State of California

Memorandum

DOCKET
01-AFC-20
DATE JUL 31 2006
RECD. JUL 31 2006

The Resources Agency of California

To: Vice-Chair Boyd
Commissioner Geesman
Hearing Officer Gary Fay

July 31, 2006

From **Bill Pfanner**
California Energy Commission
1516 Ninth Street
Sacramento CA 95814-5512

Telephone: (916) 654-4206

Subject: **Proposed List of Additional Information Needed to Bring the Avenal Energy Project Application for Certification Up to Date**

On October 9, 2002, one month after staff issued its Preliminary Staff Assessment, the representatives for the Avenal Energy Project requested the project be suspended for six months. That request and three subsequent requests for one-year suspensions were granted. On May 19, 2006, Federal Power Avenal, LLC (applicant) filed a Notice of Intent to Complete Permitting and Opposition to Committee Proposed Order to Terminate the Application for Certification. On May 24, 2006, the Commission directed the Committee overseeing review of the Avenal Energy Project Application for Certification (Committee) to prepare a draft order for the Commission identifying the information the applicant would be required to provide by September 24, 2006, to avoid automatic termination of project review on that date. The Committee was also directed to coordinate this task with both applicant and staff. Applicant agreed to provide an initial listing of items requiring updating, to which staff would add additional items it deemed necessary to recommence review of the proposed project.

On July 7, 2006, the applicant submitted to the Energy Commission a summary of their anticipated updates to the AFC on the Avenal project. Staff reviewed the applicant's Table -1, Summary of Anticipated Updates to the Application for Certification (AFC) of the Avenal Energy Project and added to this list those items staff has determined require updating before analysis of the proposed project can recommence. Applicant reviewed staff's additions and, with the inclusion of some small changes which staff has incorporated, agrees that this list reflects what they will include in their submittal. This combined list is included here as an attachment and staff proposes that it be included in the order directing applicant to file a complete update package by September 24, 2006.

Once staff receives the complete update package, we will review the submittal for completeness and provide the Commission with our determination within 30 days of filing. Staff would require 5 hardcopies and 1 electronic copy of this initial submittal for internal review. Once the submittal is determined to be complete, an additional 45 hardcopies and 45 electronic copies will be needed for distribution, with staff reserving the right to request additional copies, if necessary.

The applicant had originally suggested providing a package that would supplement the AFC it filed in 2001, with the new package referring to areas in the old AFC that are still valid. Staff is concerned that this approach of utilizing the old and the new document concurrently will be confusing for the public, for those needing to analyze the project, and when establishing the evidentiary record. Therefore, it is imperative that the applicant's submittal take the form of an all-inclusive supplement that does not depend on reference to a separate version of the 2001 AFC. A redline/strikeout version of the old AFC identifying which information is no longer current and inserting updated information would be satisfactory and technically feasible.

LIST OF ADDITIONAL INFORMATION NEEDED TO BRING THE AVENAL ENERGY PROJECT APPLICATION FOR CERTIFICATION UP TO DATE

AFC SECTION	UPDATE PROPOSED BY APPLICANT	APPLICANT'S COMMENTS	ADDITIONAL INFORMATION NEEDS IDENTIFIED BY STAFF
		General	
Various	Editorial changes to reflect Federal Power Avenal, LLC as new name of project proponent.	Change throughout document	
6.1 to 6.17	Agency contact information	Check and update all agency contact names and phone numbers	
6.2 to 6.14	Refresh cumulative impact assessment	Review based on updated projection of potential cumulative projects .	
Various Sections in Chapter 6.0	Update environmental setting descriptions and impact assessments to reflect proposed use of previous "Alternative Route B" for transmission system interconnection	Baseline inventories to be performed along the interconnection alignment	
Various	Integrate applicable data adequacy responses into AFC	--	
		1.0 Executive Summary	
1.3	Project schedule	Including Figure 1.3-1	
1.4	Project ownership description	Updated description of Federal Power Avenal, LLC corporate structure	
1.8	Update environmental considerations to reflect changes to other AFC sections		
		2.0 Project Description and Engineering	
2.1.2	Surrounding land ownership	Update accompanying Appendix 1-1 also. New search of tax assessor records will be performed to assure information is current.	
2.3	Update to reflect: • Proposed use of previous "Alternative Route B" for transmission system interconnection • Current status of water supply negotiations	Alternative Route B to be removed from the alternatives analysis and presented as the proposed interconnection route	A detailed description of the design, construction, and operation of any electric transmission facilities, such as power lines, substations, switchyards, or other transmission equipment, that will be constructed or modified to transmit electrical power from the proposed power plant to the load centers to be served by the facility as described in the PG&E Facilities Study. Such

			description shall include the width of rights of way and the physical and electrical characteristics of electrical transmission facilities such as towers, conductors, and insulators. This description shall include power load flow diagrams which demonstrate conformance or nonconformance with utility reliability and planning criteria at the time the facility is expected to be placed in operation and five years thereafter as described in the PG&E Facilities Study.
2.4	Proposed use of previous "Alternative Route B" for transmission system interconnection		Detailed descriptions, drawings and one-line diagrams of the new interconnection facilities and terminations to the existing grid as described in the PG&E Facilities Study (including preliminary environmental impacts for the previous "Alternative Route B" if necessary). Submit the Supplemental System Impact Study (SIS), versions one and two, previously completed for the previous "Alternative Route B." If the studies submitted are not based on 2009 system conditions (to conform to changed on-line date) the applicant must provide review letters from PG&E and the CA ISO verifying the validity of the SIS or FS for 2009 system conditions.
2.5.5	Permit Schedule	Update with agency input	
		5.0 Alternatives Analysis	
5.4	Cooling alternatives	Update in context of changes to LORS including developments in Energy Commission policies for fresh water use	Evaluate all alternative water sources and cooling systems in accordance with current water use policy which prohibits the use of fresh inland water for power plant cooling except in the limited circumstance where it is demonstrated that the use of other water supply sources or methods of cooling would be environmentally undesirable or economically unsound. Include a thorough analysis of the feasibility/availability of dry cooling and recycled water options, including agricultural irrigation return water.
5.4.1.2	Available wastewater quantities	Table 5.4-1 should be checked, and updated if needed to provide current information	
5.5	Transmission line alternatives	Previously proposed route exiting the south side of the property to be incorporated as an alternative. Previous Alternative Route B to be removed from the alternatives analysis.	
		6.0 Environmental Information	
6.1	Update projects with potential for cumulative impacts	Include updated schedules for projects with potential cumulative impacts	
6.2 Air Quality	Environmental Setting	Update environmental setting to reflect most recent air quality data and latest LORS	Environmental Setting – Baseline descriptions must include most up-to-date status of attainment, emission inventory, and ambient conditions for calculation of

			impacts. Regional atmospheric studies or an updated emission inventory and ambient conditions must be used in the formulation of appropriate inter-pollutant trading ratios for offsets.
	Best Available Control Technology	Update Best Available Control Technology (BACT) analysis	Direct and Cumulative Impacts – If there have been any changes to source characteristics since 2001, ambient background conditions, or cumulative sources (within a 6-mile radius), applicant must remodel and recalculate project impacts. BACT – If NOx and VOC levels have not been updated to ensure consistency with current BACT requirements, include discussion explaining why this was not done.
	San Joaquin Valley Air Pollution Control District (SJVAPCD) application package	Application reflecting revised background air quality data, BACT analysis, and other LORS will trigger a new Preliminary Determination of Compliance and public comment period	San Joaquin Valley Air Pollution Control District (SJVAPCD) Application Package –Applicant must submit all information necessary for the SJVAPCD to complete a Determination of Compliance, verification that permitting fees have been paid, and that SJVAPCD has determined that the application is complete.
	Emissions offset package	Review emissions offset package in the context of current LORS and update as needed	Emissions Offset Package – If the applicant proposes to use pre-1990 offsets, include discussion of whether such offsets are consistent with U.S. EPA recommendations for Reasonably Available Control Technology (RACT) - adjustment. If the applicant is proposing inter-pollutant trading of offsets, offset calculations must be updated to include current regional emissions and ambient conditions. Response to U.S. EPA Comments – Discuss what changes have been made to the proposed project to respond to comments made by U.S. EPA regarding the use of pre-1990 offsets, the proposed use of interpollutant trading, and the BACT analysis. If changes were not made in each of these areas, please explain why.
6.4.1 Agriculture and Soils	Current agricultural crops and irrigation systems	Field check current crops, and update section if needed	Update legible maps of the areas potentially affected by the project (including the previous "Alternative Route B" transmission line route), including map and written descriptions of agricultural land uses found within all areas affected by the proposed project. Discuss the irrigation and cultivation activity during the last five years for any affected agricultural lands, and any plans to mitigate for the land conversion.
6.5 Water Resources	Update to reflect current status of water supply negotiations	Extent of required updates may depend, in part, on results of evaluations changed LORS. Also, minor update needed to storm water NPDES Notice of Intent forms in	

		Appendix 6.5-1.	
6.5.1.1	San Luis Canal water quality	Provide recent water quality analysis results	
6.5.1.3	Groundwater contour maps	More recent water contours are likely to be available from the water district to update Figures 6.5-6, 6.5-7, 6.5-8 and accompanying Appendix 6.5-2	
6.5.1.4	CEC policy developments on use of fresh water for cooling	Fresh water use policy developments have occurred since the AFC was prepared	Include a discussion of how applicant will comply with Energy Commission policy which prohibits the use of fresh inland water for power plant cooling except in the limited circumstance where it is demonstrated that the use of other water supply sources or methods of cooling would be environmentally undesirable or economically unsound.
6.5.2.2.1	Update to reflect current status of water supply negotiations	Need for new will-serve letter in Appendix 6.5-3 to be addressed	
6.6 Biological Resources	Update to reflect: • Refreshed contact with USFWS regarding Kit Fox mitigation • Updated NDDB search • Confirmatory biology field recon.	Confirm mitigation plan for Kit Fox meets current USFWS requirements	Update surveys of proposed site. If the new preferred interconnection route (formerly Alternative Route B) was not previously surveyed for sensitive species by a suitably trained biologist during the proper time of year, please provide a schedule for when this field survey work will be completed and the results provided. Update the Biological Assessment (BA) and submit a copy to USFWS. Provide an anticipated schedule for completion of the Biological Opinion (BO).
6.7 Cultural Resources	Refresh with Cultural field recon	Confirm absence of significant resources	State whether there have been any cultural resources identified by additional field surveys in the project area that are more recent than the surveys completed for the project approximately five years ago. Provide statement confirming that the California Historical Information System has been contacted for an updated literature search for the project area and proposed transmission route. Obtain a current list of Native American Contacts from the Native American Heritage Commission, and provide a statement confirming that all Native American contacts on the list have been informed of this project. Evaluate the PG&E Gates-Arco 230-kV transmission line's eligibility for the California Register of Historical Resources (CRHR), or justify the absence of need for such evaluation. The evaluation or justification must be performed by a person who meets the Secretary of Interior's standards in architectural history.
6.9 Land Use	Field or aerial photo recon to confirm no change to Figure 6.9-2		Update the AFC's discussion of existing site conditions, expected direct, indirect, and cumulative impacts due to construction, including a discussion of existing land uses

			and current zoning (including use of the previous "Alternative Route B" transmission line route), and mitigation measures proposed. Update legible maps of the areas potentially affected by the project. Provide updated information in sufficient detail for staff to determine consistency with Chapter 17 of the City of Avenal Zoning Ordinance in the areas of landscaping, fencing, lighting and signage.
6.10 Socioeco-nomics	Update socioeconomic statistics	Tables 6.10-5 through 6.10-11, 6.10-13 and 6.10-14.	
6.11.1.2 Traffic and Transportation	Update section to reflect: • Recent Caltrans traffic counts where available • Updated projected traffic counts w/out Avenal Energy • Field recon of local setting to verify continued presence of traffic geometric constraints	Previous field traffic counts to be updated using growth factors where updated Caltrans counts are not available Table 6.11-4 and Appendix 6-11	Update existing site conditions, expected direct, indirect, and cumulative traffic impacts due to construction, operation and maintenance of the project, including use of the previous "Alternative Route B" transmission line route. Discuss any school bus routes within 5 miles of the project site. Also discuss new aviation facilities, if any, that have been established within 5 miles of the site since 2001.
6.11.2 Traffic and Transportatio n	Update LOS impact evaluation using new traffic projections		
6.13 Visual Resources	[The applicant did not propose any updates]		Update photo simulations and discussion of existing site conditions, expected direct, indirect, and cumulative visual impacts due to construction, operation and maintenance of the project (including use of the previous "Alternative Route B" transmission line route), and mitigation measures proposed. Update the assessment of the visual impact of the project based on changes in the area or project since the original AFC was filed (including use of the previous "Alternative Route B" transmission line route).
6.14 Waste Management	Update waste disposal facility information including capacities, current operations rates, and compliance status	--	
6.15.2.2.11	Update SPCC regulatory citations to reflect revised regulations	--	

Hazardous Materials			
6.16 Public Health	Field recon local area to confirm no residences or sensitive receptors have been built nearby since the AFC was submitted.	Including update of Figure 6.16-2	Update the Public Health analysis to reflect any changes that have occurred.
6.17 Worker Safety			
6.18 Transmission Line Safety and Nuisance	Revise to reflect proposed use of previous "Alternative Route B" for transmission system interconnection	Also need system impact study (Appendix 6.18-2).	Update the Transmission Line Safety and Nuisance analysis to focus on the potential impacts of using the previous "Alternative Route B" transmission line route.