

**DOCKET**

**08-AFC-1**

DATE MAR 06 2009

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**STATE OF CALIFORNIA**

**Energy Resources Conservation  
and Development Commission**

In the Matter of:

The Application for Certification for the  
AVENAL ENERGY PROJECT

Docket No. 08-AFC-1

**CALIFORNIA UNIONS FOR RELIABLE ENERGY  
STATUS REPORT NO. 4**

March 6, 2009

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## **INTRODUCTION**

The California Unions for Reliable Energy (“CURE”) submit this fourth status report pursuant to the Committee’s February 27, 2009 Status Report.

## **DISCUSSION**

CURE attended the PSA workshop on February 18, 2009 and is preparing comments on the Preliminary Staff Assessment in the areas of air quality, and greenhouse gas (“GHG”) emissions for the Avenal Energy Project. CURE will also provide comments on the adequacy of the PSA as a DEIR- equivalent document in this proceeding.

At this time the applicant has not established that the Project’s air quality impacts will be fully mitigated through valid emission reduction credits (“ERCs”). The applicant proposes to use ERCs that may be subject to discounting following the EPA’s required offset equivalency demonstration, as is noted in the PSA p. 4.1-30. This issue was discussed, but not fully resolved, at the PSA workshop.

Additionally, the applicant’s proposed 1:1 interpollutant ratio to offset emissions of PM10/PM2.5 with SOx reductions should be revised. As noted in the PSA p. 4.1-28, a 1:1 pollutant ratio may be invalid for this case. During the workshop on February 18, 2009, Jim Swaney from the San Joaquin Valley Air Pollution Control District responded with a very brief explanation of the Air District’s calculations. Mr. Swaney stated that he would submit a more complete narrative explanation of the District’s interpollutant ratio in writing. There are

still unresolved questions regarding the validity of this interpollutant trading ratio for these emissions credits. CURE asks that the Commission docket the narrative explanation from the Air District as soon as it is received so that CURE may consider this before submitting comment on the PSA.

CURE also brings to the Staff's attention a report filed this week by the California Energy Commission Siting Committee.<sup>1</sup> This report concerns the Energy Commission's responsibilities under the California Environmental Quality Act in assessing the GHG emissions of proposed new power plants. This report is designed to provide guidance to staff in analyzing the GHG emissions associated with future and pending power plant applications before the Commission. As will be outlined in CURE's PSA comments, Staff should revise the PSA's GHG analysis to apply the recommendations of this report to the mitigation of GHG emissions in this proceeding.

It is premature to establish a schedule for the remainder of this proceeding until it is known whether remaining issues will be resolved and whether there will be a need for evidentiary hearings.

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<sup>1</sup> Committee Guidance on Fulfilling California Environmental Quality Act Responsibilities for Greenhouse Gas Impacts in Power Plant Siting Applications, Docket 08-GHG OII-01, March 2009.

## CONCLUSION

CURE intends to submit comments on the PSA concerning several unresolved Air Quality and GHG issues.

Dated: March 6, 2009

Respectfully submitted,

\_\_\_\_\_/s/\_\_\_\_\_  
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## DECLARATION OF SERVICE

I, Bonnie Heeley, declare that on March 6, 2009, I served and filed copies of the attached CURE's Status Report No. 4 dated March 6, 2009. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at [www.energy.ca.gov/sitingcases/avenal](http://www.energy.ca.gov/sitingcases/avenal). The document has been sent to both the other parties in this proceeding as shown on the Proof of Service list and to the Commission's Docket Unit electronically to all email addresses on the Proof of Service list; and by depositing in the U.S. mail at South San Francisco, CA, with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list to those addresses NOT marked "email preferred."

AND

By sending an original paper copy and one electronic copy, mailed and emailed respectively to:

CALIFORNIA ENERGY COMMISSION  
Attn: Docket No. 08-AFC-1  
1516 Ninth Street, MS 4  
Sacramento, CA 95814-5512  
[docket@energy.state.us.ca](mailto:docket@energy.state.us.ca).

I declare under penalty of perjury that the foregoing is true and correct. Executed at South San Francisco, CA, on March 6, 2009.

\_\_\_\_\_/s/\_\_\_\_\_  
Bonnie Heeley

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