

Memorandum

To: Commissioner Jeffrey D. Byron, Presiding Member
Commissioner Arthur H. Rosenfeld, Associate Member
Siting Committee for the Avenal Energy Project

Date : May 16, 2008
Tel. : (916) 654-4489

From : California Energy Commission; Public Adviser's Office (PAO)

1516 Ninth Street
Sacramento CA 95814-5512

Nick Bartsch, Office and Project Manager
Laura Murphy, Executive Assistant



Subject: PUBLIC ADVISER'S STATUS REPORT ON THE AVENAL ENERGY PROJECT

I. INITIAL SCOPING

A. Project Description

The Avenal Power Center, Limited Liability Corporation (LLC) filed an Application for Certification (AFC) with the California Energy Commission (Energy Commission) to build and operate a 600-megawatt (MW), natural gas-fueled, combined cycle power plant, called the Avenal Energy project. The plant is to be located on 25 acres of a 148-acre parcel zoned for industrial use in a predominantly agricultural area of western Kings County, about two miles east of Interstate 5. Although proposed to be located within the limits of the City of Avenal, the plant would actually be about six miles from the city's commercial and residential districts which are situated mostly west of Interstate 5. Additional information about this project is provided under "Project Summary", below. If approved, the facility is expected to be built by mid-2012 and expected to help meeting the anticipated increase in demand for electricity.

B. Project Summary

- 1. **Project Name:** Avenal Energy Project
- 2. **Docket Number:** 08-AFC-1
- 3. **Owner:** Avenal Power Center, A Limited Liability Corporation (LLC)
- 4. **Components:** These include:
 - a.. Two General Electric 7 FA natural gas-fueled combustion turbines;
 - b. One General Electric 300 MW (nominal) steam turbine;

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- c. Two 145-foot stacks;
- d. CTG mechanical inlet air chillers and air-cooled condensers;
- e. A 20-inch, 2.5-mile long, underground gas pipeline; and
- f. A 6.4-mile, single-circuit, 230 kV transmission line connecting the plant to PG&E's Gates Substation in Fresno County,

C. Description of the Project Area

1. **Regional Setting.** The proposed site is located in a predominantly agricultural region of the southwestern San Joaquin Valley in western Kings County, just south of the Fresno County line, about two miles east of Interstate 5. While the site is within the city limits of Avenal, it is separated from the business and residential districts of the city by Kettleman Hills and about six miles of rolling, open agricultural lands.
2. **The Project Site.** About 25 acres within a 148-acre parcel zoned for industrial use by the City of Avenal because of its relative proximity to Interstate 5, natural gas and water supply. The parcel is surrounded by open range and farmland, as well as by the City of Avenal's potable water treatment facility.

D. Population and Environmental Justice (EJ) Information

1. **What Is Environmental Justice?** The concept behind the term "Environmental Justice" (EJ) is that all people—regardless of color, national origin, race or income—be able to enjoy an equal level of environmental protection. California law (Government Code Section 65040.12 and Public Resources Code Section 72000) defines "EJ" as "...the fair treatment of people of all races, cultures and income with respect to the development, adoption, implementation and enforcement of all environmental laws, regulations and policies. " Under a lengthier, federal (US EPA) definition (that further defines key terms such as "fair treatment" and "meaningful involvement"), EJ is achieved when everyone—regardless of race, culture or income—enjoys the same degree of environmental protection and equal access to the decision-making process to achieve and preserve a healthy environment.
2. **How EJ is Considered at the Energy Commission?** The California Energy Commission provides EJ-related information as part of its analysis of applications for licensing power plants which come under its regulatory jurisdiction. The Energy Commission's EJ approach is consistent with federal and state guidelines. It entails: (1) specific public outreach efforts by the Public Adviser's Office and other Energy Commission staff to notify, inform and involve potentially affected/interested communities and the public—including ethnic and minority groups—in the licensing processes; (2) analysis of the applicable demographics to determine the percentage of minority and low

income population living in a specified area potentially impacted by a project under consideration; and (3) assessing the potential environmental, health and other effects of the proposed project. Consistent with this approach, our initial findings on EJ-related issues for this project are summarized in the following paragraphs.

3. Possible Overstated Population Statistics. The population/EJ-related statistics provided in the following two paragraphs were compiled from the 2000 Census, the latest official census information available. In areas of very low population density, such as this proposed site, census blocks (units used to record and compile population statistics in a given area) tend to be large (in land area) and consequently may extend considerably beyond the one/six-mile radius of the project site. So, the populations reported within such large blocks may include residents living outside the one/six -mile range of the project site, thus overstating the population count for those ranges.

4. One-Mile Radius Around the Project. The large census blocks containing this area did not provide us sufficient information to establish a population count for determining the number of “minority” and “poverty-level” population within a one-mile circle around the site. (See Attachments A and B).

5. Six-Mile Radius Around the Project. Within a six-mile circle around the proposed site, the 2000 Census counted a total population of 331 persons in census blocks used to determine “minority” population. Of that total, 306 people (or 92.4 percent) were identified as “minority”, mostly Hispanic. Checking for population by income levels, the larger census blocks used to count population by income-level within this area, showed that of 4,004 persons counted, 1,237 people (or 30.9 percent) were found to be living below the federally-determined “poverty level.” (Please see Attachments A and B).

II. PREPARATION FOR THE INFORMATION HEARING & SITE VISIT

A. Scoping, Outreach and Publicity Efforts

1. Identifying and Notifying Elected Officials and Sensitive Receptors. We reviewed existing information and conducted our own, extensive outreach efforts to seek out and identify specific local elected/appointed officials and certain entities—called “sensitive receptors”—within a six-mile circle around the proposed site for the project. These entities include schools, community, cultural and health facilities, daycare and senior care centers, as well as community, environmental and ethnic organizations. They are considered “sensitive receptors” because they, and people who use their facilities and services, could potentially be more affected/concerned than others (because of age, health or other factors) about the operation of a power plant. We identified and notified—by letter and enclosed notice—13 specific local officials and 12 “sensitive receptors” of the informational hearing and site visit, to be held in the City of Avenal on May 20, 2008. These “sensitive receptors” (mostly schools) are located in Avenal, but more than six miles from the project site.

2. Availability of Project Application for Public Review. Copies of the detailed application for this project are available for public examination at the local public agencies involved in the review, such as the City of Avenal and the Air Quality Management District for the region. They are also available at the (a) Kings County library branches located in the Cities of Avenal, Hanford, Kettleman City, Lemoore and Stratford; (b) Government Information Center of the State Library and at the Energy Commission library in Sacramento, as well as (c) central public libraries in Eureka, Fresno, Los Angeles, San Diego and San Francisco.

3. Preparation and Distribution of Notice. A bilingual --English and Spanish-- notice (see Attachment C) about the project and the May 20, 2008 public hearing and site visit in the City of Avenal has been prepared, duplicated and distributed with appropriate cover letters by the Public Adviser's Office to the identified local officials and sensitive receptors. In addition, we arranged for a notice to be published in the Community News Section of the May 14, 2008 issue of the *Avenal Chimes*, a weekly newspaper with the highest circulation in the Avenal area. As mentioned above, we also notified, by letter and bilingual notice, 13 elected /appointed officials of Kings County and the City of Avenal, as well as 12 "sensitive receptors" in the Avenal area. Furthermore, we alerted the Native American Heritage Commission, the Sierra Club and Audubon Society, as well as the Kings County Economic Development Corporation about the May 20th events. In addition, we arranged for the distribution (by the City of Avenal) of 1,200 copies of the bilingual notice (see Attachment C) to various local facilities frequented by the public, such as City Hall, the community/recreation center, grocery stores and gas stations within the Avenal area to further publicize the hearing and site visit.

4. Public Service Announcements. We also contacted the major English and Spanish-language radio and television stations broadcasting in the Avenal area and requested public service announcements of the May 20th events. Seven radio stations (including four broadcasting in Spanish) and four television stations (including two broadcasting in Spanish to the local Hispanic community) were contacted and e-mailed bilingual information for the announcements. We also requested these stations that they place the information about the upcoming hearing and site visit on their respective Websites.

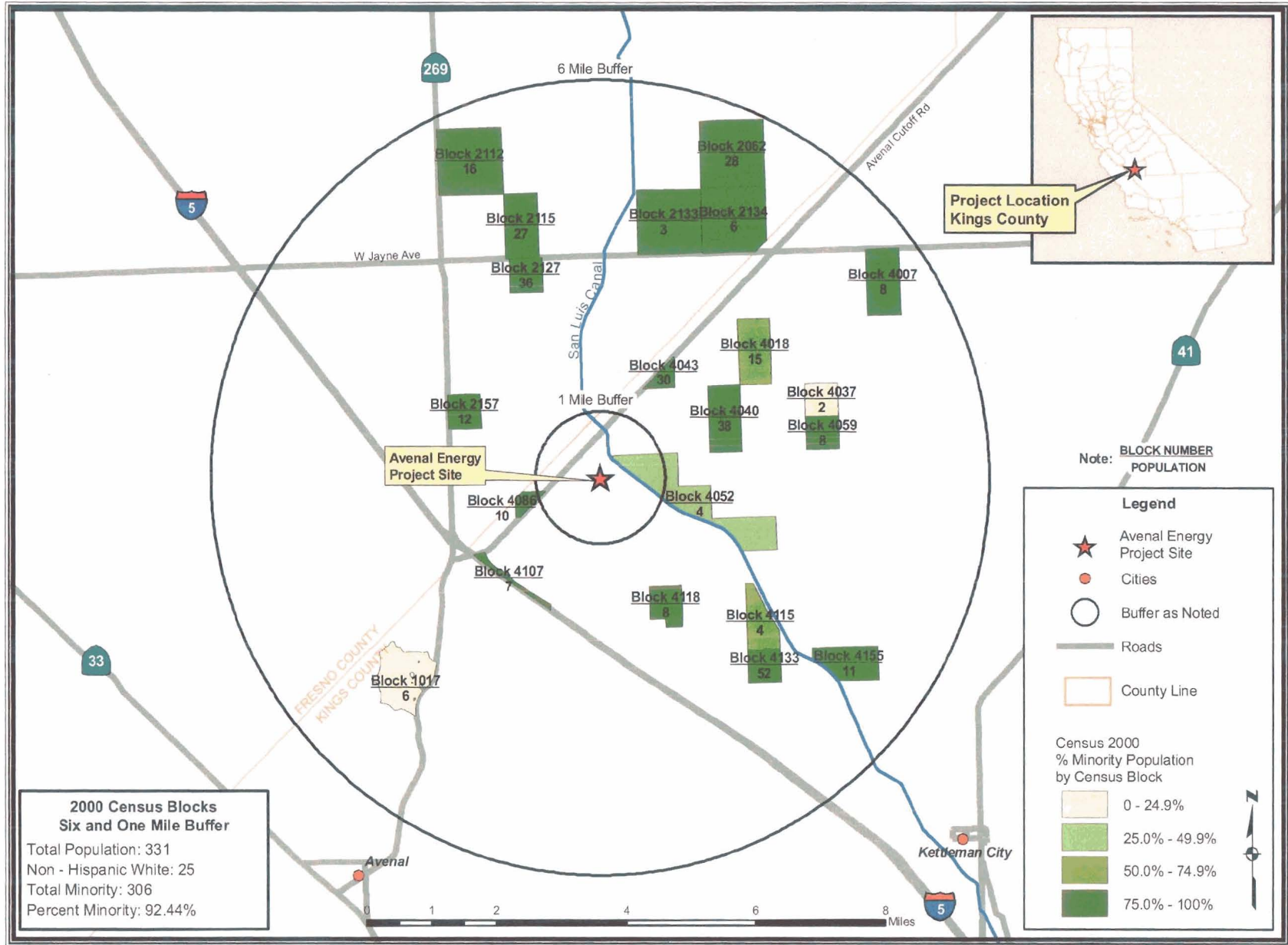
Attachments

ATTACHMENT A

SOCIOECONOMICS - FIGURE 1

Avenal Energy Project - Census 2000 Minority Population by Census Block - One and Six Mile Buffer

MARCH 2008



SOCIOECONOMICS

CALIFORNIA ENERGY COMMISSION, ENERGY FACILITIES SITING DIVISION, MARCH 2008

SOURCE: California Energy Commission Statewide Power Plant Maps 2008 - Census 2000 PL 94-171 Data - Matrix PL2

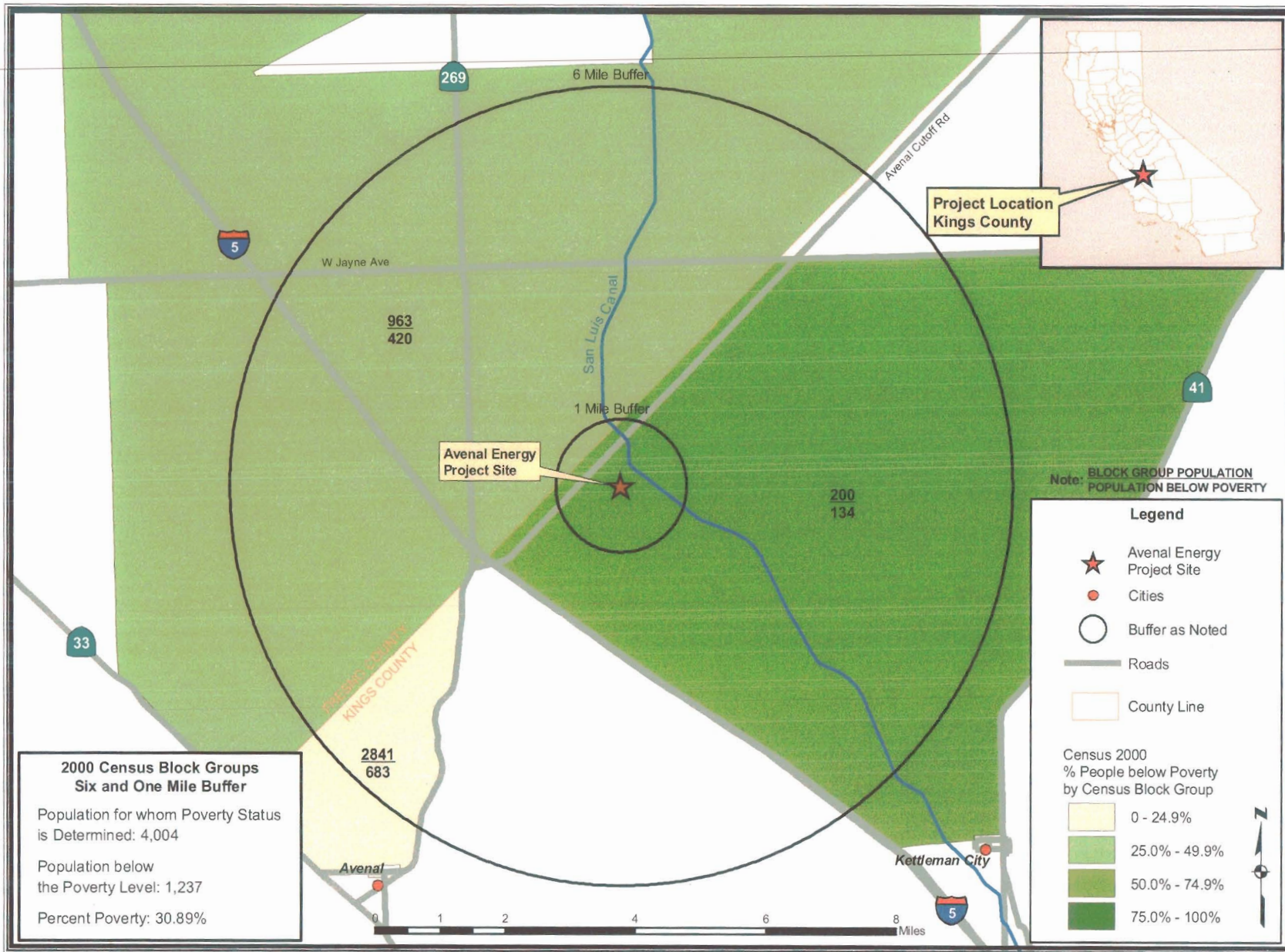
ATTACHMENT B

SOCIOECONOMICS - FIGURE 2

Avenal Energy Project - Census 2000 Percentage of People below Poverty by Census Block Group - One and Six Mile Buffer

MARCH 2008

SOCIOECONOMICS



PROPOSED POWER PLANT PUBLIC HEARING AND SITE VISIT



The Avenal Power Center, Limited Liability Corporation (LLC) applied to the California Energy Commission (Energy Commission) for a license to build and operate a 600-megawatt (MW), natural gas-fueled, combined-cycle power plant, called the Avenal Energy project. It is to be located on 25 acres of a 148-acre parcel zoned for industrial use, in a predominantly agricultural area in western Kings County (just south of the Fresno County line), about 2 miles east of Interstate 5. Although proposed to be located within the limits of the City of Avenal, the plant would actually be about six miles from the city's residential and commercial districts, situated mostly west of Interstate 5. If approved, the facility is expected to be built by mid-2012 and help with meeting the anticipated increase in demand for electricity.

A designated committee and staff of the Energy Commission will hold a public informational hearing and site visit (the first of several public events during a thorough review process that takes about a year), as specified below, to discuss the proposed facility, answer questions, take public testimony and tour the proposed site. You may also submit written comments regarding this project by mail to "DOCKETS" at the Energy Commission's address shown below, or by e-mail to: DOCKET@energy.state.ca.us Please include the project name and docket number--as shown below--on all documents you send.

Avenal Energy project (Docket # 08-AFC-1)

Public Hearing and Site Visit on Tuesday, May 20, 2008

**Site Visit: 4:30 p.m. (Bus leaves from and returns to the Avenal Rec. Center)
Public Informational Hearing: 5:30 p.m.**

Location:

City of Avenal Recreation Center
717 East Monterey Street
Avenal, Ca. 93204-1400
(Facility is wheelchair accessible)

Directions to Location from Interstate 5:

1. Take Lassen Ave/CA-269 Exit toward Avenal ;
2. Drive 5.1 miles then turn right onto San Joaquin St;
3. Turn right onto North Park Avenue; and
4. Turn slight left onto East Monterey Street.

Please notify the Public Adviser's Office (see contacts below) by noon, Monday, May 19, 2008 if you plan to attend the site visit. No reservation is needed for the public hearing.

Additional information about this project is available on the California Energy Commission Web Site at: www.energy.ca.gov/sitingcases/avenal/index.html

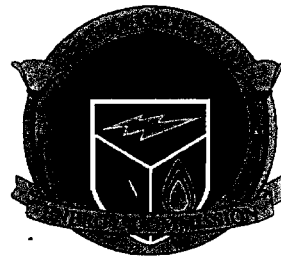
If you would like hard copy information, or wish to be placed on a mailing list to receive notice of further Energy Commission events for this project, please contact:

Public Adviser's Office

California Energy Commission, 1516 9th Street, MS-12, Sacramento, CA 95814
Tel:(916) 654-4489 or toll-free in Ca.: (800) 822-6228; e-mail: pao@energy.state.ca.us

SEE OTHER SIDE FOR NOTICE IN SPANISH

PROPUESTA DE AUDIENCIA PÚBLICA Y VISITA AL EMPLAZAMIENTO DE LA PLANTA DE ENERGÍA



Avenal Power Center; una Sociedad de Responsabilidad Limitada (LLC, por sus siglas en inglés) solicitó a la Comisión de Energía de California (California Energy Commission) una licencia para construir y operar una central de energía de 600 megavatios (MW), alimentada con gas natural y de ciclo combinado. Dicho proyecto se denomina el proyecto Avenal Energy. Se emplazará en 25 acres de una parcela de 148 acres destinada a parque industrial, en una zona predominantemente agrícola en el oeste del Condado de Kings (justo al sur del límite con el Condado de Fresno), a unas 2 millas al este de la Interestatal 5. Aunque se propone que se ubique dentro de los límites de la ciudad de Avenal, la planta en realidad estaría a unas seis millas de los distritos residenciales y comerciales de la ciudad, situados en su mayor parte al oeste de la Interestatal 5. En caso de aprobarse, se prevé que la central esté construida para mediados de 2012 y que ayude a satisfacer el aumento de demanda de electricidad que se espera.

Un comité designado y personal de la Comisión de Energía llevarán a cabo una audiencia pública informativa y una visita al lugar del emplazamiento (la primera de varias reuniones públicas que se realizarán a lo largo del proceso de revisión que dura alrededor de un año), según se especifica a continuación, para hablar sobre la central propuesta, responder preguntas, recibir testimonios públicos y visitar el lugar propuesto. Usted también puede enviar por correo comentarios por escrito relacionados con este proyecto a "DOCKETS" (REGISTROS), a la dirección de la Comisión de Energía que aparece a continuación, o por correo electrónico a: DOCKET@energy.state.ca.us. Por favor, incluya el nombre del proyecto y el número de expediente, como figura a continuación, en todos los documentos que envíe.

Avenal Energy Project (Docket # 08-AFC-1)

Audiencia pública y visita al emplazamiento el martes 20 de mayo de 2008

Visita al Emplazamiento: 4:30 p.m. (el autobús parte del Avenal Rec. Center y regresa allí mismo) Audiencia Pública Informativa: 5:30 p.m.

Dónde:

City of Avenal Recreation Center
717 East Monterey Street
Avenal, Ca. 93204-1400
(Accesible en silla de ruedas)

Instrucciones para llegar desde la Interestatal 5:

1. Tome Lassen Ave/CA-269 Salga hacia Avenal;
2. Conduzca 5.1 millas y doble a la derecha en San Joaquin St;
3. Doble a la derecha en North Park Avenue; y
4. Doble a la izquierda en East Monterey Street.

Por favor, notifique a la Oficina del Asesor Público (vea la información de contacto a continuación) antes del lunes 19 de mayo de 2008 al mediodía si planea concurrir a la visita al emplazamiento. No es necesario hacer reservación con anticipación para la audiencia pública.

El sitio Web de la Comisión de Energía de California ofrece información adicional sobre este proyecto en: www.energy.ca.gov/sitingcases/avenal/index.html

Si desea una copia impresa de la información o desea inscribirse en una lista de correo para recibir avisos sobre futuros eventos de la Comisión de Energía relacionados con este proyecto, comuníquese con:

Public Adviser's Office (Oficina del Asesor Público)

California Energy Commission, 1516 9th Street, MS-12, Sacramento, CA 95814
Tel: (916) 654-4489 o línea gratuita en Ca.: (800) 822-6228, correo electrónico:
pao@energy.state.ca.us