

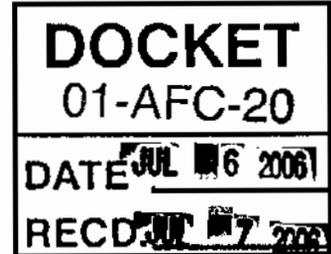


July 6, 2006

Project No. 29031701

Mr. Bill Pfanner
California Energy Commission
1516 Ninth Street
Sacramento, California 95814-5512

Via e-mail and Federal Express



Anticipated Updates to the Avenal Energy Project
Application for Certification

Dear Mr. Pfanner:

Thank you for taking the time for our conference call last week to discuss the Avenal Energy project. In follow-up to our discussion, and on behalf of Federal Energy Avenal, LLC, the attached Table 1 itemizes the information in the Avenal Energy Application for Certification (AFC) that we anticipate will need to be updated to resume AFC processing. For each item, the applicable AFC section (or sections) is indicated. Clarifying comments are included where appropriate. Appendices that will need to be updated are identified within the clarifying comments.

In general, most of the project description, environmental setting, and impact assessment information in the AFC is still valid and reflective of current conditions and the current project proposal. The items that need to be updated are relatively minor in the context of the overall AFC. Most of the items on the attached table are intended only to freshen the documentation as opposed to providing important new information. However, there are also a couple of important changes, including a new alignment for the transmission line interconnection and recent developments in some important LORS for air and water resources.

We look forward to your input on the attachment and to working with you on this important project.

If you have questions, please feel free to call me or Steve Gilliland.

Sincerely,

TRC

Joseph L. Stenger, P.G., R.E.A.
Project Director

JLS/SR:rm
Attachment

cc: Steve Gilliland, Federal Energy Avenal, LLC
Gary Rubenstein, Sierra Research
Eric Walther, Sierra Research

TABLE 1

**SUMMARY OF ANTICIPATED UPDATES
APPLICATION FOR CERTIFICATION
AVENAL ENERGY PROJECT**

AFC SECTION	ANTICIPATED UPDATE	COMMENTS
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: <ul style="list-style-type: none"> • 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.
2.4	Proposed use of previous "Alternative Route B" for transmission system interconnection	--
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 CEC policies for fresh water use
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.

TABLE 1
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AVENAL ENERGY PROJECT
(Continued)

AFC SECTION	ANTICIPATED UPDATE	COMMENTS
6.0 Environmental Information		
6.1	Update projects with potential for cumulative impacts	Include updated schedules for projects with potential cumulative impacts
6.2	Environmental Setting	Update environmental setting to reflect most recent air quality data and latest LORS
	Best Available Control Technology	Update BACT analysis
	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
	Emissions offset package	Review emissions offset package in the context of current LORS and update as needed
6.4.1	Current agricultural crops and irrigation systems	Field check current crops, and update section if needed
6.5	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
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	Update to reflect: <ul style="list-style-type: none"> • 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
6.7	Refresh with Cultural field recon	Confirm absence of significant resources
6.9	Field or aerial photo recon to confirm no change to Figure 6.9-2	--
6.10	Update socioeconomic statistics	Tables 6.10-5 through 6.10-11, 6.10-13 and 6.10-14.
6.11.1.2	Update section to reflect: <ul style="list-style-type: none"> • 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

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(Continued)

AFC SECTION	ANTICIPATED UPDATE	COMMENTS
6.0 Environmental Information (Continued)		
6.11.2	Update LOS impact evaluation using new traffic projections	Table 6.11-4 and Appendix 6-11
6.14	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	--
6.16	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
6.17	Revise to reflect proposed use of previous "Alternative Route B" for transmission system interconnection	Also need system impact study (Appendix 6.18-2).