

**RESPONSES TO SOCIOECONOMICS QUESTIONS
FROM CEC STAFF
AVENAL ENERGY AFC**

Question: Does the number of construction workers in Table 6.10-11 include construction workers for linear facilities?

Response

The number of construction workers in Table 6.10-11 of the AFC does not specifically include construction for linear facilities, but the number of workers that will be needed for construction of the linear facilities is very small compared to the number of workers that will be required to construct the plant and included in the table. In addition, the construction schedule for the linear facilities will not coincide with peak plant construction activities, so the peak number of construction workers addressed in the AFC is representative. Because the construction of the linear facilities will occur over a short period of time compared to the 27 month construction schedule for the plant, and because the number of workers for the linear facilities is small, there would not be a significant difference in the average number of workers or payroll if the workers for the linear facilities were added. To demonstrate these points, the attached graph and table provide the construction workforce plan with the staffing for linear facilities shown separately.

Question: What is the year of the dollar used for the cost estimates?

Response

The project cost estimate is in 3rd quarter 2007 dollars with no escalation.

Question: What is included in the “project cost” (i.e., the \$530 million project cost identified in the AFC)?

Response

The \$530 project cost is for the power plant. Although the linear facilities are not included in the cost estimate, the cost of the linear facilities is very small compared to the power plant and the contingency included in the estimate is sufficient to cover the expected cost associated with the linear facilities using conservative budgetary estimates. Avenal Power Center, LLC expects the cost of the linear facilities to be less than 3% of the total project cost.

Question: What is the commuting distance is used for construction and operations workers?

Response

Due to the sparse population distribution throughout this region of California, the anticipated worker commuting logic was developed based on proximity to worker populations rather than a specific maximum commute time. Based on the sizes and locations of the regional population centers, the construction workforce is expected to commute primarily from within the Kings, Fresno, Tulare and Kern counties. The Fresno and Bakersfield metropolitan areas (located in Fresno and Kern Counties, respectively) are the only large population centers expected to contribute materially to the construction workforce. Both of these large population centers are less than two hours commute distance from the site, whereas the next closest large population centers have commute times on the order of a few hours or more. There are a number of small population centers in Kings, Fresno, Tulare and Kern counties that, while much smaller than the Fresno and Bakersfield metropolitan areas, are close enough so that a substantial numbers of construction workers are expected to commute from these areas. These small population centers include Avenal, Hanford, Lemoore, Visalia, Tulare, Porterville, Delano, Coalinga, and other relatively small towns in the four-county region. These population centers, while much smaller than Fresno or Bakersfield, are located generally on the order of an hour or less from the project site and, therefore, even though their populations are not large, the number of them and proximity to the site will result in them contributing substantially to the construction workforce. The four-county area is used because there are no major population centers nearby in any other county that could contribute substantial numbers of construction workers, and the smaller population centers that occur in other counties are small enough and far enough away such that they are not expected to contribute substantially to the construction workforce. For the operations workforce, it is expected that workers will reside within Kings, Fresno and Tulare counties with a commute distance typically an hour or less.

Question: Need quantification of the gas franchise fee.

Response

Franchise fee surcharge changes from time to time and is set by agency approved PG&E tariffs. Further, the magnitude of the value of the fee will be dependent on how much the plant operates in a given time period. Thus the continuing value of the gas franchise fee is somewhat indeterminate. However, based on the Pacific Gas and Electric Company Schedule G-SUR-Customer Procured Gas Franchise Fee Surcharge tariff sheet dated January 31, 2008 and a 95% capacity factor on the plant, the fee could be as high as approximately \$2.5 million annually.

Question: Please clarify what secondary benefit multiple from Goldman (2001) was used for secondary benefits.

Response

The secondary benefit multipliers utilized in the AFC were determined by economic modeling for the project performed by George Goldman. The multiplier modeling incorporated Kings, Fresno and Kern counties based on the location of the project in Kings County, and its proximity to Fresno and Kern counties as major sources of materials and labor. Tulare County was not factored into the multiplier model because it is not expected to be a major contributing area for workers or materials.

**Avenal Project
Preliminary Construction Staffing Plan**



