MEETING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

State Capitol
Room 126
Sacramento, California

Thursday, July 29, 1993
1:00 p.m.

Janet H. Nicol
Certified Shorthand Reporter
License Number 9764
COMMISSION MEMBERS PRESENT

Honorable Leo T. McCarthy
Lieutenant Governor
Chairman

Mr. Gray Davis
State Controller
Commissioner

Mr. Thomas W. Hayes
Director of Finance
Commissioner

STAFF PRESENT

Ms. Cleatta Simpson

Mr. Robert Hight, Chief Counsel

Ms. Patsy Tomasello, Executive Secretary

Mr. Charles Warren, Executive Officer

PUBLIC SPEAKERS

Bill Bennett
Ruth Blakeney
Tim Cremins
Susan Crosby
Rick Laubscher
John Miller
Joseph Pasqualini
Alice Ponti
Mary Jane Slade
Harold Somerset
Scott Tandy
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CHAIRMAN McCARTHY: Good afternoon, ladies and gentlemen. My apologies to those of you who have been waiting a little while. Please excuse the tardiness at the beginning of this meeting.

To my left is Commissioner Kolodney.

We'll be joined shortly by the Controller's office.

Minutes of the previous Commission meeting are approved if there is no objection.

Hearing none, they're approved.

On the consent calendar there's an amendment to Consent Item No. 4. A clerical amendment. The bottom of the page one, the paragraph beginning "current situation."

It will now read -- we'll cross the words "and has obtained," and insert the words "will obtain." "Lessee requires, and will obtain, indebtedness pursuant to a loan agreement."

And the second slight amendment is instead of the word "dated," we strike the word "dated" and insert the word "during."

If there are no objections from my fellow Commissioners, those amendments are adopted.

And now the only other thing I have to mention about the consent calendar is that we're pulling Item No. 5
off the consent calendar.

Now the rest of the consent calendar is before us.

Do either --

COMMISSIONER KOLODNEY: Move approval.

CHAIRMAN McCARTHY: All right. Without objection
the consent calendar is approved.

Now we're on to the regular calendar, Items 6 and
7, and we will address those together, since they're on the
same subject matter.

And I'd like to ask our Executive Officer,
Mr. Charles Warren and our counsel, Bob Hight, to please
lead off as assisted by Blake Stevens, Dave Plummer, and
Nanci Smith, and some of the other staff people that have
worked very diligently on this matter to try to access all
parties and come out to some rational conclusions.

Mr. Warren, would you like to lead off?

EXECUTIVE OFFICER WARREN: Thank you,
Mr. Chairman, Commissioners.

And first off we'd like to thank the Commission
for agreeing to convene this special meeting to consider
what is, we believe, to be a significant project for
California, whose proponents had certain time constraints,
which compelled -- which indicated the desirability for this
meeting to be held at this time.

As the Chairman has indicated, Items No. 6 and 7
of the calendar before you concern a 240 megawatt
cogeneration facility proposed to be sited on an existing
industrial site on state sovereign lands in the Carquinez
Straits at the Town of Crockett.

The applicant is Crockett Cogeneration, which
intends to provide steam necessary for sugar refining to the
host facility, which is C&H Sugar, and to provide
electricity to the grid of Pacific Gas & Electric.

The energy source will be natural gas.

The project has been approved by all federal,
state, regional and local regulating agencies.

The execution of the lease which is before you
will enable the project to proceed toward financing and
construction commencement.

The lead agency in the proceedings was the
California Energy Commission which, after almost two years
of review and scores of public hearings, approved the
project unanimously.

The Energy Commission has graciously provided us
here today with the project manager, Mr. Gary Heath, who may be -- will be able to answer any questions which you may have about the Energy Commission permit which contains a
number of conditions and provisions.

I'd like to note that the time period for the
legal challenge of state and regulatory actions has expired
and the last two formal interveners with the right to appeal such actions have elected not to do so.

Hence, at this time there is no known organized opposition.

The project will cost approximately $250 million and will take approximately three years to build.

During the construction phase it will employ up to 300 workers and during its 30-year design life of operation approximately 28 employees.

It reportedly will assure the continued economic viability of C&H's sugar refinery provisions at the site which presently employs approximately 900 employees who live both in Crockett and in the City of Vallejo, which is across the Carquinez Strait.

The lease is for a period of 33 years and will involve two acres of land which, as noted, is presently occupied by C&H Sugar, whose relinquishment of part of the leasehold is provided in calendar Item 6.

Calendar Item 7, then would be the lease of that relinquished lease to the Crockett Cogeneration for the facility.

Staff have worked with Crockett Cogeneration and C&H Sugar to dispel community concerns about a number of subjects, particularly noise and air pollution.

Further, at the request of the Benicia City
Council and as agreed by Crockett Cogeneration, we will be represented on the design-review committee to advise on the project.

Before and after photographs of the site are on display and are before you.

We have asked as part of our presentation to have Mr. John Miller representing Crockett Cogeneration's management to speak to you about the details of the project, which he represents.

After he concludes, Mr. Chairman, we would recommend that the Commission hear from Mr. Harold Somerset, who will represent C&H Sugar management, and Mr. Rick Laubscher, who will represent Bechtel, which is the contractor for construction of the facility.

Mr. Miller.

MR. MILLER: Good afternoon. I'm John Miller. I'm vice president of Energy National. We are the applicant in the Crockett Cogeneration project.

In the middle of 1991, a little over two years ago, we developed a strategy which we believed would conclude with a successful siting of Crockett Cogeneration plant.

There two elements to that strategy.

The first was to deal with the technical issues that surrounded the siting of the plant and the second was
to develop -- and to do the second only after we had
concluded the first -- the second was the develop a package
of community benefits that would be received by the area in
which the plant was going to be sited.

To accomplish these objectives we began meeting
with the community about two years ago with individuals and
groups regarding the technical configuration of the plant.

We studied many different aspects of the facility,
among them, storage, transmission, noise, EMF, traffic and
transportation, visual aspects were all covered.

Each of these areas was the subject of intense
scrutiny from the community.

An example is the transmission line, which the
power from the plant is moved out of the site into PG&E’s
back own transmission line.

The original proposal was to put up overhead lines
and move the power east of the facility to a 115 kV
transmission lines.

After working with the community we found that
this -- that there were environmental concerns, that there
was an area east of the community that was of concern, and
also the visual impact of overhead lines.

Our solution to that was to work with PG&E and
develop a proposal for undergrounding the 230 kV line. So
the line now runs through the town underground all the way.
This is a unique solution. It's a solution that was developed as a result of the input from the community.

As I mentioned, there were several other areas similar to that and similar solutions were developed.

In December of 1991 we started the process with the Energy Commission.

And through over a year's process we have concluded with the Energy Commission a set of conditions, 203 total conditions addressing 26 different areas of analysis.

The Energy Commission process was extremely thorough. It involved hearings, data requests, and public input throughout.

At the same time that we were dealing with the California Energy Commission, we were also working with the Bay Area Air Quality Management District.

Their process runs concurrently. They oversaw the air quality permitting.

Because of their increased regulations over the last few years and the fact that this equipment is the best available today, this is going to be the cleanest natural gas-fired cogeneration plant in California.

On a socioeconomic side, after having developed solutions to the technical issues, we worked with the community and the county to create a method and arrangement.
where this unincorporated community of Crockett could receive benefits from the property taxes of the project paid to the county.

In addition, Crockett Cogeneration and C&H have made arrangements to contribute directly to a community fund.

Crockett Cogeneration will contribute $300,000 a year for the next 30 years into that fund.

C&H will contribute 30,000 a year.

And a portion of the property taxes of approximately $450,000 per year will be returned to the community.

In addition, we have had a development fee that we crafted with John Swett Unified School District that we're particularly proud of.

The development fee typically is proportioned on the number of students that eventually show up over the threshold of the school district and in order to deal with that uncertainty, we worked with the Unified School District to address a current need. And we settled this development fee by agreeing to put a new computer lab in John Swett Unified School District high school, the John Swett High School in Crockett.

The computer lab there now consists of 30 different models. After this project is approved they will
have 30 new stations and a couple of teaching stations.

We have also settled with the community of Benicia, working closely with the community, with the City Council there, and with the city attorney.

We have crafted a solution to their concerns about the environmental impact of the project and we will be installing metering for environmental concerns within their community.

Finally, recently, and as Mr. Warren mentioned, we have a settlement with the interveners regarding the California Energy Commission proceeding.

Throughout this proceeding we have had aggressive, intelligent intervention that has made this plant much different than it started out.

During the CEC process there were over 300 written data requests covering every conceivable aspect.

This is a very difficult place to site a plant, but it's not impossible.

The concerned thoughtful input that we had has changed this plant dramatically.

And the final settlement we believe will have a very positive impact on Glen Cove, who will be receiving the $100,000, Crockett who will be receiving $250,000, and most importantly the settlement includes C&H's move to acquire property along Loring and to convert now vacant buildings
into usable commercial space.

At this point we arrived at the State Lands Commission after having concluded that process.

Like to acknowledge the staff’s effort in dealing with a difficult set of issues in the appropriate period of time.

The staff and our folks have worked very diligently to cover a couple of issues that were outstanding. There have been concerns about the visual impact of the facility. There have been additional concerns about the noise impact.

And working closely with the staff we have created conditions within this lease which coordinate with the conditions already imposed by the Bay Area Air Quality Management District and the CEC, but add to that list of conditions that we already have.

One point that I think should be made as a result of the State Lands work on this project, there’s increased involvement from C&H in the community.

There’s a MOU that has been crafted between ourselves, the State Lands, and will involve C&H as well, which outlines the method for this project to participate in a program which will plan and develop and coordinate the trails activities that is ongoing around the Carquinez Strait.
We believe this program will attract other industrial participants as time goes on and we actively will support that.

I'd like to address a very serious incident that occurred recently. An accident happened at the General Chemical Company several days ago.

The question could be asked could the same accident happen at this plant?

The answer is no.

General Chemical's accident involved a rail car filled with oleum. This is a pressure -- this is a liquid that's kept as a liquid under pressure in a rail car. It's very volatile. It makes sulphuric acid when it vaporizes into the air.

Crockett Cogeneration uses sulphuric acid along with sodium hydroxide for water treatment. The liquid is in a 98 percent concentration. It is not volatile. It is very stable. It can be stored at atmospheric pressure. It's safe for storage in an open container.

It is highly acidic.

A risk assessment, a very thorough risk assessment, was done as a part of California Energy Commission's process and concluded that in the event of a complete spill, virtually no adverse exposure or risk will result in the community.
I'd like to conclude my remarks by saying that your approval today is vitally important to this project. We are in the final steps of financing.

There is one more step. Pacific Gas & Electric is seeking approval from a California Public Utilities Commission for a long-term gas agreement to serve the project. That will occur on August 4th.

Your approval today is an absolute necessity for the project to keep moving ahead.

Thank you very much.

CHAIRMAN McCARTHY: Thank you very much.

Are there any questions?

COMMISSIONER KOLODNEY: May I ask a question?

CHAIRMAN McCARTHY: A question, please.

Mr. Miller.

Commissioner Kolodney.

COMMISSIONER KOLODNEY: When would you expect construction to start on this project?

MR. MILLER: Our current schedule has construction starting the beginning of September. We will conclude financing during August. As soon as that occurs we'll release Bechtel for construction.

The first visible activity will be the demolition of an existing oil storage tank on the site and that will probably occur or begin to occur in September.
COMMISSIONER KOLODNEY: Would you know if this project qualifies for tax-exempt financing under California's alternate energy financing requirement?

MR. MILLER: To our understanding it does not and we have looked at that.

COMMISSIONER KOLODNEY: Thank you.

MR. MILLER: You're welcome.

CHAIRMAN MCCARTHY: Thank you, Mr. Miller.

Mr. Somerset.

MR. SOMERSET: I'll keep my comments very brief. I'll start with saying that C&H does need this plant. We have 900 C&H employees. All but 65 of them are located at our Crockett facility.

We provide them with quality jobs. These are full-time jobs with a full set of benefits. We pay a lot of taxes every year and our employees pay a lot more.

We provide a lot to the community in which we are operating and to other communities in California.

We have an aging boiler house and it uses older technology which will be replaced by the cogeneration plant.

Energy is one of our four largest expenses. In order they are raw sugar, which is our raw material, labor, energy and then everything else.

Our energy is larger than everything else put together after raw sugar and labor.
This plant will allow us to be competitive and be viable and vigorous in the future.

We must address our energy costs. They are one of our biggest costs.

There are four other -- actually there are four total sugar companies that operate in California. Three beet companies and ourselves. Two of the beet companies and two that are headquartered in California are currently in Chapter 11 bankruptcy proceedings and one will close permanently after this summer season. The other hopes to emerge shortly and I actually hope they do also.

We need a viable sugar business in California.

These California companies are not C&H’s principal competitors.

The third of the four that I had mentioned is headquartered in Texas. They announced recently they were closing one of their four California plants.

Our competitors are headquartered in Ogden, Utah, Fargo, North Dakota, and Denver, Colorado.

They have had opportunity to address their energy needs over the past ten years while we’ve been seeking a means of addressing ours.

They are extremely competitive. They’re low-cost producers and we need to meet the kinds of costs, production costs, that they have in order to remain strong in the
I think I’ll just close with just a couple of comments on the community and one comment on our environmental posture.

We have -- we are located in the same area as a lot of other refineries and I’m sorry to say that our food plant is also referred to as a refinery and people do overgeneralize sometimes.

We produce a product that if we had a product spill you could eat your way through it without adverse consequences.

We do not produce products -- we do not use hazardous materials in our process. Our products are edible. We have to meet food plant sanitary standards and operating standards and we do meet them.

We have -- we’re clean as far as the environment. I think it’s fair to say that we have a very good environmental record.

We haven’t been assessed a penalty as far as discharges to the strait or anything like that is concerned and as long as I can remember, I think I can safely say ten years.

We are conscious of it. We work on this sort of thing all the time.

We use -- we have a secondary wastewater treatment
plant that we share with the community of Crockett.

And we use small amounts of chlorine, SO2 and a
ammonia in that plant and we’re currently in the middle of a
project, unsolicited and unrequired by regulation, to
replace those materials with safer materials and operate
that plant even with the small amounts of material we use
there in a safer way.

A couple of comments on the community. We
consider ourselves a responsible citizen of the community of
Crockett. Our plant has been there in continuous operation
since 1906.

We have had our ups and downs with the community
relations over the years, but in general I think we’re
viewed as a positive element in the community. And I think
the great majority of people feel that even though they
can’t agree with everything we do all the time, they feel
we’re a good citizen in the community.

Recently, as requested by community groups, we
moved our corporate headquarters to Crockett as well. And
my office now, I would say, within hundred yards of the
plant site and I have direct line of sight view of where
this plant will be built and I’m quite comfortable with it
and our employees are as well.

One of the things that I have to say that has been
quite a positive result of this whole process, in my
opinion, has been the kind of energy and organization that
developed in the community around a previous project that
was similar but quite different, as John Miller said, and
really resulted, delivered a lot of improvements over the
course of the multitude of hearings that have been referred
to.

I've spent many many hours meeting with people in
the community and with groups and I've gotten to know and
respect many many of the people that I have dealt with over
the last several years and consider a number of them my
friends at this point.

I believe the community is much better organized
now and I mean -- it was a negative issue for the community
but nevertheless I think a positive result is the community
has been energized and organized.

And we have within the past week we've reached a
very comprehensive set of agreements and commitments to the
community groups that were the most active in this process
and I think we're both happy with the result.

We're committed to it and we're already --
actually, we've have already launched a couple of the things
that we made commitments on and I'm quite comfortable and
happy with that, however this works out in the long run.

CHAIRMAN McCARTHY: Thank you, Mr. Somerset.

Any questions by any members of the Commission?
Thank you very much, Mr. Somerset.

Mr. Rick Laubscher.

Now, do you want us to say Bechtel or Bechtel?

MR. LAUBSCHER: Maybe you should ask Mr. Bechtel.

Commissioner, you're free to call it whatever you would like. I have more restrictions.

Good afternoon, Commissioners. My name is Rick Laubscher, representing Bechtel Corporation.

Bechtel has been based in the Bay Area for almost 90 years. It's been involved in the development of electric power facilities for almost 60 years and has played a major role in more than 15 cogeneration projects throughout the United States in the last decade, including two of California's most successful cogeneration plants in Gilroy and King City.

There are many reasons we are delighted to have been selected to build this plant. I'd like to share two of them with you.

First, it's an excellent facility demonstrating what could come of a genuinely sensitive and extensive outreach to affected communities.

After earlier efforts to develop this site were unsuccessful, this owner listened carefully, acted in good faith to meet the community's concerns.

Your approval of this project will send a positive
message, which sharply rebuts the prevailing attitude that
California government is hostile to business.

The second reason we’re delighted to be part of
this project is jobs. From a regional perspective of up to
300 peak construction jobs, as you’ve heard, plus the
ongoing operating jobs, plus as Mr. Somerset said, the
improved energy efficiency that will help C&H to keep its
900 jobs in Crockett.

From Bechtel’s perspective with 3,500 employees in
the Bay Area, including 1,100 who live in Contra Costa
County, it’s critical for us that we keep winning projects
in the region so we can keep these jobs in California.

We work all over the world and with California’s
current economic circumstances I can tell you that it is a
stretch for us to keep our work force in tact in California.

That’s why projects such as Crockett Cogeneration
are so important to our employees and to our company.

I’d also like to note that our procurement
activities associated with this plant will be aimed at
optimizing participation of local business.

So there’s many more jobs potentially affected
there.

We expect procurement for this project to generate
something like $8 million in sales taxes, sales tax
revenues, within the state.
The Bechtel people associated with this project have collectively worked on hundreds of industrial projects of many types in many places over many years. And we have seen, frankly, many that were not developed very well, very sensitively, by their owners. We were all very impressed with the high quality of this project, with the thoroughness and thoughtfulness of its owner, with the sensitivity shown to its host community and to the environment which we all share. We feel that projects don't come any better than this one. We are proud to be part of it. We ask for your approval of Crockett Cogeneration's application. We pledge to you and to our neighbors in Contra Costa and Solano Counties our best efforts to build this plant in a sensitive manner, in accord with the community's desires, and the conditions of the California Energy Commission and your Commission. Thank you.

CHAIRMAN McCarthy: Thank you.

Any questions?

Thank you very much.

Ruth Blakeney, Crockett Power Plant Committee.

MS. BLAKENEY: Ruth Blakeney, co-chairman of the Crockett Power Plant Committee, which I think is as we stand
here is dissolving.

It's a rather badly named group. It sounds like we were for the power plant, which is not true.

We were formed about nine years ago in the first two go-arounds of the power plant, and only a handful of us are still around from that original group.

It's because we're a grass-root volunteer group, it comes a time after a year or two that you can't keep taking on the work and we have to replace someone with someone else. So we were kind of an amorphous floating body.

At any rate, I think probably the oldest to begin with, but certainly we're the oldest survivors. And I see Mary Moutinho sitting out here in the audience. She was our own Rosa Parks. She blew the whistle on the application of the very first time around.

I'm not here to address you on the lease for three reasons.

One, Mr. Charles Warren, your executive director, told us recently that no matter what public testimony was made or what facts were brought to his attention he was going to recommend granting the lease.

And so that makes it seem not too worthwhile to bring any information to this or any other groups since shortly the lease we're going to go in to no matter what.
Also I don't really consider this a public hearing in the sense that we asked for a series of public hearings.

It's true that this is public. It's true that it's a hearing and there are members of the public here.

But since it's the one and only meeting and I feel it's a pro forma meeting, I don't feel that it's really a public hearing if anything that you say here is not going to affect the outcome.

I believe we're all here to rubber stamp the lease, so that's another reason I'm not addressing it.

But the third reason is I signed an agreement on July 21st representing the Crockett Power Plant Committee to stop fighting the applicant.

And we didn't lose. We bought peace at a price.

We have a photograph somewhere with me grabbing for Miller's wallet, so I think that that's the signing.

But so those three reasons.

I actually was asked as part of this agreement to talk about the agreement we came to, although Mr. Miller hit a lot of the high points of it.

I will say that in some ways this agreement did grow out of our participation with State Lands, although I can't be as flattering about participation as Mr. Somerset was to Mr. Warren.

I think it was after two or three months of
dealing with State Lands and realizing we were not going to
get anything that we asked from them that we kind of led to
the inspiration of going and making our own arrangement.

So I went and talked to Mr. Harold Somerset
directly.

And we arrived at a agreement to stop fighting
that's worth in excess of a million dollars in that it
requires participation from C&H to purchase properties.

I'm a lot more excited about it than, you know,
the million dollars. It's -- we have been a very divided
community for many many years and I feel because Harold met
us halfway that we have a possibility here of doing some
healing in town, provided all of these things we've laid on
the table and the hopes that we have here can be realized.

We're no longer a company town in any way, shape
or form and we haven't been for many many years, but I think
out of this we may have discovered a way for industry and
the town to coexist on a completely different basis. At
least that it certainly was my hope when I went into this
agreement.

And my group did not -- was not unanimous on it.
I think our vote was 16 to 9 and we did allow call-in votes.
That's in -- we were pretty firm about only allowing people
that are actually were at least in recent months
participating in the actual hearings or, you know, doing
something material, not just contributors of money and that sort of thing.

So it was a very sad ending in many ways, because we were -- we have been a very unusual group. We’ve never had any money. We’ve been supported just by our little $25 checks here and there.

We still, we have managed to participate through three hearing processes at the Energy Commission.

And but I -- though none of this was planned this way, looking back in hindsight I feel that this is the best possible way we could have ended it other than, of course, killing it.

But I mean if we are going to stop it, this was -- this gives us some hope for the town and for some genuine eye level to eye level participation with both the Energy National coming in and C&H has been there.

Because my greatest fear was that the power plant would be built, things would go on just as they were with the industry on one side of the railroad tracks and the town on the other.

C&H came through. They’re putting their foot across the street and are going to -- we’re all going to work together and implement a very long-range plan here.

I see a lot of rubber stampers here in the room, old ones and new ones.
I certainly pray to God the kind of toxic accident that happened this week can't or will not happen at Crockett.

But if a few years down the pike anything like that does occur in the -- I hope those of you here who rubber stamped the land use and a few other things will remember you had a chance not to do that.

Thank you.

CHAIRMAN McCARTHY: Thank you, Ms. Blakeney.

Mr. Scott Tandy.

For the record Mr. Tandy has brought a letter. Mr. Tandy is the chief assistant county administrator for Contra Costa County and he has brought a letter from the county administrator, Mr. Phil Batchelor, which embodies the action taken by the County Board of Supervisors and we'll put his letter in the record.

Mr. Tandy, would you like to address it briefly?

MR. TANDY: Thank you, Mr. Chairman.

Very briefly I want to thank you and the Commission staff for allowing us the opportunity to present this background in hopes that it will provide clarification regarding the county's intentions and involvement with regard to the project, the power plant application.

Much of what I've planned to say I think has been already said, but let me at least highlight a couple of
items that I think should be clear for the record.

The Board of Supervisors recognized the importance of involving the Crockett community in this process back in June of 1992, over a year ago.

And there was a great deal of public discussion and negotiation around how the community benefits program would be constructed.

The board established an advisory committee called the Crockett Cogeneration Advisory Committee, and that was the vehicle that met primarily locally in the Crockett area on many occasions.

The intention of those discussions was that if the plant were to be approved by the Energy Commission it would be -- it could produce a win-win situation.

The community would receive a stream of revenue, a committed stream of revenue earmarked for central public services in the area and public improvements that would not otherwise be available and the county could benefit from new property tax increment produced from the plant during what we all know to be a very severe recessionary period, and when essential public protection and public health and social services are being threatened, not only in our county but throughout the region.

Based on the unanimous recommendation of that advisory committee, the Board of Supervisors adopted a
resolution which you've referred to, Mr. Chairman, in November which endorsed the power plant application with certain conditions.

Those conditions I think and the commitments that have been made both by the applicant, ENI, and the C&H are contained there.

The county's part of this bargain was to commit up to $450,000 annually over the anticipated life of the project.

Again, those would be used for essential public protection, public health, social services, and other community activities that the community would want to see occur.

So my purpose today is to simply indicate to the Commission and the citizens of Crockett that they can be assured that the County of Contra Costa will abide by the contents of its resolution and will guarantee that our commitments contained therein will be adhered to.

So I thank you very much for the opportunity to speak here.

CHAIRMAN McCARTHY: Thank you very much.

Any questions?

Thank you, Mr. Tandy.

We have some leaders of organized labor that I'd like to recognize here and any of them can testify if they
wish. Mr. Tim Cremins from the State Building and Trades Council, Mr. Joseph Pasqualini, representing the Pipe Trades and the IBEW, Mr. Bill Bennett, representing the Sugar Workers' Union, Local 1.

Gentlemen, you can all come up if you want or you can have two of you.

MR. CREMINS: If I may, Mr. Chairman, Tim Cremins, State Building Trades.

As most of you have heard, this is a project that would create approximately 300 construction jobs for construction workers in the area.

As most of you know we're in terrible recession here. Unemployment in our industry is ranging at 40 percent plus.

And I'd like to publicly thank the energy group, Mr. Miller, and Bechtel Corporation, for sitting down and talking to us, looking at some of our concerns.

And we, of course, support the project and I hope you will also.

Thank you.

CHAIRMAN McCARTHY: Thank you, Mr. Cremins.

MR. PASQUALINI: Very briefly, Mr. Chairman. Joe Pasqualini representing the local unions on behalf of the United Association of Plumbers and Pipe Fitters and the National Brotherhood of Electrical Workers.
I'm sure there will be other trades that will be involved in the construction phase of this.

Again, as Mr. Cremins is indicating, we are suffering terrible unemployment levels in the State of California amongst building and construction trade workers, to such an extent that they are leaving the State of California, and they are leaving in great numbers, I might add, in order to find work.

This will keep 250 to 300 people in the Contra Costa area, highly trained folks, who will be paying payroll taxes, will be paying sales taxes, will be paying property taxes, will help support our schools, help support our local governments.

And we very strongly support that effort.

The project, we are very pleased to find that will be constructed and operated by union and in this day and age that's somewhat rare to find both.

And we thank everyone for that, making that happen.

We urge your support on this.

CHAIRMAN McCARTHY: Thank you, Mr. Pasqualini.

COMMISSIONER DAVIS: Is that 250 number, is that the number of constructing the plant?

MR. PASQUALINI: That's in the construction phase.

As I understand, between 250 to 300 workers in the
construction phase and probably between 25 and 30 permanent
in the operating phase.

You can correct me if I’m wrong.

COMMISSIONER DAVIS: But it also, as I understand,
makes economically viable the jobs next door at the
refinery?

MR. PASQUALINI: Oh, absolutely. Absolutely.

It’s imperative.

CHAIRMAN McCARTHY: Thank you.

Mr. Bennett.

MR. BENNETT: Thank you.

My name is Bill Bennett. I’m a vice president of
the Sugar Workers’ Local 1 in Crockett. I’m a 30-year
employee of C&H. And we represent approximately 530 hourly
workers at Crockett.

We are in favor of the project, the lease. We
feel that it will enhance C&H’s economic viability and
thereby our economic viability.

And we also feel that the project will be more
efficient and safer than what we have now.

And that’s basically all I have to say and we will
support it.

CHAIRMAN McCARTHY: Thank you, Mr. Bennett.

Now, that’s all the indications I have for those
who wish to testify in support of the project.
I have Susan Crosby who wishes to testify in opposition.

And I have Mary Jane Slade, I'm sorry I can't tell from your witness sheet whether you oppose or support.

MS. SLADE: I oppose.

CHAIRMAN McCARTHY: Fine.

Let me start with Susan Crosby, please.

Would you like to step forward?

Thank you.

MS. CROSBY: I have a summary of my testimony.

May I approach the Commission?

CHAIRMAN McCARTHY: Sure.

Thank you.

MS. CROSBY: During the year I lived in Italy I learned whenever you step in something unpleasant it's supposed to bring you good luck. So I hope that's true.

I'm Susan Crosby. I'm a resident of Crockett.

I have lived in Crockett for almost three years now, so I'm a newcomer to the idea of the power plant.

And I strongly oppose it.

I would like to debunk the notion that the opposition to the power plant has dissipated and disappeared. It is strong and it comes from a variety of groups and individuals.

The citizens of Crockett oppose it in the number
of 735 people who signed the petition and this was after the
mitigation proposals were made.

The Crockett Improvement Association, Crockett's
main volunteer association, since we are an unincorporated
town, opposes the construction of the power plant.

The Sierra Club and the Citizens for a Better
Environment oppose the power plant.

Representatives of those groups wanted to be here
today but could not because of the accident and the chemical
spill in Richmond the day before yesterday.

The International Brotherhood of Electrical
Workers, Local 1245, is strongly opposed to the construction
of this power plant.

Mr. Jack McNally had hoped to meet with you,
Mr. McCarthy, and you, Mr. Davis, to reiterate his
opposition, but because of the short notice of this meeting
he was unable to attend. He's in Hawaii now and presumably
on business. And hard to say.

His union has 20,000 members and they are
principally PG&E workers who clearly oppose not only this
power plant but the policy of privatization of power plants.

The Union of Engineers and Scientists of
California with 1,600 workers is opposed to this power
plant.

Mr. Ben Hudnall wrote you a letter in opposition
This opposition has not changed in spite of the fact that they haven't been continually writing letters stating their opposition. They still oppose it. I've spoken to them recently.

Senator Daniel Boatwright is on the record as opposing it and a number of other legislators as I've noted here.

My second point is that the damage to the environment and to public health is a certainty if this power plant is constructed.

In the San Francisco Chronicle of July 19, 1993, which was just last Monday, there was an article identifying particulate matter of smaller diameter than ten microns, PM-10, as being the most serious health hazard of all the pollutants that are identified as coming out of automobiles and industrial locations.

It is by far greater than the next greatest pollutants and it is something that is not even limited, not even restricted by the current environmental protection quotas on pollution and yet 50,000 deaths are attributed annually in this nation to PM-10.

The people particularly at risk are children.

And I know that it promotes asthma.

It's also known to be a precursor of cancer.

Children and elderly and the ill.
And it's also a good way to become ill and eventually elderly and ill.

This plan will produce 58 tons of particulate matter 10 every year.

C&H presently produces 15 tons. And when it is required to retrofit its boilers that amount will decrease greatly.

So this was an item, a pollutant, that was not identified and not restricted when the CEC made its ruling.

And at the federal level this is -- this will be studied and one hopes that this terrible danger will be limited for the people of our country.

However, if this power plant is built it will be putting into effect a tremendous pollution source that all of us in the area will have to live with for the next 30 years.

There will also be a net gain of 144 tons of nitrous oxide.

No local offsets are even remotely possible.

Crockett is a small town. We have one dry cleaner. We have a public swimming pool that produces some chlorine. There's no way -- and if C&H were to close down its boilers entirely it would still make a very small dent in this number.

And we consider that offsets outside of our immediate area are really of no benefit to us.
I'm glad that there will be a benefit to someone else, but I think the pollution credit idea is not the direction in which we should be going as a society, realizing that these toxics in our environment can make us sick and kill us.

It will also be 985,000 tons of carbon dioxide released annually. Carbon dioxide is known to be the major contributor to global warming.

And there's certainly more than a good scientific theory that indicates that global warming is disrupting global weather patterns with the consequences that we see in increased power and destructiveness of hurricanes and other tropical storms and the flooding currently in the Midwest.

These are things we could spend the rest of our lives trying to mend unless we start to take some action now in order to curb their creation.

My third point is that the industrial use of land in West Contra Costa County is no longer an appropriate use of land. This is a policy of allowing more industries to be built. It should go the way of the dinosaur.

West Contra Costa County used to be a rural area with very few residences. In the intervening, say, 20 years, between the 1970s and the 1990s, there's been a tremendous amount of residential development in those areas, which might sadden those of us who prefer to see rural
But one is tempted to feel that we’re being sold out in both directions. Our land is being turned under and made into housing developments.

But the people who make the policies and who grant the leases are still saying, yes, but it’s historically it’s been an industrial area, so have some more refineries, have another power plant.

And it seems terribly unfair to us to have a policy that allows for the double destruction of this area and also putting the jeopardy of the very people who buy those houses, putting their health into jeopardy.

Mr. Miller mentioned the toxic leak in Richmond.

My friend, Kasha Kessler, who couldn’t be here today because she couldn’t find a baby sitter, tells me that she walks down by the railroad tracks at C&H and she sees tanker cars pulled to the side and you’ll never guess what’s written on them, oleum.

So those cars, according to Kasha Kessler, are sitting in Crockett right now. They’re not ENI’s cars, but there on the tracks by Crockett.

This policy of allowing polluting plants to be built in residential areas is an unconscionable one.

I feel that it’s a shame and it’s a dismal enough situation if people move into an area where there are known
polluters and then find out to their detriment that they
have made a very serious mistake in terms of their own
health and their families' health.

However, to allow an industrial site to be located
within 150 feet of residential houses seems to be an even
more tragic and avoidable mistake.

I would also like to look at the criteria of the
need. The need of this power plant has been demonstrated by
the California Energy Commission by the narrowest margin
possible. It's just barely managed to put its nose above
the water in terms of qualifying as a benefit to cost needs,

excess of need.

Over the course of 30 years we may see, according
to their analysis, perhaps $30 million of benefit.

In real money, in today's money, if we were to put
$1.9 million in the bank, in 30 years that's what we'd get.

But in the meanwhile 4.2 million PG&E ratepayers
will be coming up with $55 million a year extra to pay to
ENI.

The CEC determined that it preferred to take the
1990 needs assessment because the 1992 needs assessment
criteria were one month away from formal adoption.

But as you might imagine with the changing tenure
of California's economy, the 1992 projected need for energy
would be lower than the 1990.
It's also our understanding that the first fourth
of this power plant's life, the first seven years, it need
not even produce energy in order to be paid and compensated
in the full amount. It needs only to demonstrate the
capacity of the payment. This makes a bad situation into a
ludicrous one.

I would suggest that according to the criteria of
the State Lands Commission that this project is not
economically necessary, nor is it desirable.

The jobs that it would provide would be short term
except for 28 permanent jobs. That's not enough to sell out
a whole community and all the PG&E ratepayers.

To say that to look at the criteria of
appropriateness for the local developmental mix it is not an
appropriate addition to a residential community.

Although it is next door to C&H Sugar, adding
another industry of equal size and of much greater polluting
capacity is not the right way to go in an established town.

I feel that it is inconsistent with environmental
protection.

And we feel that it is not in the best interest of
the State.

The amount of income tax that the State would be
able to appreciate from the presence of ENI comes at too
high a cost to PG&E ratepayers.
It's essentially taxing us indirectly at a much higher rate in order to realize a very small return.

We also feel that the Board of Supervisors has sold us out short. They did not even conduct a study on the environmental impact or the other impacts that this power plant would have.

The City of Benicia did and we're not even under their stewardship. The City of Benicia determined that it would be environmentally a very unsound idea to recommend this power plant.

Mr. Scott Tandy is here today representing the Board of Supervisors. He did mention that an advisory committee of Crockett citizens was appointed by the Board of Supervisors.

They voted not unanimously on the mitigations package and they did not vote, they very pointedly restrained their vote from endorsing the power plant.

So to say that they support the mitigations is not to say that they support them unanimously and it is certainly not to say that they support the power plant.

They did not.

Mr. Tandy also came to a public hearing in Crockett, one of the few that we had in Crockett, I might add, out of the over hundred hearings that we had by the CEC, and indicated that Crockett would be able to pay its
bills when all the other unincorporated towns were unable to.

So to Crockett this does not sound like a windfall. This sounds like a little town that will be expected to put the rather meager sum of $300,000 a year to work to possibly repair streets and make other improvements that the county heretofore has been responsible for.

We don't see ourselves getting rich off of this.

Mr. Miller spoke about the workshops that were had to enlist the public support.

I would like to give an example of a workshop that I went to that was to discuss the visual impact of the power plant.

People who attended that workshop did -- for the majority did not want a power plant in Crockett. They were asked what color they would like the power plant.

And after some people voting and some people not voting and everyone saying paint it invisible, we don't want it, finally some people said, well, I guess an unobtrusive color would be better than paisley.

And so the message was they wanted an unobtrusive color.

The message never was transmitted that they don't want it. That seemed never to be a choice that we were offered.
And I'm afraid that that is also the same impression that I had when talking with members of some of the agencies that we have been involved in.

It's not a question of whether or not you're going to get it, it's a question will you get it -- will you get it in a lollipop or will you just get a power plant.

And the people who went for the mitigations packages did not in any way, shape or form endorse the power plant. They only felt that they would be better off and doing a more responsible job for the community to get some concessions.

But we all realized that the power plant is going to be devastating to our town.

There are people putting their houses on the market every day and it's a very sad thing to walk through the town and to see all of the for sale signs. And these people have not had potential buyers coming to look at their houses.

I don't know what the long-term effect will be on Crockett, but I know that this power plant will not improve the quality of life in our town and it will lower our property values and it will make it a place that many of us feel fearful about living in.

I came upon a rather archaic but a resonant quotation when I was preparing my notes for this meeting.
Adam Smith, who wrote *On the Wealth of Nations* in the late 1700s was speaking out about against what he termed the vile maxim of the masters of mankind. All for ourselves and nothing for other people.

I suggest that these tendencies, the tendency in our nation of the concentration of wealth in the hands of the few and of large corporations is terribly destructive to our democracy.

Only our government can prevent this from happening.

Many of us have come to fear for the true meaning of democracy in the course of these hearings.

I hope that you will entertain among the options open to you that option of denying the lease of land, of public land held in the public trust to Energy National for the purpose of building a power plant in our town.

Thank you very much.

CHAIRMAN McCARTHY: Thank you, Ms. Crosby.

Any questions?

Now, may we please hear from Mary Jane Slade, who is representing Mary Moutinho.

MS. SLADE: Moutinho.

CHAIRMAN McCARTHY: And Ms. Alice Ponti, would you please step forward.

Whatever sequence you want.
MS. SLADE: I'm going to start off by reading a letter that I wrote to Nanci Smith with the State Lands Commission. I wrote this letter on July 21st and it pretty much summarizes my feelings.

Dear Ms. Smith:

I'm writing in opposition to this proposed plant being the Crockett Cogeneration plant.

I was born and raised in Crockett. My mother's home, Mary Moutinho, is across the street from this project at 505 Loring Avenue. It is 150 feet from this proposed project.

I am gravely concerned that, one, a project of this magnitude is being placed in a residential neighborhood. Moss Landing has no homes around it. And that a project of this size has never been built near homes, let alone near a residential neighborhood.

At present, State Representative Boatwright has an amendment before the State Legislature that would prevent a project of this size from being placed a minimum of 500 feet from homes.

Hopefully our State Legislature will use sound judgment and pass this.

Number two. I am concerned regarding the site that is in an area of known fault lines with predicted earthquake activity of 7.1 within the next ten years.
This is not even considering the proximity of a Hayward fault line and its predicted 8.0 or greater magnitude earthquake.

This project will require that two ammonia bins be placed along the Carquinez Straits and also in front of my mother's home.

There are already two existing ammonia bins between the Carquinez Bridge.

I would like to mention that I was on the Pacific Garden Mall in Santa Cruz during the '89 Loma Prieta earthquake.

We had been predicted to have an earthquake of this magnitude, only a fault line that erupted was one the experts did not realize existed.

Had I been on the opposite side of the street I could have been killed. I take our earthquake predictions very seriously.

Also our State's liability is putting question in a situation of this kind.

The C&H is known to be a top ten bad polluter in the area.

The State Energy Commission's report, which seems like a rubber stamp, I don't feel it was well thought through and contained misrepresentations of the town people's comments, stated that the proposed project would
clean up the air and water.

How interesting that the C&H has not met requirements in place now. And with the $6 million they reaped from their past projected cogeneration proposal that they did not modernize their existing cogenerator and their plant to meet the requirements.

It appears that the C&H has not demonstrated good faith in their environmental impact on the surrounding area. Why should they be trusted and given the responsibility for an even greater project?

I would like to add that the area suffers from severe pollution due to being in a pocket between two twin-span bridges and freeways that are clogged daily, six-plus oil refineries, the extremely toxic and hazardous Mare Island Naval Base waste and Pittsburg munitions.

The town has an extremely high cancer rate, a fact that may lead to future lawsuits.

The sale of energy to PG&E seems to be the real motive behind this project. How sad that the PUC forces PG&E to buy unwanted, unneeded energy when in fact PG&E has been on national TV, "Peter Jennings News Report," declaring that they do not want any new projects. They want to maximum energy production from existing facilities.

This project will be passing the cost on to the already overburdened consumer.
I do not feel that this is the best usage of state shoreline property.

I know that the powers that be are in a quandary over poor management of the state in the past 12 years and are attempting anything that would bring money into our dwindling coffers, but the long-term usage and benefit to our great state does not lie in this project.

And has anyone considered any type of recreational facility? Marine World/Africa USA is doing well and is drawing considerable crowds.

Perhaps the State should consider some other type of tourist attraction that would lessen the burden of pollution to the area and still keep the views for the people who purchased property for that purpose and still employ people in building.

When proper incentives are offered the private sector could rise to the occasion.

I feel using state shoreline, the consideration of quality of life, not only for humans, but for the life in the sea, should be considered. The chain of life starts in our waters. We are part of it. And I for one am tired of humans destroying our seas.

Monterey Bay has been declared a sanctuary. Too bad our other bodies of waters aren’t considered with the same respect.
Lastly, my mother has made her livelihood with her property rentals. She will not be able to continue this. Already people have turned down rentals due to proximity to this project and to the disruption that will be caused when it is being built. All and all she has 12 rentals that will be affected.

Also my mother will not be able to live in her home of 40 years due to the noise, mess and dirt that will be caused by the excavation and building.

Not only for her safety but for the quality of life for the people that live along these shores, please address the long-term good for the State and its people.

MS. PONTI: I just have one thing to add. I'm Alice Ponti. My mother is Mary Moutinho, who is 150 feet away from this proposed site.

I grew up in Crockett also. When I grew up C&H was a benevolent company. It did take care of its town and it was a beautiful community.

In the '50s Crockett had a chance to vote for incorporation. They were assured by benevolent C&H that they would never divorce them and always be there for them, so the town believed them.

In the '60s they changed their mind. They sold off properties. They had their management people leave the community, move outside. It was a divorce of the town. The
town deteriorated. Businesses left. Everything went under. Now again we're going to try to sell off another piece of land and it looks like you guys are going to go along with it.

At that time if Crockett had had the foresight, had voted for incorporation they wouldn't be here today. They would have made their own decision, not have been sold out by the county and possibly you people.

Look further. This is terrible. We look to you. You represent us. Do right by us.

MS. SLADE: I'd also like to remind you, on my way from Santa Cruz County up here today I went up Highway 80. The Cypress structure that used to be there was also built on filled-in land.

Thank you.

CHAIRMAN McCARTHY: Thank you.

Is there anyone else in the audience who wanted to speak in opposition to this project, this application before the Commission?

Mr. Warren, you want to sum up or does Mr. Hight want to sum up any of the testimony on this matter?

Do the Commissioners want to ask any questions at this point?

COMMISSIONER DAVIS: When you sum up, could you deal with some of the apparent inconsistencies here relative
to the position of Electrical Workers, Sierra Club, and others that I believe either were in support of the project or not in opposition.

EXECUTIVE OFFICER WARREN: Responding to Commissioner Davis's question, I have examined the prepared statement of Susan Crosby in which specifics are set forth in that amplification of her testimony that there continues to be widespread opposition to the project.

We have been working on this application now for some six months. I have during that six-month period I have spoken with representatives of most, if not all, of those who were stated to be in opposition set forth in the document.

I spoke with the Sierra Club as late as today. I have not heard from -- we have never been notified by the Sierra Club representatives of opposition. They may at one time in the process have been opposed, but during the -- but no opposition has been expressed to me.

COMMISSIONER DAVIS: So we have no letter on file?

EXECUTIVE OFFICER WARREN: Same is true for the Citizens for a Better Environment.

I have met, I have seen correspondence written by the legislators to Energy Commission, and in the last few days I have placed telephone calls to each of the legislators, both in their Capitol office and the district.
office, advising them of the pendency of this proceeding
today and offering them an opportunity to be briefed on our
recommendation.

I have received no calls except Assemblyman
Campbell, whose name is mentioned here as an opponent, who
congratulated us on a good result and our processing of the
application.

I called Senator Boatwright, with whom I’ve had
several personal meetings on this, Senator Mike Thompson and
Assemblyman Tom Hannigan.

I did not call Senator Petris because I -- that
was on oversight on my part. I do recall that he at one
time did send a letter, but I had forgotten that fact
because his district is not involved. I don’t know the
reason for his sending the letter at that time.

But we have no record, Mr. Davis, of opposition.

And indeed the only evidence we have since the
interveners’ settlement of only last week suggests that none
exists other than those you’ve heard today.

I did -- we did receive a letter from a group of
scientists, Union of Scientists, who are as I understand it
employees of PG&E. Their argument was that they would not
be able -- their opportunity to design power plants would be
reduced if this plant were constructed.

But I don’t -- I haven’t heard from them since,
nor are they here.

On the environmental questions, Tim Cremins is here. He may have -- maybe that question as to the position of the --

MR. CREMINS. On the testimony before I had mentioned that IBEW 1245 was opposed. I spoke to a representative from their office yesterday and they're no longer opposed. They're neutral on the bill.

I cannot address the issue of the Engineers and Scientists. I'm not familiar with that issue.

But the electricians are in support and this specific Local 1245 is now neutral and they're not opposed.

Thank you.

EXECUTIVE OFFICER WARREN: I'd like to turn --

CHAIRMAN McCARTHY: Before you leave, the question of whether unions have endorsed or not endorsed, we'll give Ms. Crosby one last crack at this.

MS. CROSBY: May I ask, who did you speak with at the union, Mr. Jack McNally yesterday?

MR. CREMINS: I spoke with his legislative advocate yesterday. He has a legislative advocate and a business representative here in town and he tells me he was on the phone with Mr. McNally yesterday and he is now neutral on the project.

MS. CROSBY: I would like to produce for you the
Sierra Club letter, the Citizens for a Better Environment letter, the letter from Mr. McNally addressed to Richard A. Bilas and the letter from Ben Hudnall, the business manager, Scientist and Engineers Union of California.

CHAIRMAN McCARTHY: What dates are those? Was it early in the process, was it in the last week or what? Just so we know what relates to that.

MS. CROSBY: Early in the spring.

EXECUTIVE OFFICER WARREN: The Sierra Club of San Francisco have a letter addressed to you, Mr. Chairman, dated April 19, 1993.

CHAIRMAN McCARTHY: Had any contact with them since, with any part of the Sierra Club? How about their lobbyist in Sacramento on this issue?

EXECUTIVE OFFICER WARREN: As I said, I spoke with the Sacramento office of the Sierra Club today and no mention of this subject was made.

MS. CROSBY: They doesn't mean they approve of it.

CHAIRMAN McCARTHY: Did you phone him asking about this subject?

EXECUTIVE OFFICER WARREN: No. Sorry.

But I have received, as far as I know, staff did not receive this letter from the chapter of the Sierra Club.

CHAIRMAN McCARTHY: That letter was addressed to me?
EXECUTIVE OFFICER WARREN: Yes.

CHAIRMAN McCARTHY: Where?

EXECUTIVE OFFICER WARREN: 1807 13th Street.

Signed by Mr. Pope and Mr. Mason.

CHAIRMAN McCARTHY: Okay. What about the others?


MS. CROSBY: Have you spoken with him lately, sir?

EXECUTIVE OFFICER WARREN: Denny Larson? No.

MS. CROSBY: We spoke with him yesterday. He wished he could come, but he was doing press conferences and work for the spill in Richmond.

CHAIRMAN McCARTHY: Okay.

EXECUTIVE OFFICER WARREN: That is a letter from Jack McNally, business manager of Local Union 1245. That's to the Energy Commission dated April 23, 1993.

MS. CROSBY: He wrote one to your office as well.

CHAIRMAN McCARTHY: About the same date?

MS. CROSBY: Same date.

CHAIRMAN McCARTHY: So about two and a half months ago, three months ago?

MS. CROSBY: Yes. That's right.

EXECUTIVE OFFICER WARREN: Here's one from the Engineers and Scientists, which I referred to earlier, dated
April 23, 1993. It was sent to you at our -- and with
copies to me at the address of the Commission. Again that's
April 23.

Since that time many changes in the proposal.

CHAIRMAN McCarthy: I think we should assume for
purposes of making a judgment of the Union of Engineers and
Scientists are still opposed.

Sounds like Mr. McNally might have gone neutral on
his as of yesterday.

And Sierra Club, I think that question is open.

They may still be opposed.

MS. Crosby: I believe they still are opposed.

CHAIRMAN McCarthy: Thank you.

MS. Crosby: I wanted to make one point.

I was notified, because my name was in the paper
and in conjunction with one of the CEC hearings, I was
notified by one of the members of an environmental group in
our area and he advised me that there was going to be a
meeting with the representative of the State Lands
Commission, Mr. Charles Warren, and he was calling -- and
Energy National, and they were calling a meeting of all the
local environmental groups.

His feeling is they were trying to diffuse all of
the opposition to the power plant and they were also trying
to give the impression that there was no local opposition.
And when these people went to the meeting for which they sent me minutes, there was a strong sense of a deal being done and of a rat being smelled, to quote this man, the man who called me, Mr. Ron Brown.

He felt that the deal that was being done was the opposition was being dismantled in favor of a Carquinez regional planning trust, which I think is an excellent idea. I believe that our area is in a real tragic need of some regional planning and of some limits to industry and to the ruthless commercial and residential development that we’ve seen there.

I welcome the green belt. I welcome more trails. But I don’t think that the green belt should go around another industrial presence, nor that the trails should look down on a power plant.

I also feel that the East Bay Regional Park District has committed a great deal of effort is acquiring land in the area.

Energy National is not the only one who can bankroll this. And the amount of money that they are willing to commit to extending the environmental desirability of our area is not enough to sell it out to this source of pollution.

The deals all along have been for mitigation, because there was this feeling that it’s hopeless to fight
CHAIRMAN McCARTHY: Ms. Crosby, excuse me.

I was welcoming your comments on who endorsed and who did not endorse it because that was a matter of dispute.

You gave very articulate testimony before. Unless I’m going to call on everybody else again --

MS. CROSBY: Thank you very much.

CHAIRMAN McCARTHY: The matter is before the Commission.

Any of the Commissioners have any questions or comments they want to make?

Let me say this as one vote on this Commission.

There were some comments about pro forma committee and the suggestion that --

(Telephone rings in the room.)

CHAIRMAN McCARTHY: Someone answer that call from the President.

Made in Hong Kong.

For those of you who have been at other meetings of this Commission you’ve had a chance to witness some rip-roaring fights, whether it’s offshore oil drilling or developments along the rivers or any number of subjects, in which a class of -- clash of values, environmental versus economic, a whole range of values is introduced into the equation.
We always look to see what efforts an applicant before us is making, who is trying to go forward with some form of construction, new or expansion, what effort those applicants have made with local community people.

It's obviously some difference of opinion here how expansive that effort was or how sensitive or how outreaching that effort was.

But I hear at least from one community witness, Ms. Blakeney, that that group of Crockett citizens that apparently invested a lot of their personal time in trying to watch this, after spending some of it, quite a few years on it, came to the conclusion by a majority vote, as I recall her saying of 16 to 9, that they should accept this deal.

She didn't claim they were jumping up and down out of their chairs. She claimed on balance 16 out of the 25 voting seemed to think this was on balance a pretty good deal for the community.

I hope I'm phrasing that correctly and characterizing accurately.

If there were no community support for this and everybody came in and opposed it, produced a lot more questions here, that's a very valuable thing.

Then the questions of whether there's any environmental harm coming out of this, I really think
there's some difference of opinion as the interpretation of what air contaminants are going to be produced here and what the potential for harm of those are and what the value of the offsets in the region is. Those are issues that always come up before this Commission on various matters.

And then there's the not insignificant issue of 1.3 million people being unemployed in this state, most of them going day to day in a sense of desperation without being able to provide for themselves or their families.

Those of us in our line of work have talked to quite a few of those people in the last several years, and that has to be a factor in our thinking.

Now, my point of view on this is that from everything I've heard, and incidentally I went down there and I walked all around and I didn't go down toured by the company executives and so on, I went down with our own staff and I asked a lot of questions and I walked around.

I heard one comment from one of the witnesses on noise, incidentally. And I was there when a few trains went by. And I guess you can get used to the noise of those trains, but it seemed like some pretty good noise, I suppose as compared to whatever may be emitted from this cogeneration plant.

But I walked all around trying to see it from the angle of the property owners nearby who might be prejudiced...
by this and their view blocked and I had the charts and
where the height of it was.

And in these things not everybody is accepted or
is treated in a very perfect way.

So you try to take all this evidence and try to
say what is fair and what is reasonably balanced for this
thing.

I come down on the side of applicant in this thing
and I intend to vote yes if there is someone to make a
motion on this Commission, because I think that the effort
has been made to work with the community.

I don't treat some of the conditions I've read,
which are fairly generous by any objective standard, don't
treat them as insignificant.

I treat the issue of jobs as very important.

And I think the environmental considerations have
been reasonably addressed.

That's why I'm going to vote yes on this.

Either of the other Commissioners want to address
this?

Do I hear a motion?

COMMISSIONER DAVIS: I'll make a motion to approve
the project and I would like to speak to it.

CHAIRMAN McCARTHY: All right. Motion is on the
table.
COMMISSIONER KOLODNEY: Second.

CHAIRMAN McCARTHY: Seconded by Commissioner Kolodney.

Commissioner Davis.

COMMISSIONER DAVIS: I think those of you who have been to these meetings know that I'm as vigorous a voice for the environment as any member and actually have been voted down on some recent occasions.

But I'm also the head of the Franchise Tax Board and I see what's happened to revenues. I've seen what's happened to employment in this state.

And this may not be a perfect project. I don't think anyone is suggesting it is.

But there does seem to be -- there does seem to have been a lot of work by a lot of people to try and make this project fit within the needs and the parameters of Crockett and the surrounding communities.

And I just want to share a story with you. I was back in New York in April with Kathleen Brown and the Finance director and the rating agencies were giving California a very hard time.

They said, you know, you elected officials in California think everything has to be milk and honey, that there's never any hard time.

They said in the Midwest in the '80s revenue
dropped and no one issued IOUs.

In the Southwest in the late '80s revenue dropped and no one issued IOUs.

In California revenue is still going up, barely, but it's going up, and you guys are just throwing up your hands, you can't manage the state, it's too tough for you. We want to see you prove you can manage in hard times.

We're living in very difficult times. These are very tough choices. Nobody wants to put anything next to anyone that can create any living person any harm.

On the other hand, that has to be balanced with the right of other people to earn a living, pursue their Constitutional right of happiness. In so doing they generate taxes. That affects everything we do.

I believe this is a project that warrants my support for those reasons and some others I don't have time to articulate, but I'd be happy to elaborate on privately if anyone wants to be specific.

CHAIRMAN McCARTHY: All right.

By unanimous vote the Commission approves Item 6 and 7.

The Commission meeting is concluded.

(Thereupon the meeting was adjourned at 2:55 p.m.)
CERTIFICATE OF SHORTHAND REPORTER

I, JANET H. NICOL, a Certified Shorthand Reporter of the State of California, do hereby certify that I am a disinterested person herein; that I reported the foregoing meeting in shorthand writing; that I thereafter caused my shorthand writing to be transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of August 1993.

Janet H. Nicol
Certified Shorthand Reporter
License Number 9764