


CALIFORNIA ENERGY COMMISSION

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**NOTICE OF RECEIPT
OF AN APPLICATION FOR CERTIFICATION
FOR THE AVENAL ENERGY PROJECT (08-AFC-1)**

DOCKED 08-AFC-1	
DATE	FEB 28 2008
RECD.	FEB 29 2008

On February 21, 2008, Avenal Power Center, LLC (Avenal Power) filed an Application for Certification (AFC) for the Avenal Energy project (Avenal Energy). Avenal Power, a wholly-owned subsidiary of Macquarie Energy North America Trading Inc., is seeking Energy Commission approval to construct and operate a combined-cycle power plant in the City of Avenal in Kings County under the Energy Commission's standard 12-month power plant licensing process.

Project Description

Avenal Energy would be a 600-megawatt (MW) merchant power plant in the City of Avenal in Kings County, providing electrical reliability for local and Central San Joaquin Valley loads. The proposed project site is located in the agricultural region of the southwestern San Joaquin Valley. The project would be built on 25 acres of a 148-acre site just south of the Fresno County line, and about two miles east of Interstate 5. Although the proposed project is within City of Avenal town limits in an area zoned for industrial use, it is located approximately 6 miles from the city's residential and commercial districts. Current land use at the project site is irrigated agriculture, as is the surrounding land use.

Avenal Energy would be a combined-cycle generating plant consisting of two natural gas-fired General Electric 7FA gas turbines with heat recovery steam generators (HRSG) and one General Electric steam turbine. Natural gas would be provided via a 2.5-mile, 20-inch underground pipeline interconnection to the Pacific Gas and Electric (PG&E) natural gas pipeline transmission system at the Kettleman compressor station. The plant would use a dry cooling process to minimize water consumption. The City of Avenal would provide raw water for industrial uses to the proposed project from the city's turnout on the San Luis Canal. Groundwater from three local wells would provide a back-up water source to the project via two separate pipelines, totaling less than 1.4-miles. The proposed project would recycle water to the maximum extent possible through the use of a zero liquid discharge system which would eliminate waste water discharge. The proposed project would be connected to the PG&E transmission grid via a 6.4-mile single-circuit 230 kV transmission line, traversing agricultural land to the PG&E Gates substation in Fresno County. Although the electrical transmission line and natural gas pipeline interconnection points are respectively only 4.5-miles and 1.3-miles from the proposed project site in a straight line, the proposed routes for these linear facilities are longer to utilize existing utility corridors and avoid and/or minimize potential environmental impacts.

If approved, Avenal Power plans to begin construction in April of 2010, with commercial operation beginning June 1, 2012. Total capital investment is estimated to be \$530 million. The construction work force would average 320 people over a 27-month period. Avenal Energy would employ 25 people when complete.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications to construct and operate thermal electric power plants, 50 MW and greater, 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 it produces several environmental and decision documents rather than an Environmental Impact Report.

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are addressed in the final decision of the California Energy Commission. The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. When the AFC is deemed data adequate, we will begin the data discovery and issue analysis phases. At that time, a detailed examination of the issues will occur.

Public Participation

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings to determine whether the proposed project should be approved for construction and operation and under what set of conditions. The workshops will provide the public as well as local, state and federal agencies the opportunity to participate in reviewing the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting.

Please direct your technical or project schedule questions to Christopher Meyer, Energy Commission Project Manager, at (916) 653-1639, or by email at cmeyer@energy.state.ca.us. If you desire information on participating in the Energy Commission's review of the proposed project, please contact the Energy Commission's Public Adviser's Office, at (916) 654-4489, or toll free in California at (800) 822-6228, or by email at pao@energy.state.ca.us. If you require special accommodations, please contact Lourdes Quiroz at (916) 654-5146. News media inquiries should be directed to Assistant Director, Susanne Garfield-Jones, at (916) 654-4989, or by email at mediaoffice@energy.state.ca.us. The status of the proposed project, copies of notices, an electronic version of the AFC, and other relevant documents are also available on the Energy Commission's Internet web site at: <http://www.energy.ca.gov/sitingcases/avenal>. You can also subscribe to receive email notification of all notices at <http://www.energy.ca.gov/listservers>.

This notice of receipt has been mailed to all parties that requested placement on the mailing list during the pre-filing period and to property owners located within 1000 feet of the proposed project site or 500 feet of any linear facilities. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the proposed project's evaluation are available for review. If you want your name removed from the mailing list, please contact Angela Hockaday, Project Secretary, at (916) 654-3925, or by email at ahockada@energy.state.ca.us.