

**CALIFORNIA ENERGY COMMISSION**1516 NINTH STREET  
SACRAMENTO, CA 95814-5512

September 14, 2007

<b>DOCKET</b>	
<b>06-AFC-5</b>	
<b>DATE</b>	SEP 14 2007
<b>RECD.</b>	SEP 14 2007

TO: AGENCY DISTRIBUTION LIST

**REQUEST FOR AGENCY COMMENTS ON THE FINAL STAFF ASSESSMENT FOR THE PANOCHÉ ENERGY CENTER (06-AFC-5)**

On August 2, 2006, Energy Investors Fund, LLC, submitted an Application for Certification (AFC) to construct and operate a 400 megawatt (MW) simple-cycle power plant, the Panoche Energy Center, in an unincorporated area of western Fresno County. The facility site will be located on a 12.8-acre site within a 128-acre parcel. 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.

In summary this Final Staff Assessment (FSA) finds that:

- The project is in conformance with all Laws, Ordinances, Regulations and Standards (LORS) with the exception of proposed water supply consistency with State Water policy 75-58.
- The project as proposed would use fresh water resources. Staff has determined that there appears to be feasible alternatives that would avoid or minimize the impacts. The applicant has not yet agreed to implementation of any of the avoidance or minimization alternatives. These impacts are 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.

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 FSA contains the California Energy Commission staff's final environmental and engineering evaluation of the Panoche Energy Center and will serve as staff's testimony during evidentiary hearings.

The Energy Commission Committee assigned to the PEC proceedings will consider and weigh the testimony or comments or recommendations of all interested parties, including Energy Commission staff, the applicant, intervenors, public, and other local, state, and federal agencies, before issuing the Presiding Member's Proposed Decision (PMPD) for

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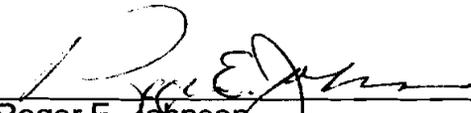
consideration by the full Energy Commission. The public, intervenors, local, state and federal agencies are encouraged to participate in these hearings. The Energy Commission will issue notices at least ten days prior to any scheduled hearings. If you are not currently receiving these notices and want to be placed on the mailing list, please contact Dora Gomez, Project Secretary, at (916) 653-1640.

#### **AGENCY PARTICIPATION**

Your agency is encouraged to participate and assist in ensuring that all technical areas of interest to your agency have been adequately addressed. We request that you review the enclosed FSA for the areas for which your agency would normally be responsible except for the Energy Commission's permitting authority. Please provide any written comments to James W. Reede, Jr., Ed.D, Project Manager, by **October 5, 2007**. Staff will address any information gathered and comments received on the FSA as appropriate in supplemental testimony prior to evidentiary hearings. You may also present your comments at the upcoming hearings.

If you have questions or would like additional information on how to participate in the Energy Commission's review of the project, please contact Dr. Reede at (916) 653-1245, or by e-mail at [jreede@energy.state.ca.us](mailto:jreede@energy.state.ca.us). The FSA, information on the status of the project, copies of notices, and other relevant documents are available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/panoche>

Sincerely,

  
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Roger E. Johnson  
Siting and Compliance Office Manager

Enclosure