

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:)
Application for Certification)
for the Panoche Energy Center)
_____)

Docket No. 06-AFC-5

DOCKET	
06-AFC-5	
DATE	MAY 04 2007
RECD.	MAY 07 2007

Applicant's Status Report #2

Panoche Energy Center (PEC) respectfully submits this Status Report, and apologizes for filing this report late. In this Status Report, PEC provides a summary of the major issues.

1. Biological Assessment. The Section 7 draft Biological Assessment regarding the project's potential impact on the San Joaquin kit fox will be submitted to the USEPA on or before May 11, 2007. Formal consultation between USFWS and USEPA will begin when the Biological Assessment is submitted to USFWS.

2. UIC Permit Application. On March 27, 2007 Applicant met with USEPA regarding the UIC permit application. USEPA is currently in the technical review phase of processing the application and did not foresee any issues that would delay issuance of the draft permit.

3. Water Supply. Degraded groundwater within the lower confined aquifer was selected to meet the PEC process water needs based on a comprehensive review of available sources. The water in the proposed confined aquifer is considered to be a degraded water supply in accordance with the CEC definition of degraded water in *surface water, groundwater, treated municipal effluent or industrial process water which is not suitable for potable use because natural or manmade contamination*. Degraded water includes naturally occurring brackish water deemed to be salty for human consumption or irrigation. (CEC 2003, Use of Degraded Water Sources as Cooling Water in Power Plants, P500-03-110)

Further, Applicant submitted three technical memorandums (March 2, 2007 Expanded Evaluation of Water Supply and Wastewater Discharge Alternatives, March 23, 2007 Supplemental Discussion of Water Supply and Wastewater Discharge Alternatives, and April 24, 2007 Water Quality Evaluation Technical Memorandum III) to address any outstanding CEC questions regarding the technical, economic, and environmental feasibility of use of the lower confined aquifer as supply water for the proposed project.

4. Air Permit. The SJUAPCD signed and issued the PEC Preliminary Determination of Compliance (PDOC) on May 4, 2007.

5. Williamson Act. The Fresno County Board of Supervisors unanimously approved the Agricultural Lands Conservation Committee's April 4, 2007 recommendation that the applicant's petition for Williamson Act cancellation be granted. Panoche Energy Center will work with the landowner to ensure that the conditions contained in the Board of Supervisors resolution are met.

6. Project Schedule. Now that the air district has issued its draft Determination of Compliance, Applicant assumes that the project will proceed with the Staff Preliminary Staff Analysis being issued in the first week of June. Applicant requests that Staff incorporate any changes made necessary by comments received as soon as practicable and that a Final Staff Assessment be issued as soon as possible.

Respectfully submitted;

May 4, 2007



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CC: Proof of Service list

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PROOF OF SERVICE

Electronic Filing

CALIFORNIA ENERGY COMMISSION
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DECLARATION OF SERVICE

I, Allan J Thompson, hereby declare that on May 4, 2007, I deposited a single copy of the attached Applicant's Status Report #2, in the United States mail at Orinda, California with first-class postage thereon fully prepaid and addressed to the California energy Commission Docket Office.

I additionally declare that on May 4, 2007 I sent an electronic copy of Applicant's Status Report #2 to all those identified on the above Proof of Service.

I declare under penalty of perjury that the foregoing is true and correct.

May 4, 2007
Date



Allan J. Thompson