology.

5 Mr. Chairman and members of the Commission, I urge
6 you to pass this resolution.

7 CHAIRPERSON WESTLY: Mr. Rottenborn, thank you
8 very much. Good luck in the game tonight.

9 MR. ROTTENBORN: Thank you.

10 CHAIRPERSON WESTLY: Mr. Metropulos from the
11 Sierra Club, if you could come forward.

12 And I would love to ask Mr. McKinney from the Cal
13 Energy Commission to be on deck, if we could.

14 MR. METROPULOS: Commissioners, my name is Jim
15 Metropulos and I represent the Sierra Club. We ask that
16 the Commission adopt this resolution. And I wish to
17 reiterate what the last speaker said. It's very important
18 that you know that the cost of alternative cooling
19 technologies for power plant cooling are misrepresented by
20 power companies as being unreasonably and excessively
21 costly, which is always their rationale for threatening
22 not to build power plants and to abandon California, which
23 has been proven effective in their ability to retain the
24 use of once-through cooling.

25 For the record, we provide an example of what is

1 happening in Morro Bay for the siting of their new plant.
2 Duke Energy claims that the cost of dry cooling condensers
3 would be in the area of 100 to \$200 million, but the CDC
4 staff and a consulting firm estimated that added cost of
5 dry cooling would be between 40 to \$50 million, 6 percent
6 of the overall cost of building the new power plant, which
7 was estimated at \$800 million.

8 We need the power companies to give up their use
9 of free ocean water that causes significant harm to the
10 marine ecosystems up and down the state, and these power
11 companies need to start using alternative cooling
12 technologies, which are growing in popularity elsewhere in
13 the United States and in the world.

14 Thank you.

15 CHAIRPERSON WESTLY: Thank you very much.

16 What I would like to do is ask Mr. McKinney of the
17 California Energy Commission to come forward.

18 And if Lorell Long of the California Earth Corp
19 could be on deck.

20 MR. McKINNEY: Good morning, Mr. Chair and members
21 of the Commission. My name is Jim McKinney. I am
22 representing staff at the California Energy Commission
23 this morning.

24 We do not have a position on your resolution at
25 this time. My purpose with my comment is merely to

1 clarify a bit of the record in terms of the energy
2 production and value of the coastal units that we are
3 talking about. The Energy Commission staff has provided
4 extensive reports and briefings to the State Water Board
5 in the course of their hearings on the 316(b) rule. We've
6 also made information available to the Ocean Protection
7 Council, so I would like to offer some of that same
8 information to you here this morning.

9 First, Mr. Thayer made an excellent summary
10 presentation. He made one statement that I would like to
11 expand upon a bit. The 30,000 megawatts or the 24,000
12 megawatts that we have on the coast, that's a capacity
13 value. If we take out the used, which are about 4500 of
14 that, we are down to, you know, 19, 20,000 megawatts of
15 capacity.

16 The fact of the matter is that most of the coastal
17 fleet is operating at very low capacity factors in the
18 range of, I would say, 5 to 12 percent. What that means
19 is, is that if a plant runs 24/7 on a base-load mode, it
20 will be at a hundred percent capacity. These units, all
21 of them, even the ones that may be powered in Moss
22 Landing, are operating at a very low level.

23 The reason for this has nothing to do with
24 environmental controls or environmental issue. It's
25 simply a reflection of the state of the market here in

1 California. Coastal operators' ability to secure
2 long-term contracts is as caught up in the evolution of
3 the California energy market.

4 So I wanted to disconnect a little bit some of the
5 environmental issues from the power plant issues. And
6 with that, if I may, let me read just part of the
7 statement that I made at the State Water Board Hearing in
8 Oakland, pertaining to this.

9 The California energy industry and markets are
10 going through substantive changes which may impact the
11 role of California power plants in meeting the state's
12 resource adequacy needs. The Board needs to consider, in
13 this case I would say State Lands Commission, might want
14 to consider these changes while evaluating the potential
15 effects of policy changes on coastal generators.

16 Many coastal plants are operating at very low
17 capacity factors. Because of the current market, coastal
18 plants may choose to retire once-through cooling,
19 regardless of what the State Board and other agencies
20 determine to do with the 316(b) requirements. It is a
21 normal part of power plant life cycles that are retired or
22 are replaced with newer and more efficient technologies.

23 Many of the coastal plants are using old and
24 inefficient generation technologies with high heat rates
25 and outmoded cooling technologies.

1 We are available, the Energy Commission staff, to
2 help the Board and other agencies interpret the state of
3 the energy market and actions by coastal generators.

4 I would also just like to offer a very brief
5 comment -- I know I'm out of time -- on the cost issue.
6 The cost differential that you probably hear about more
7 from the generator community can be portrayed in several
8 different ways.

9 The -- let's just assume a 500 megawatt plant
10 that's being powered. The capital costs for that will
11 range from, say, 250 to \$400 million. That's our
12 experience with the five cases we've looked at thus far.
13 The capital costs are only 16 percent of the total costs
14 for building and operating these power plants. Three
15 quarters of operating the plant are due to fuel costs. Of
16 that 16 percent, capital cost, the differential between a
17 dry cooling system, once-through cooling system, will
18 fluctuate by 10 to 12 percent.

19 EXECUTIVE OFFICER THAYER: I'm sorry to interrupt.

20 This witness has reached their three minutes.

21 CHAIRPERSON WESTLY: If you could conclude, that
22 would be great.

23 MR. McKINNEY: Yes.

24 So on a cost side, when one repowers the facility,
25 which is a optimal time to change out the cooling

1 technology, you're looking at a 10 percent differential of
2 16 percent of a total construction and operating cost.

3 Thank you very much for your time this morning.

4 CHAIRPERSON WESTLY: Thank you, sir.

5 We now move to the opposition side. And I would
6 like Krista Clark of the ACWA to come forward. And then
7 Michael Corbett from the West Basin Municipal Water
8 District to be on deck.

9 Ms. Clark?

10 MS. LONG: I'm Lorell Long. You asked me --

11 CHAIRPERSON WESTLY: Forgive me. I did. If you
12 could come forward.

13 MS. LONG: My name is Lorell Long. I'm here
14 representing California Earth Corp. I was one of the
15 original appellants of the Southern California permit for
16 San Onofre for the Coastal Commission some years ago. And
17 I was also a plaintiff in the suit against Southern
18 California for violating that permit over 20 years ago.
19 What we know about the impacts of single-cast cooling is
20 known as a result of many of the studies that we have done
21 on San Onofre.

22 And we know -- when you read your resolution, we
23 know about those impacts. We know that they're
24 deleterious. And really what you are faced with here is
25 how we make that transition. And I want you to know that

1 this will have -- there are models here available to you
2 in other state agencies who have done just that.

3 I worked with the -- I worked at the Energy
4 Commission in the public advisory's office, and at that
5 time we were facing a similar situation where companies
6 had to upgrade or change technologies. And it really came
7 down to whether you want to throw money at attorneys and
8 lobbyists or whether you want to spend money on engineers.
9 And what we did is very practical thing. We got the --
10 for instance, with the intermittent ignition devices for
11 stoves, that was one of the policies that the Commission
12 wanted to implement. We got the appliance dealers
13 together. We got staff. We had public interest groups,
14 and we formed a committee.

15 And actually, the bottom line to what they said,
16 what it was going to cost, changed considerably over the
17 next two years with doing that kind of study. What
18 resulted was everybody was happy. The appliance companies
19 complied within time. Everybody -- the interest groups
20 that were involved in this were on board with this, and it
21 turned out to be a win-win for everybody.

22 There's another example. The Southern California
23 Air Quality Maintenance District changed their policy on
24 the use of perchloroethylene in dry cleaners. Initially,
25 the dry cleaners resisted it and said they couldn't change

1 over in time. Eventually they did and they used this as a
2 marketing device as, you know, green cleaner.

3 So there are just innumerable examples of industry
4 having to make the change in the face of information and
5 in the face of new technologies.

6 Government has had this experience. So has
7 industry. There's no reason why the utility companies
8 can't do it also. Finding a way that is cost effective
9 for them, I think, can be found if you have a moral
10 courage to do something as forward-looking as this
11 resolution.

12 And I want to thank you for putting this forward.

13 CHAIRPERSON WESTLY: Thank you very, very much.

14 Ms. Clark.

15 MS. CLARK: Good morning. Thank you for having me
16 here. My name is Krista Clark. I'm the director of
17 regulatory affairs for the Association of California Water
18 Agencies.

19 I'm here today to urge you to defer acting on this
20 resolution today, much of what was already stated by the
21 State Water Resources Control Board. We feel this issue
22 deserves a great deal more consideration and thought
23 before proceeding.

24 As mentioned by Mr. Luster, desalination is
25 becoming a real promising technology for the future for

1 providing water supply to California. One of the most
2 economical and environmentally friendly ways of providing
3 water supply along the coast is by collocating with a
4 once-through power facility. The Department of Water
5 Resources has identified desalination as one of its top
6 resource strategies of leading the water supply of
7 California into the future.

8 We don't know if the Commission staff has been
9 consulting with the Department of Water Resources during
10 this process, but we would ask that if you do defer action
11 on this today, that perhaps the Department could be
12 consulted as well as to the impacts that this resolution
13 could have on desalination moving forward.

14 I think you're going to hear from a lot of folks
15 today regarding the specific impacts that this will have
16 on some desalination facilities that are already in the
17 works and moving forward. The passage of this resolution
18 today would have a real serious setback for some of the
19 most promising desal facilities that are being considered
20 right now, at this moment.

21 I urge you to defer adoption of this today. If
22 you have any questions, I would like to answer them.

23 Thank you.

24 CHAIRPERSON WESTLY: Thank you, Ms. Clark.

25 Mr. Corbett, if you could come forward.

1 And I would like to ask Mr. Allan Lind of the West
2 Basin Municipal Water District to be on deck, please.

3 MR. CORBETT: Chairman Westly, Michael Corbett
4 representing the west Basin Municipal Water District.
5 Mr. Lind had to step out, so he won't be appearing before
6 the Commission today.

7 CHAIRPERSON WESTLY: Thank you.

8 MR. CORBETT: Again, I represent the West Basin
9 Municipal Water District. It's the Water District that is
10 responsible for the wholesaling and distribution of water
11 in the south bay region of Los Angeles County. It serves
12 approximately 900,000 residents and businesses in the
13 area.

14 The district has always had a policy of
15 aggressively pursuing conservation and alternative water
16 supply opportunities. And in that regard, it has
17 developed over the last decade into one of the largest
18 recycled water facilities in the United States.

19 In pursuing alternative delivery of water, the
20 district has looked to desalination as a possible
21 opportunity and pursuant to that, has been researching
22 over the past several years opportunities to collocate
23 with once-through cooling facilities in that part of the
24 state. We believe that elimination of that opportunity
25 would have a negative effect on the district's ability to

1 continue to offer water throughout the district.

2 One of the concerns is that we simply would not be
3 able to utilize the desalination facility that the region
4 would become even more reliant upon imported water. And I
5 would like to point out to you that while the proposal to
6 eliminate once-through cooling would be beneficial
7 relative to ocean water and habitat in the oceans, to the
8 extent that you had to, as a result of that elimination,
9 develop facilities to hold water, i.e. reservoirs, you're
10 talking about the destruction of an inland type of
11 habitat.

12 So I think that there needs to be an balanced
13 weigh-in here before pursuing the adoption of this
14 resolution and understand that there, at least on the
15 water side, there is a trade off. If you don't get the
16 water through a desalination process from the ocean,
17 you're going to have to get the water from some other
18 source, including the possibility of increasing the
19 importation of water into the Southern California region.

20 I thank you very much for the opportunity to speak
21 to you today.

22 CHAIRPERSON WESTLY: Thank you, Mr. Corbett.

23 Lieutenant Governor has a question.

24 COMMISSIONER BUSTAMANTE: You're saying that --
25 maybe you can explain to me how the collocating of the

1 desal plant with the once-through facility has some
2 economic benefit.

3 MR. CORBETT: Yes, actually it has numerous
4 benefits, not the last of which is the presence of the
5 infrastructure that is there. So you're talking about the
6 additional issue of capital outlay cost. You are also
7 talking about the availability of water right there at the
8 site, and you're also talking about the benefits of an
9 available source of electrical power. So there are at
10 least those three.

11 COMMISSIONER BUSTAMANTE: So you're talking about
12 taking the water that comes into the plant that was --
13 that has been used for cooling and then taking the water
14 before it goes back into the ocean and doing the
15 desalinization process with that water so that it doesn't
16 go back into the ocean.

17 MR. CORBETT: The water -- some of that water,
18 clearly, is going to go back into the ocean. They don't
19 want it to be --

20 COMMISSIONER BUSTAMANTE: How much?

21 MR. CORBETT: I can't provide that percentage
22 today, but I would be happy to get it to you.

23 COMMISSIONER BUSTAMANTE: Is it a quarter?
24 50 percent? 75 percent? Any ballpark?

25 MR. CORBETT: I have always avoided ballparks.

1 And I would be happy to get it to you.

2 COMMISSIONER BUSTAMANTE: I appreciate knowing
3 that. And also, would you have any idea as to how many
4 facilities you would believe, of the 21 facilities that
5 are on the coast, would be subject to such economic
6 efficiencies?

7 MR. CORBETT: Well, to the extent that West Basin
8 is primarily a supplier of recycled water, and it is used
9 for industrial purposes, watering purposes for golf
10 courses and landscaping, things like that, I would think
11 in those areas that did not have large recycling
12 facilities would not be -- would not take advantage of it.

13 I know that in the West Basin region, I would
14 anticipate that they -- I know they are looking at at
15 least one OTC facility and possibly two. I would have no
16 idea what they are doing in the rest of the state.

17 COMMISSIONER BUSTAMANTE: What are those two
18 facilities they are looking at?

19 MR. CORBETT: I think it's El Segundo and
20 Hyperion, I believe.

21 COMMISSIONER BUSTAMANTE: El Segundo and?

22 MR. CORBETT: Hyperion, I think is the other one.

23 COMMISSIONER BUSTAMANTE: So it's not the Duke
24 plant in San Diego?

25 MR. CORBETT: We have no -- our jurisdiction does

1 not extend beyond southern Los Angeles.

2 COMMISSIONER BUSTAMANTE: Just checking.

3 (Laughter.)

4 CHAIRPERSON WESTLY: Thank you, Mr. Corbett.

5 Mr. Lieutenant Governor, any further questions?

6 COMMISSIONER BUSTAMANTE: Not really. But if you
7 could get me that information, I would appreciate it. And
8 if there's any information that provides that there are
9 some plants, for whatever reasons, location or the way
10 that they are built, that would be open to this kind of
11 efficiencies, I would appreciate that.

12 Also, how much of the water goes back into the
13 ocean? And does it go in at the same temperature that
14 would be going in from the once-through cooling? Would it
15 be cooler? Would it be warmer?

16 If you could provide me that information, I would
17 appreciate it.

18 MR. CORBETT: I would be happy to. Thank you.

19 CHAIRPERSON WESTLY: I would like to ask Mr. Scott
20 Welch, IVW, Pipe Trade Sheet Metal Workers to come
21 forward.

22 Thank you, Scott.

23 MR. WELCH: Mr. Chairman, Lieutenant Governor,
24 also Jay Hansen from the State Building & Construction
25 Trades Council and California Unions for Reliable Energy

1 is here, and he's asked me to make comments on behalf of
2 those organizations and the State Pipe Trades Council, the
3 Coalition of Utility Employees, the IVW, and Sheet Metal
4 Workers.

5 As you will see by the card, we were not listed in
6 opposition, but rather concerned. We strongly support the
7 idea of deferring this matter. We welcome the
8 consideration of all alternatives to once-through cooling
9 on our OTC plans. We just think that the current
10 resolution in its current form would be horribly
11 irresponsible to be adopted in its current form in that
12 it's extremely strident in its impact post 2020. And we
13 think it would be infinitely responsible for the State in
14 making those evaluations in the future to not only look at
15 the environmental impacts of the alternative cooling
16 methods, but also the economic impacts, other potentially
17 negative environmental impacts of those alternatives, and
18 the law of unintended consequences that may occur by
19 leading to greater use of peaker plants or gas fire
20 plants, as well as the impacts on the reliability and the
21 resource adequacy that the state needs to keep the lights
22 on.

23 We are also very concerned with the impact that
24 the current language would have on projects that are
25 moving forward in regards to desalinization plants being

1 collocated at power plants. There's a number of
2 projects -- one in Carlsbad, one at Huntington Beach --
3 that have gone through the California environmental
4 Quality Act CEQA process and parenthetically, I think it's
5 important to know that all of the OTC plants, when doing
6 the repowering process, have to go through CEQA, either by
7 virtue of the CDC process or through the local permitting
8 process or the Coastal Commission process, and I think
9 that there needs to be some deference given to the
10 mitigations and considerations that are developed through
11 that process.

12 But in regard to desalinization, most of the
13 projects that I'm aware of can continue to operate
14 regardless if the powerhouse at which they are collocated
15 were to continue downstream. So it seems to me that it
16 would be shortsighted to adopt a policy that prohibits the
17 siting of facilities associated with once-through cooling
18 that in the interim could potentially mitigate many of the
19 environmental impacts that the resolution, itself, cites.

20 For instance, it's the third clause down that
21 cites the warming -- impacts of the warming of the water
22 that's being sent through the -- out of the facility.
23 With desalinization, Mr. Lieutenant Governor, it's my
24 understanding that for every two gallons of water that you
25 put through, you get one gallon of drinking water. Well,

1 that is a 50 percent reduction in the amount of warm water
2 going back into the coast, into the habitat in the coastal
3 region.

4 That seems to me that in the interim that before
5 an alternative is considered, that would be something that
6 you would want to see. And again it's my understanding
7 that the facilities that I'm familiar with, while they are
8 collocated, could continue to operate in the future, even
9 if the plan itself were decommissioned.

10 Lastly, one of the unintended consequences would
11 be concerned with is you could have a powerhouse that has
12 been repowered that has a 50-year life in front of it and
13 its lease comes up from extension or renewal and a
14 requirement is put on it to go to a dry cooling system.
15 That, in turn, would trigger having to go through the
16 Coastal Commission process, and then you could have as, I
17 think, the staff and the Coastal Commission admitted, they
18 are not exactly fond of OTCs to begin with.

19 You could have sort of a back door way of
20 decommissioning or depowering a very viable plant that's
21 an essential piece of our power generation in the state of
22 California. So we think these sorts of topics should be
23 very thoroughly reviewed before this resolution moves
24 forward. We are not talking until 2020 taking place
25 anyway, so a few more months --

1 EXECUTIVE OFFICER THAYER: I'm sorry to interrupt.

2 It's been three minutes for this speaker.

3 MR. WELCH: Thank you very much.

4 CHAIRPERSON WESTLY: Thank you.

5 Question from Mr. Bustamante.

6 COMMISSIONER BUSTAMANTE: Scott, you are not
7 saying you're opposed to the changeover? You're saying
8 figure out what to do is smart.

9 MR. WELCH: Exactly.

10 COMMISSIONER BUSTAMANTE: Even in the changeover,
11 there's going to be jobs that will be created in the
12 changeover and the expansion of those facilities and all
13 that kind of thing.

14 MR. WELCH: We think that certainly there would be
15 facilities whereby changeover would be quite appropriate,
16 economically feasible, and the right thing to do for the
17 environment. But that may not be the case in every
18 instance and adopting a cookie-cutter approach seems
19 shortsighted. And we tie the hands of future commissions,
20 and we don't think that's an appropriate approach.

21 COMMISSIONER BUSTAMANTE: Thank you.

22 CHAIRPERSON WESTLY: Thank you, Mr. Welch. I
23 would like to ask Julee Malinowski of Los Angeles
24 Department of Water and Power to come forward.

25 And Mr. Jackson Gualco, California Council for

1 Environmental and Economic Balance, to be on deck.

2 Ms. Ball, Malinowski-Ball.

3 MS. MALINOWSKI-BALL: Thank you. Yes, Julee
4 Malinowski-Ball with Public Policy Advocates on behalf of
5 Los Angeles Department of Water and Power.

6 Just want to clarify that LADWP does not have an
7 official position on the resolution. We do appreciate you
8 hearing our comments today which really focus on the fact
9 that we would like to defer the item to a later date to
10 better outline specific issues and impacts of the
11 resolution we have on the city of Los Angeles.

12 COMMISSIONER BUSTAMANTE: Would you have a
13 position then?

14 MS. MALINOWSKI-BALL: Yeah, probably.

15 I think -- city of Los Angeles has 37 percent of
16 its power generating capacity using once-through cooling,
17 which is quite significant. And we are going through the
18 studies right now to measure and monitor the impacts of
19 once-through cooling and those studies are being monitored
20 by the State Department of Water Resources and the Los
21 Angeles Regional Water Control Board. We would like the
22 opportunity to explain in more detail, to present to you
23 in more detail, what this would mean to the system and the
24 city of Los Angeles.

25 COMMISSIONER BUSTAMANTE: Are you prepared to do

1 that had here, now? To explain?

2 MS. MALINOWSKI-BALL: We actually think that it
3 comes down to, you know -- there is quite a bit of detail
4 so the answer is actually no. It is quite detailed, what
5 actually Scott Welch just talked about. A cookie-cutter
6 approach is not appropriate, that each of our facilities
7 and each of the units within our facilities have different
8 needs.

9 COMMISSIONER BUSTAMANTE: Do you have any
10 information to present in writing to the Commission or...

11 MS. MALINOWSKI-BALL: We are working on that right
12 now. As you may know, the Los Angeles --

13 COMMISSIONER BUSTAMANTE: What will be done?

14 MS. MALINOWSKI-BALL: -- LADWP needs to get its
15 official positions from the mayor's office. That's
16 currently being worked on, as we speak.

17 COMMISSIONER BUSTAMANTE: Do you know when that
18 might be done?

19 MS. MALINOWSKI-BALL: We hope soon.

20 COMMISSIONER BUSTAMANTE: Well, soon like in the
21 life span of millions of years? Or like in the next
22 couple weeks? Next year? What's "soon"?

23 MS. MALINOWSKI-BALL: I would suggest it be done
24 in the next couple of weeks.

25 COMMISSIONER BUSTAMANTE: Okay. Good.

1 Thank you.

2 CHAIRPERSON WESTLY: Thank you very much.

3 And if we could have Mr. Gross from Southern
4 California Edison on deck.

5 MR. GUALCO: Mr. Chair and Commissioners, Jack
6 Gualco on behalf of the California Council for
7 Environmental and Economic Balance, a coalition
8 representing the interests of business labor and public
9 sector and public policy making in California.

10 As you know from our rather extensive letter
11 received in encouraging the Commission to defer final
12 action until you do have an opportunity to hear from a
13 broad array of state agencies on this matter. We're very
14 concerned that the resolution's primary resolve clause
15 does present difficulties for plants who are looking at
16 lease renewals, financing, understanding how their
17 production is going to fit into a very rapidly changing
18 California energy market.

19 And we would encourage instead that the State
20 Water Board's 316(b) process, which was identified by the
21 representative of the State Water Resources Control Board
22 have the chance to move to fruition. We have been
23 participating in that process, and as you can well
24 imagine, there are a number of derivative issues that
25 arise from trying to talk about changes in the method by

1 which these power plants operate their cooling facilities
2 and those need to be fully taken into account so we can
3 avoid yet another MTEB-like quick judgment here.

4 Moreover, it's important for the Commission to
5 understand that in addition to the 316(b) process, which
6 EPA and the Water Board are undertaking, the regional
7 water quality control boards have a once-every-five-year
8 review of the permit holders and look at the actual
9 conditions at the specific plants to make judgments on
10 those respective permits.

11 And so it is certainly our respectful
12 recommendation of the Commission to defer final action
13 until more testimony can be taken from all the affected
14 parts.

15 Thank you very much.

16 CHAIRPERSON WESTLY: Thank you, Mr. Gualco. I
17 would like to ask Mr. Gross from So. Cal Edison to come
18 forward, and if Ms. Lorraine Paskett from PG&E could be on
19 deck.

20 Mr. Gross.

21 MR. GROSS: Good morning, Commissioners. My name
22 is Tom Gross, representing Southern California Edison. We
23 agree with Mr. Gualco and also with the IVW. We think
24 this issue should be deferred, as drafted proposed
25 resolution does not address our existing coastal power

1 plants to continue operating and what the impact of the
2 energy supplies would be.

3 Proposed resolution fails to recognize that
4 already under the federal 316(b) requirements, we're in
5 the process of complying with those requirements. We're
6 working with a regional boards and with the state board in
7 reaching some other state control over what's going to
8 happen with 316(b), but we have to comply with the federal
9 requirements. We don't have any choice and companies are
10 already in the process spending a lot of resources to
11 comply with that. And this resolution does not recognize
12 that.

13 In the resolution it references that an estimate
14 of 57 metric tons of fish are killed at the San Onofre
15 Nuclear Generating Facility. Well, if you put that in the
16 context of some other sources where fish are killed -- as
17 an example, one bait boat would kill 1.4 metric tons per
18 day or 511 metric tons annually, so you got 57, which is
19 your estimate or an estimate that you've used, versus 511
20 metric for one bait boat. My guess is that there are
21 probably a lot more bait boats than there are San Onofre
22 nuclear generating facilities.

23 Further, our estimate was that number was actually
24 closer to about 30 metric tons.

25 Finally, the proposal implies that the impacts

1 from the loss of the coastal generating facilities can be
2 replaced through conservation and other sources. SCE
3 leads the nation in procuring renewable energy sources and
4 our current portfolio is about 17 percent of our total
5 energy portfolio is renewables. But we're having a hard
6 time trying to gather other renewable sources, because you
7 have difficulty in getting transmission set up such that
8 you can even connect to where some of these resources
9 would be located. Transmission is a problem. And then
10 there's still the issue of how many people are entering
11 into the renewable market right now.

12 So we support the idea of renewables and we
13 actually do lead the nation in that, but there are going
14 to be some constraints for a while. So again, Southern
15 California supports the idea that this issue should be
16 deferred.

17 Thank you.

18 CHAIRPERSON WESTLY: Thank you very much.

19 Ms. Paskett, if you can come forward, please.

20 And I would like to ask Mr. Clay from the San
21 Diego County Water Authority to be on deck.

22 MS. PASKETT: Mr. Chair, Lorraine Paskett from
23 Pacific Gas and Electric Company.

24 Our service territory runs from roughly
25 Bakersfield to the Oregon border. We serve about

1 13 million customers in California.

2 We're very concerned about the language in the
3 resolution and would request, as others have, a
4 postponement to allow us to provide more information to
5 this commission and to your staff and to work
6 cooperatively to see if we can come up with an alternative
7 that's acceptable.

8 The executive director stated that there are
9 24,000 megawatts of OTC in the state. That's about
10 40 percent of the supply. Our concern, particularly with
11 regard to the language in the resolve clause is you will
12 have the unintended elimination of facilities where there
13 are no feasible alternatives.

14 I think a better approach for this is a
15 case-by-case analysis. It's been suggested that there are
16 other efforts in the way of the Water Board in the federal
17 area. And we're open to working with this Commission at
18 looking at this issue, but to have a blanket prohibition
19 that potentially could be effective immediately is an
20 untenable situation for our customers in northern
21 California.

22 I would like to point out just a couple of
23 examples. I did state that there is one of our larger
24 plants that provides roughly 23 percent of capacity. This
25 runs at 100 percent of capacity or near that much of the

1 time that could be taken off line. The other side of that
2 is that we have two power plants that are OTC. Two of
3 those power plants we are attempting to retire. One of
4 them is actually in the Bay Area in the San Francisco
5 region, and we're very close to doing that. The
6 alternatives there involve other transmission upgrades.
7 So this isn't just a black-and-white situation.

8 The other power plant is the Humboldt Bay power
9 plant. That's an OTC power plant. We are very close to
10 resolving an RFO for the construction of a new facility at
11 that site that is not OTC. That's closed cooling. So
12 there are alternatives, but the approach shouldn't be an
13 immediate ban.

14 I'm also concerned about language in the resolve
15 clause which it says "associated with," but also leases
16 beyond 2020. That's ambiguous enough to allow the denial
17 of the renewal license, which could be up maybe tomorrow
18 or in a month or two, which could go past 2020.

19 My concern, again, is with respect to the timing
20 of the resolution. I would like to provide more
21 information. I read this I think for the first time in
22 the last few days when it was made public, and I would
23 just urge this Commission to give us interested parties
24 more time to comment and work cooperatively with you and
25 your staff to look at all of the impacts.

1 One final statement is --

2 EXECUTIVE OFFICER THAYER: It is three minutes at
3 this point.

4 MS. PASKETT: -- there could be other
5 environmental impacts related to air emissions for the
6 replacement facilities that need to be considered and
7 discussed.

8 Thank you for your consideration.

9 CHAIRPERSON WESTLY: Thank you, Ms. Paskett, very
10 much.

11 I would like to ask Mr. Jonathan Clay to come
12 forward.

13 I would like to say I have to step out to do
14 another engagement that I have committed to. My
15 representative, Ms. Aronberg, will be representing me and
16 will be making a motion shortly. I believe we have four
17 other people in the queue, but this is something I would
18 like to act on today. So please expect that to be coming
19 shortly.

20 Mr. Clay, I would like to turn it over to you.

21 MR. CLAY: Thank you.

22 Jonathan Clay on behalf of the San Diego County
23 Water Authority.

24 Briefly, I would like to make the same comments
25 that were made earlier about urging deferral of this. We

1 were also made aware of this just recently, just within
2 the last two or three days and would like more time to
3 provide more detailed comments from our perspective.

4 The San Diego County Water Authority does not
5 operate a once-through cooling plant but has been looking
6 at collocating desal facilities at such plants. There's
7 numerous benefits, as were mentioned earlier, such as
8 using existing facilities, collocation with electrical
9 generation, and also some of the benefits of dilution of
10 the water.

11 One of the things that's important to San Diego
12 for being able to look at such things as water ocean desal
13 and collocating of an energy facility is that 90 percent
14 of our water is imported into San Diego County and is of
15 the utmost importance for us to deal with those options
16 and look at the diversifying our global supply, and also
17 to ensure through diversification, a safe supply for our
18 water rate and water users in San Diego.

19 With that, I will just keep it short and ask that
20 you give us the opportunity to -- by deferring this, and
21 give us a chance to provide further comments.

22 Thank you very much.

23 ACTING CHAIRPERSON ARONBERG: Thank you, Mr. Clay.

24 Let's move on to Catherine Bowie from the
25 California American Water and self, and on deck will be

1 Larry Gallery.

2 MS. BOWIE: Good morning, members of the
3 Commission.

4 My name is Catherine Bowie, and I work for
5 California American Water. And I live on the Monterey
6 Peninsula, which is a unique community when it comes to
7 water.

8 In the late '70s and early '90s, we experienced
9 droughts that had severe negative impacts on our way of
10 life and local economy. Since then, in 1995, the State
11 Water Resources Control Board issued order 9510, which
12 orders a nearly 70 percent reduction in pumping of the
13 Carmel River, which is our primary water supply.

14 This reduction is needed to protect the threatened
15 species that depend on the Carmel River, such as the
16 steelhead trout and California red-legged frog.

17 For over ten years, residents of the Monterey
18 Peninsula have conserved water to the point that our
19 average consumption is about 50 percent that of our fellow
20 Californians.

21 As the result of legislation, AB 1182, the
22 California Public Utilities Commission studied dozens of
23 options to solve our water supply issue on the Monterey
24 Peninsula. And they recommended a desalination plant
25 collocated at the Moss Landing Power Plant as the most

1 environmentally friendly option to address our issues.

2 Based on this recommendation, we have moved
3 forward with the coastal water project. We have invested
4 over \$9 million and completed our preliminary engineering
5 and environmental studies. A 4,000-page environmental
6 document has been submitted to the PUC which will begin
7 work on an EIR.

8 This project is essential, not just so that we can
9 meet the State-ordered requirement reduction of our
10 pumping, but also to protect the habitat of the Carmel
11 River and to protect our community. If another drought
12 were to occur, the impacts would be absolutely
13 devastating.

14 So I just ask that when you consider this
15 resolution, that you also consider the impacts to the
16 future water supply of my community and the 40 thousand
17 households and businesses that would be impacted with the
18 passage of this resolution. And as well, consider the
19 impacts to the threatened species in the Carmel River.

20 So thank you.

21 The company has -- California American Water has
22 submitted a letter in opposition, and I do have additional
23 copies, if you would like them.

24 ACTING CHAIRPERSON ARONBERG: Thank you very much.

25 Larry Gallery with the California American Water.

1 And on deck is David Breninger.

2 MR. GALLERY: Good morning. My name is Larry
3 Gallery with RBF Consulting, here on behalf of California
4 American Water.

5 We are providing environmental permitting and
6 engineering support for the coastal water project. As
7 Ms. Bowie just discussed, this project is critical to
8 California American Water and the Monterey division and
9 includes a seawater desalination plant located at the Duke
10 power plant.

11 Now, if this resolution is passed, it jeopardizes
12 the coastal water project in that it may not come to
13 fruition, or it requires us to use unreliable, unproven
14 technologies for intake and discharge of the seawater
15 desalination plant.

16 Many speakers have already talked about the
17 advantages of collocating desalination seawater facilities
18 at power plant. They include compatible land use with the
19 power plants. They include use of existing
20 infrastructure. They include location security, as added.
21 They include reduction of warm plumes from the power plant
22 and reduced energy rates.

23 We'd also like to point out that this resolution
24 is a conflict with many numerous policies of state
25 agencies out there, including your own Commission policies

1 in regulations 2802(b) and (f), and also we feel the CEQA
2 processing would need to be required prior to passing of
3 this resolution.

4 It is contradicted to the California Coastal
5 Commission policy paper, which recommends analyzing each
6 seawater desalination facility individually, not in the
7 whole, as you proposed. The conflicts with California
8 Department of Water Resources State water plan, which
9 recommends use of desalination for our needs here in
10 California. The conflict with the Department of Water
11 Resources State Seawater Desalination Task Force final
12 report, which talks about the numerous advantages of
13 collocating at power facilities. It also conflicts with
14 the Metropolitan Water District Integrated Resources Plan,
15 San Diego County Water, Urban Water Management plans, and
16 others.

17 Previously, I talked about the conflict in regards
18 to CEQA for the State Lands Commission. Since your action
19 could bind further projects, we feel that a CEQA process
20 is required before this resolution can be passed. Some
21 significant impacts with alternative technologies would be
22 physical impacts, area impacts, noise impacts, and
23 esthetic impacts, which have not yet been addressed. It
24 will limit the availability and the reliability of the
25 water supplies. It could cause additional ground water

1 with drought problems, such as seawater intrusion, or it
2 could result in impacts of fresh water associated with
3 species' habitats, and those impacts have not been
4 addressed.

5 Also, seawater desal provides high-quality water,
6 and this resolution may conflict with the State Lands
7 Commission, state, and federal environmental justice
8 policies.

9 With that, I would like to answer any questions.

10 ACTING CHAIRPERSON ARONBERG: Thank you very much.

11 Doesn't look like there are any questions.

12 It looks like the last speaker is David Breninger.

13 MR. BRENINGER: Good morning, Commissioners and
14 staff.

15 My name is Dave Breninger. I am from Placer
16 County Water Agency, our area of origin for water as well
17 as a generation of a good amount of the hydropower used by
18 a lot of Californians. And I'm here before you, giving a
19 northern California perspective, that there should be
20 joint use of seawater diversion for generation of
21 electricity and of drinking water, source water, for
22 coastal Californians at their place of origin and their
23 place of use. Power plant locations adjacent to
24 California's largest water reservoir, the Pacific Ocean,
25 is appropriate and necessary for its companion facilities'

1 seawater desalinization plants.

2 Coastal Californians and especially Southern
3 Californians, in particular, need to become more dependent
4 upon their own locally generated power and their own
5 locally provided drinking water supplies from their own
6 water source, the ocean.

7 Coastal Californians need to reduce their
8 dependence upon importation of drinking water, especially
9 from northern California, in particular, as well as
10 electricity from other regions.

11 Thus, collocation for coordinated water diversion
12 from the sea to cool power plants and serve as source
13 water for desalinization plants, adjacent to coastal
14 California's need, is critically important. If not using
15 the ocean-cooled and provided by-water for the power
16 plants, and also jointly used with the desalinization
17 plants as a joint diversion, then more northern California
18 water and power to go with it will be needed to divert
19 water out of the Delta, by the State of California state
20 water project to deliver to Southern Californians.

21 Thus, I would concur with not only your
22 concurrence, but to actually greater study the
23 consequences and the alternatives available before ever
24 considering an elimination of one of California's most
25 precious and directly available water sources, the ocean.

1 Thank you.

2 ACTING CHAIRPERSON ARONBERG: Thank you very much.

3 Thus, that ends the speaker cards that I have.

4 Mr. Thayer, do you know of anything else?

5 EXECUTIVE OFFICER THAYER: No, Madam Chair. I
6 believe that's all the slips we have as well.

7 ACTING CHAIRPERSON ARONBERG: Thank you.

8 Let's hear from the other commissioners.

9 Go ahead.

10 ACTING COMMISSIONER SHEEHAN: A couple of things.
11 I would strongly encourage the Commission also to defer
12 action on this. I received the copy of this yesterday.
13 Now, I was out of town Monday afternoon and Tuesday, so it
14 came by e-mail. I was only aware when I got the package
15 last week that we were even discussing this.

16 I think it's an extremely legitimate issue of
17 concern to all of us, not only this room, but in the
18 state. But my concern is I think before we vote, at least
19 this number and I think some of the information that came
20 forward today from both sides, we need to get more
21 information on what the impacts are.

22 I heard various things on 24,000 megawatts.
23 Actually it's only 5 percent that's operating, not a
24 hundred percent. I don't know what that is. How many
25 leases are going to be up before us between now and 2020?

1 How much of that generation? What other steps are these
2 companies taking already to be begin to implement their
3 technology?

4 As most of you know, I sit on a number of boards
5 for the administration, and I think it's important for us
6 to be informed of all the facts and the impacts of any
7 action that we're talking before we move forward. I don't
8 think we have that information. Now, the members may on
9 their own, but until a week ago, it didn't come to my
10 attention that this issue was going to be discussed. So I
11 think the process is the concern that I am most concerned
12 about.

13 And also I think we have an obligation as a public
14 board, to promote transparency on any action that we are
15 going to take so that anyone who is effected by this has
16 the opportunity to come forward and present their views on
17 it.

18 I think many of the people in the audience -- I
19 got called in the last 24 hours, and we all did, pro and
20 con of people coming up. But there may be others in the
21 state who are affected by this that I think it's very
22 important to hear from them before we take action.

23 So I would strongly encourage us, and that's just
24 on the process alone in terms of this. I understand that
25 there are possibly implementation issues, but I think

1 before we even get to the implementation issues, we need
2 to have a thorough discussion of the impacts, what are the
3 alternatives, and what is actually happening out there.

4 I don't know if all 21 of these plants are going
5 to be done and finished by the time this takes effect. I
6 would like to know what the plans are from each of the
7 sponsors of that.

8 But in addition to the process, I have a ton of
9 substantive questions, that if we want to move forward
10 today, I would at least like to get answers to. So I
11 would like to hear from the Chair what our intentions are,
12 because I do have a whole bunch of questions, if you want
13 to move today. That may take a bit of time to go through,
14 but go ahead.

15 ACTING CHAIRPERSON ARONBERG: Lieutenant Governor.

16 COMMISSIONER BUSTAMANTE: You should go through
17 your questions.

18 ACTING COMMISSIONER SHEEHAN: Are we --

19 ACTING CHAIRPERSON ARONBERG: The controller very
20 strongly supports this resolution. He appreciates that
21 there are many sides to the issue, and he noticed today,
22 especially listening to the all of the testimony that one
23 thing's very clear. There is major damage to marine
24 wildlife and ecosystems occurring, ongoing. And he
25 noticed that many have called for an immediate ban or a

1 phase out over a period of three to four years. He
2 believes that 14 years is a very reasonable compromise
3 because it allows, you know, 14 years to solve a problem,
4 which we believe can be solved sooner.

5 But Ms. Sheehan, in deference to your concerns and
6 to other parties here today who have expressed need for
7 additional time, the Controller would be willing to wait
8 until the next meeting and gather all this information
9 that you and others have requested. But he really wants
10 to emphasize how very strongly he feels about this and how
11 supportive he is of the resolution.

12 COMMISSIONER BUSTAMANTE: Why don't you -- I mean,
13 for the record, and also so that the staff can gather up
14 the information, if you have some questions now, and then
15 want to follow up with additional ones, why don't you get
16 those that you have right now on the record so that they
17 can begin the process. And then if you have more
18 afterwards -- because you are right. I only received this
19 resolution a short time ago. I come from a little bit
20 different position. I'm very supportive of this type of
21 activity.

22 ACTING COMMISSIONER SHEEHAN: Of the --

23 COMMISSIONER BUSTAMANTE: Of the resolution.

24 But I think you should go ahead and ask the
25 questions.

1 ACTING COMMISSIONER SHEEHAN: I appreciate the
2 controller's willingness to postpone the action on this
3 until April, because some of the issues is, you know --
4 hearing from the sponsors of the 21 plants, what are the
5 plans? Are they going to keep them on line for another 50
6 years? Are they already planning on shutting them down?

7 In addition to the issue that the Energy
8 Commission representative brought up and then some of the
9 utility folks, how much is being generated from these?
10 I've heard 24,000, 19,000, actually 10 percent, a hundred
11 percent for one of them.

12 It would be helpful to understand -- and I realize
13 it's a matter of, you know, bringing them on line and off
14 line in that capacity.

15 But what about how many leases do we have current?
16 What are the timing of those leases? Are they -- I mean,
17 under this -- as I see it, everybody could come in in
18 2019, get their extensions, and continue to operate. I
19 don't think that's the intention of the resolution. I
20 think that the issue is we need to get a solution to the
21 OTC issue. I think we need to work to get that. I don't
22 want to see another process where everybody just tries to
23 gain the system and come in before, so they can get their
24 leases extended before it kicks in.

25 It would be helpful to me to hear what is the

1 Energy Commission doing? What is the State Water
2 Resources Control doing? What is their regulatory
3 authority? What is their time line? What are the actions
4 they are taking?

5 The other thing -- let's see. If we're going to
6 do something like this and take some action, what are we
7 at the Lands Commission doing to then create maybe some
8 incentives for alternative plans through our permitting
9 approval process to create an incentive for people who are
10 coming in? And their application process is to get
11 approval from us. I mean, if we're going to sort of you
12 know, say, okay, we're going to set this deadline, what
13 are we doing on our side too? Incent people to come in
14 with alternatives. And are we going to amend our process
15 to expedite those incentives -- or those projects faster
16 because they are doing them to comply with the
17 requirements that were taken under this.

18 It's helpful to me -- the whole discussion on the
19 water issue, the desalinization issue, I think it would be
20 very helpful to understand the relationship between those
21 two issues. We have -- I don't think I have to tell
22 either of you. We have a huge water issue in this state,
23 and so as we're pushing people toward desalinization, new
24 technology, it would be helpful to me to better understand
25 the relationship of that development of that industry and

1 the action that we're taking here today.

2 And as I say, the CDC, it was very helpful for me
3 to hear from them in terms of the energy outlook; what
4 does this do. I don't think anybody -- I mean, some
5 people may want to stop form. Well, I don't think anybody
6 here feels that would necessarily be responsible, but we
7 just came through a terrible energy crisis in this state.

8 We're looking at building a new capacity. What
9 are the impacts of these actions? What is the outlook
10 from the Energy Commission's perspective about what we are
11 doing and how new capacity can come on line in an
12 environmentally friendly way. We are all for that. I
13 mean, I think that's very important. I don't think anyone
14 wants to continue this process. We understand what the
15 impact is.

16 But we also need to keep the lights on for the
17 state of California, and we need to come up with a
18 rational process to get us there that can meet the needs
19 that we are looking at in this resolution, but also that
20 we can work with all of the proponents and opponents to
21 come up with a process.

22 So those would be some of the questions I would
23 have. I know there are others. I've talked to staff
24 yesterday when they came into to see me about some of the
25 other ones. And I appreciate the controller's willingness

1 to postpone this.

2 ACTING CHAIRPERSON ARONBERG: He also wanted to
3 make the point that he needs to get -- the controller, of
4 course, wants to keep the lights on in California as well.
5 And I think it's a false dichotomy to say it's the fish in
6 the ecosystem versus the lights in California.

7 And this is an issue that we can deal with and
8 technology can handle within an appropriate period of
9 time, and those sort of -- not directed at you,
10 Ms. Sheehan, but just in general, those sort of statements
11 of that sort, I think, don't get us anywhere in moving
12 towards facing this damaging -- this damaging process.

13 COMMISSIONER BUSTAMANTE: I've heard the
14 controller speak many times about his position on issues
15 of the coast. And they seem to be fairly close to mine, a
16 very strong advocate on issues of the coast. And I think
17 we, as a state, have been negligent.

18 I think in many, many ways in how we are allowing
19 the deterioration of our coastal waters and coastal lands,
20 I think that we are only recently in this latest
21 generation of leadership, have we begun to start looking
22 about how to deal with those, and every time there's a new
23 jump in technology, it oftentimes helps us in trying to
24 catch up with the activities. But there's no way to avoid
25 the devastation and to not talk about the fact that we, in

1 fact, have been doing tremendous devastation to our coast.
2 It's just not owning up to our own responsibility.

3 So I'm very supportive of this type of resolution
4 like the controller is. I'm very supportive of trying to
5 resolve the particular issue.

6 I do think technology and economics have changed,
7 and I do think is that there are some plants that should
8 go out of business. I think that there are some plants
9 that could be expanded and have new technology provide a
10 way and being able to resolve both our economic issues,
11 our energy issues, as well as the environmental issues.

12 I don't buy the idea that we have to continue to
13 degrade the environment and do business. I think you can
14 do good environmental work and still have good business.
15 I think you can still create tremendous jobs. I think you
16 can still do the kind of things that we can do here in
17 California if we are thoughtful enough to be able to do
18 that.

19 I thought that the gentleman from Stanford was
20 very interesting. I would like to hear more. I would
21 like to hear more specifics about what the industry is
22 saying, but I would also like to hear more about the
23 gentleman from Stanford was saying, that there is false
24 pretenses and that there are oftentimes discussions about
25 from the industry perspective that perhaps there are ways

1 of using technology at a much lower rate.

2 I would also like to look at assuming that there
3 is, and obviously there is some kind of an economic impact
4 anytime you're going to do something different, anytime
5 you're going to change over a plant or expand a plant or
6 anything. I would like to, perhaps, check out the
7 possibility that in this infrastructure bond that is being
8 considered here in the state legislature, that maybe if we
9 identify facilities in California as strategic resources
10 to the State, how we might not be able to establish some
11 kind of revolving loan fund out of that infrastructure
12 bond, so that what we could do is we could loan that money
13 out, have those things fixed, so that they are more
14 palatable to our own desires in terms of the environment
15 as well as being able to maintain certain kinds of
16 capacity for energy. And at the same time that money
17 would be used in our economy, create more jobs, have a
18 better facility, and then be paid back into the system
19 where it could be used yet again as an infrastructure
20 activity.

21 I think that there may be some opportunities to be
22 able to do that discussion, that kind of work, and still
23 be able to deal with the kinds of economic suggestions
24 that Mr. -- I believe his name was Rottenborn, from
25 Stanford, talked about.

1 I would also like to hear a little bit more from
2 the State Water Control Board. They have had two
3 workshops on this issue. I would like to hear what they
4 have to say.

5 I would hope that the Chair would meet not only
6 with staff but all the different groups here. I would
7 love to be able to be invited to that meeting, but at
8 least the Chair should sit down with the stakeholders and
9 attempt to figure out how this might change, but I do
10 believe in this resolution. I do believe we need to move
11 forward on it. I do believe that we need to not wait much
12 longer, because we continue to wait.

13 I mean, I brought up the Duke plant twice today.
14 But we continue to wait on industry to have a resolution
15 to an outdated, very lightly usable facility that is an
16 eyesore, is not efficient, and is something that should be
17 taken out of the San Diego bay area.

18 And if the industry and private sector does not do
19 something, then they have to understand and realize that
20 the public sector will do something about it. I think
21 that this is what it's supposed to be about. We're going
22 to push everybody. We're going to push you for making
23 sure that we can find a way to be able to resolve these
24 issues.

25 If some cookie-cutter operation that people were

1 talking about doesn't work, well, then we need to have a
2 very specific policy, then, that does work. But I think
3 as a general rule, I think this commission ought to go on
4 record, if not today, at the next meeting, saying that in
5 fact we do believe that this is something that's
6 important. We need to change out this technology. We
7 need to change out those plants. We need to do something
8 soon, and not continue to wait and wait and wait.

9 So if the Chair is interested to postpone to the
10 next meeting, I would be more than happy to go along with
11 it, as long as the consensus is that we are in fact going
12 to deal with this at the next meeting.

13 ACTING CHAIRPERSON ARONBERG: I think we are going
14 to ask the staff if you agree.

15 COMMISSIONER BUSTAMANTE: I'm being told I can't
16 be invited to the meeting because of a Brown Act problem.
17 There are two of us. Two members can't be at the same
18 meeting because it's a Brown Act issue. So I will be
19 waiting for a briefing from the Chair and maybe, yeah,
20 maybe I will have my own meeting. Okay.

21 ACTING CHAIRPERSON ARONBERG: Thank you so much
22 for those comments.

23 COMMISSIONER BUSTAMANTE: Thank you.

24 And I got to run to a doctor's appointment.

25 ACTING CHAIRPERSON ARONBERG: So motion taken.

1 I will just be really quick.

2 I think the controller would like to ask the staff
3 to get the ground running on this so we are back in time,
4 taking into account everyone's comments for the April
5 meeting.

6 We do have another resolution coming, so I want to
7 note that.

8 First, I thank everyone today who came to make
9 their voices heard. And the controller believes that the
10 government best serves the people when the people get
11 involved, and this is a great example of that today.

12 He wants to thank the Coastkeepers, Baykeeper,
13 NRDC, Surfrider, PCL, Sierra Club, the gentleman from the
14 Coastal Commission, and other agencies that came to
15 testify. You've all been a tremendous help as well as the
16 regulating agencies, and sounds like we are very willing
17 to try to work on a solution here.

18 COMMISSIONER BUSTAMANTE: Well, L.A. Water and
19 Power and the State Water Control Board, you better have
20 some real good things to say.

21 Thank you.

22 ACTING CHAIRPERSON ARONBERG: So environmental
23 damage caused is unacceptable, and we will be dealing with
24 this at the April meeting.

25 And so staff, there's the direction.

1 Do you have any response?

2 EXECUTIVE OFFICER THAYER: No. We would be happy
3 to bring this back and we'll gather the information and
4 speak along the lines that Commissioner Sheehan was
5 mentioning and the lieutenant governor and work with your
6 offices to make sure that we're responsive to the --
7 obtain the information that all of you need to make a
8 decision on this, this matter. And also look at the
9 resolution to see if it's drafted perfectly or whether
10 there might be some little tweaking that might address
11 some of the concerns that were raised.

12 ACTING CHAIRPERSON ARONBERG: Thank you so much,
13 Paul.

14 It's really important. The damage to California's
15 coastline is just too great for us to allow for
16 once-through cooling to continue on and on.

17 Commissioner Gonzalez has a comment.

18 ACTING COMMISSIONER GONZALEZ: I'm concerned that
19 we have another somewhat controversial resolution coming
20 forward, and we have now lost the ability to have three
21 voting members.

22 So I don't know if the people who have come today
23 to speak on the copper-based paint resolution are willing
24 to come back as well.

25 I'm just a little concerned that this is going to

1 be another hour of testimony and then no resolution,
2 whatsoever, or the resolution that we have to go work
3 things out.

4 ACTING COMMISSIONER SHEEHAN: Can I make a
5 suggestion?

6 If people -- could we hear the testimony today if
7 people have traveled? I mean, it's up to --

8 ACTING COMMISSIONER GONZALEZ: Has anyone
9 traveled --

10 ACTING CHAIRPERSON ARONBERG: We've got a number
11 of speaker cards here. I can sort of call out the names
12 and note it here. Great. So I'm just going to call out
13 the names for folks who filled out a speaker card 57.

14 Mark Rentz?

15 You are here. Okay.

16 We've got -- I'm sorry. Tough writing here, but
17 Simoni? Ralph Simoni?

18 For anyone who cannot come back to the next
19 meeting, we can ask for the testimony now. And we'll --

20 EXECUTIVE OFFICER THAYER: The next meeting is
21 scheduled for April 27th. My quick review of the speaker
22 slips indicates that I think everybody's from Sacramento.
23 I could be wrong.

24 ACTING COMMISSIONER SHEEHAN: I'm a little worried
25 about people who traveled.

1 EXECUTIVE OFFICER THAYER: So maybe it would be
2 just appropriate to ask if anybody out there has traveled
3 and needs to speak today or whether -- our next meeting
4 will be in Sacramento. We won't be out of the --

5 ACTING COMMISSIONER GONZALEZ: And I know that in
6 the past we've taken resolutions very late like we did
7 these, but maybe this shows an example of why we need them
8 a lot sooner if we are going to be pushing things.

9 ACTING CHAIRPERSON ARONBERG: Is there -- so is
10 there anyone in the room who did travel here today that
11 wants to speak on number 57?

12 Okay. Seeing no one, I will entertain a motion to
13 put that over to the April meeting as well since this is a
14 very important issue.

15 ACTING COMMISSIONER SHEEHAN: I will move to
16 postponement.

17 ACTING CHAIRPERSON ARONBERG: So actually, since
18 we can't action, we're -- okay. Okay.

19 EXECUTIVE OFFICER THAYER: But there are two of
20 you.

21 ACTING COMMISSIONER SHEEHAN: Okay. Two of us.

22 EXECUTIVE OFFICER THAYER: Right. One of you two.

23 ACTING COMMISSIONER GONZALEZ: I will second the
24 motion.

25 ACTING CHAIRPERSON ARONBERG: All right. Great.

1 EXECUTIVE OFFICER THAYER: And then the other
2 point that a staff member suggested is that people, as is
3 the case with the previous resolution, there is some
4 controversy.

5 We had the benefit of the testimony in terms of
6 working on this issue between meetings, and so I guess I
7 would invite everyone who wanted to speak today to submit
8 something in writing so that we would have the benefit of
9 that input, prior to bringing this back to the next
10 commission meeting, rather than waiting.

11 ACTING COMMISSIONER SHEEHAN: The other thing, not
12 just on this, but on the previous one, I mean, I would
13 post on our Web site, you know, so people who may not have
14 had the opportunity -- we want everyone's input because
15 we're going to bring it back and get the -- so that
16 everybody has a fair chance to participate in the process
17 and provide their input.

18 That's the bigger -- that's the biggest concern
19 that I have is making sure that everyone who wanted to say
20 something has that opportunity.

21 EXECUTIVE OFFICER THAYER: We will post that on
22 the Web site.

23 ACTING CHAIRPERSON ARONBERG: Thank you. Okay.

24 So that takes care of Item 57.

25 And that concludes the regular calendar.

1 But I see that we at least have one speaker who
2 wishes to address the Commission during the public comment
3 period.

4 So that's Mr. Asuncion, if you are in the room.

5 And I'm just going to have to give a quick
6 reminder of our three-minute time limit. We asked others
7 who appeared to, so we'll ask you. State your name,
8 please.

9 MR. ASUNCION: I'm John Asuncion. And it's nice
10 to see the Commission again.

11 I'm the President and founder of the Blue Whale
12 Sailing School, and we're an educational corporation here
13 in the state. And it's an educational corporation that
14 was created for people of color, all colors.

15 And in the last five and a half years, we've
16 removed approximately 25 tons of garbage out of the south
17 bay, from the Dumbarton Bridge, down. Power boats,
18 sailboats, at no cost to the public and try to create a
19 safe environment.

20 And myself and my wife purchased this property and
21 donated it to our educational foundation for public access
22 and to the south bay.

23 We've had a great program for the last five years
24 there with having the public be able to use our site at no
25 cost. And but what I'm really concerned about is, I know

1 the staff of State Lands has been aware of the pollution
2 next to our site. We are concerned about the wildlife and
3 we have beautiful pairs of fresh water otters, all the
4 different birds along the slough and, you know, adjoining
5 to the Don Edwards refuge.

6 And I just wanted to thank the Commission and
7 State Lands office for looking into the matter and trying
8 to work with the South Bay Club to clean up their site and
9 work with the water district to try to improve the habitat
10 in the south bay.

11 So I thank you for you time again.

12 ACTING CHAIRPERSON ARONBERG: Thank you,
13 Mr. Asuncion.

14 Staff, do you need to respond to that?

15 EXECUTIVE OFFICER THAYER: No, just to briefly say
16 that we have worked with Mr. Asuncion. One of our staff
17 who's Dave Plumber, who was down at the Water District
18 Board meeting a couple days ago, which took up this
19 matter. It involves the derelict vessels there and
20 pollution. It involved a number of different people and
21 actors. We have ownership of some of that property, but
22 the Water District Board controls more than we do.

23 BCDC is involved and sent letters, compliance
24 letters, to a number of different entities along there,
25 and it's something we're going to keep working on. And

1 we're glad to do that with Mr. Asuncion and we appreciate
2 his input.

3 ACTING CHAIRPERSON ARONBERG: Thank you so much.

4 That looks like it concludes the open meeting, so
5 seeing no other business before us, let's adjourn into
6 closed session, and please clear the room.

7 Thank you.

8 (Whereupon the Meeting of the California
9 State Lands Commission adjourned at
10 12:06 p.m.)
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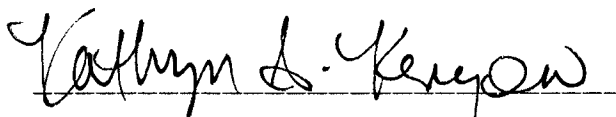
1 CERTIFICATE OF REPORTER

2 I, KATHRYN S. KENYON, a Certified Shorthand Reporter
3 of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing Meeting of the California State Lands Commission
6 was reported in shorthand by me, Kathryn S. Kenyon, a
7 Certified Shorthand Reporter of the State of California,
8 and thereafter transcribed into typewriting.

9 I further certify that I am not of counsel or
10 attorney for any of the parties to said workshop nor in
11 any way interested in the outcome of said workshop.

12 IN WITNESS WHEREOF, I have hereunto set my hand
13 this 16th day of February, 2006.

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22 KATHRYN S. KENYON, CSR

23 Certified Shorthand Reporter

24 License No. 13061
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