

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



<b>DOCKET</b>	
<b>06-AFC-5</b>	
DATE	JUL 0 2 2007
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July 2, 2007

Dear Librarian:

**DOCUMENT HANDLING FOR THE PANOCHE ENERGY CENTER (06-AFC-5)**

The enclosed Preliminary Staff Assessment (PSA) contains the California Energy Commission staff's initial engineering and environmental evaluation of the Panoche Energy Center. Please make this PSA available for those who may wish to be informed about the project. We request that you not allow the PSA or any of its contents to be removed from the library. To increase accessibility of the document, we ask, if possible, that you cross reference it as a general reference work under the title and author categories, as well as under such subjects as "Energy Commission," "electricity energy/generation," "power plant siting," or any other relevant subject. Please retain the enclosed letter to the public behind the front cover of the PSA.

The Energy Commission's siting process is open to the public and incorporates the input of the public as well as local, state and federal agencies. To facilitate public participation in our review process, the Commission distributes copies of staff documents such as the PSA to public libraries in communities near the proposed project and in major cities throughout the state.

Thank you for your cooperation. If you have any questions, please contact James W. Reede, Jr., Ed.D, Project Manager, at (916) 653-1245, or by e-mail at: [jreede@energy.state.ca.us](mailto:jreede@energy.state.ca.us)

Sincerely,

  
Roger E. Johnson  
Siting and Compliance Office Manager

Enclosure

**CALIFORNIA ENERGY COMMISSION**

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July 2, 2007

**To: MEMBERS OF THE PUBLIC**

**PUBLIC PARTICIPATION IN THE REVIEW OF PANOCHÉ ENERGY CENTER PRELIMINARY STAFF ASSESSMENT**

The enclosed Preliminary Staff Assessment (PSA) contains the California Energy Commission staff's initial engineering and environmental evaluation of the Panoche Energy Center (PEC).

In summary this PSA finds that:

- The project is in conformance with all Laws, Ordinances, Regulations and Standards (LORS) with the exception of land use consistency with the Fresno County General Plan zoning and proposed water supply consistency with State Water policy 75-58.
- Staff is unable to conclude that the proposed project is consistent with the Fresno County General Plan for industrial uses on a parcel that is zoned Exclusive Agriculture AE-20. Staff will continue to work with the Fresno County Planning staff to resolve this issue.
- The project as proposed will have significant direct, indirect, and cumulative environmental impacts on water resources. Staff has determined that there appears to be feasible alternatives that would avoid or minimize the significant impacts. The applicant has not yet agreed to implementation of any of the avoidance or minimization alternatives. These impacts will be further addressed in the FSA.
- With the proposed conditions of certification included in the various technical areas, the project's construction and operation impacts can be mitigated to a level less than significant.

On August 2, 2006, Energy Investors Fund, LLC, submitted an Application for Certification (AFC) to construct and operate a simple-cycle power plant, the Panoche Energy Center (PEC), in an unincorporated area of western Fresno County. On November 8, 2006, the Energy Commission accepted the AFC as complete, which initiated Energy Commission staff's independent review of the proposed project.

The project area is located in an unincorporated area of western Fresno County, adjacent to the Panoche Hills. The site is approximately 12 miles southwest of the city of Mendota, 16 miles south-southwest of the city of Firebaugh and approximately 2 miles east of Interstate 5, adjacent to the Pacific Gas & Electric (PG&E) existing Panoche Substation. The proposed site and substation are located south of West Panoche Road.

The facility site will be located on a 12.8-acre site within a 128-acre parcel. The construction laydown area, including laydown and parking, consists of an 8-acre portion of the 128-acre parcel immediately south of the 12.8-acre plant site. The plant site and construction area are leased by the applicant from the property owners. The 128-acre parcel is currently in agricultural

production with pomegranate trees. Offsite improvements associated with the project include a 400-foot paved, 24-foot wide access road south of West Panoche Road to the plant site. A new project-related activity is PG&E's planned expansion of its Panoche Substation by approximately 2.2 acres south of the existing substation boundary.

The PEC would be a nominal 400 megawatt (MW) simple-cycle power plant consisting of four General Electric LMS100 natural gas-fired combustion turbine generators (CTG) and associated equipment. The PEC is designed as a peaking facility to meet electric generation load during periods of high demand, which generally occur during daytime hours, and more frequently during the summer portions of the year. The project is expected to have an annual capacity factor of approximately 57 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

Associated equipment will include emission control systems necessary to meet the applicant's proposed emission limits. Nitrogen oxide (NO<sub>x</sub>) emissions will be controlled at the power plant's stack by a combination of Ultra Low NO<sub>x</sub> combustors in the CTGs and a selective catalytic reduction system using aqueous ammonia. An oxidation catalyst will be installed to limit stack carbon monoxide (CO) emissions.

Process water for the cooling towers and other non-potable water uses are proposed to be supplied to the PEC from two new groundwater wells drilled onsite into the Westside Sub-basin of the San Joaquin Valley Groundwater Basin. These wells would draw from a fresh water aquifer. These wells would also supply facility showers, sinks, toilets, eye wash stations, and safety showers. Signs would be posted to alert personnel that water drawn from these wells is not for human consumption. Potable water would be supplied to the PEC by a bottled water service. Process wastewater will be disposed of using a deep well injection system. The construction phase will have portable toilets with weekly servicing. During the operational phase sanitary wastes will be directed to a septic system and leach field designed to treat the sanitary flow from the administration and control building and restrooms.

The PEC will connect to the electrical transmission system via a new 230-kilovolt (kV) line that will run 300 feet from the project site to the adjacent PG&E Panoche Substation.

Natural gas will be delivered to the site via a new 2,400-foot high-pressure, lateral pipeline that would connect to a PG&E high-pressure gas trunk line located east of PG&E's electrical substation. This pipeline would connect with the project on the eastern side of the site at a new gas metering station. At the plant site, the natural gas will pass through a flow-metering station, gas scrubber/filtering equipment, a gas pressure control station, electric-driven booster compressors (when required), and a fuel gas heater prior to entering the combustion turbines.

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for construction and operation of thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines and natural gas and water pipelines. The Energy Commission is the lead agency under the

California Environmental Quality Act (CEQA), but produces several environmental and decision documents rather than an Environmental Impact Report.

The Energy Commission will conduct a publicly noticed workshop to discuss the PSA on July 24, 2007, in Mendota. The workshop will be separately noticed. Based on the workshop, comments received on the PSA, and additional information that will be gathered, we will revise the PSA and issue a Final Staff Assessment. The public and local, state and federal agencies are encouraged to participate. Written comments should be provided to James W. Reede, Jr., Ed.D, Project Manager, by July 30, 2007, at the address on this letterhead or by email to [jreede@energy.state.ca.us](mailto:jreede@energy.state.ca.us).

If you desire information on participating in the Energy Commission's review of the project, please contact the Energy Commission's Public Adviser Office, at (916) 654-4489 toll free in California at (800) 822-6228, or by email at: [pao@energy.state.ca.us](mailto:pao@energy.state.ca.us). Technical or project schedule questions should be directed to James W. Reede, Jr., Ed.D, Energy Commission Project Manager, at (916) 653-1245, or by email at: [jreede@energy.state.ca.us](mailto:jreede@energy.state.ca.us). The status of the project, copies of notices, and other relevant documents are also available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/panoche>. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989, or by email at: [mediaoffice@energy.state.ca.us](mailto:mediaoffice@energy.state.ca.us).

**Note: Please retain this letter behind the front cover of the PSA. Thank You.**