

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

DOCKET	
06-AFC-5C	
DATE	MAR 25 2009
RECD.	MAR 26 2009

In the Matter of:**PANOCHÉ ENERGY CENTER**) **Docket No. 06-AFC-5C**

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PANOCHÉ ENERGY CENTER, LLC) **Order No. 09-325-2**

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) **ORDER APPROVING** a petition to modify
the existing Panoche substation by an additional
6.5 acres to improve the long-term reliability of
the substation.

On October 23, 2008, Panoche Energy Center, LLC, the owner of the Panoche Energy Center Project, submitted a petition requesting to modify the approved substation expansion by an additional 6.5 acres. The additional acreage which is currently irrigated, prime farmland, would accommodate the installation of a new Breaker-and-a-half (BAAH) bus configuration in order to improve the long-term electricity transmission reliability of Pacific Gas and Electric's (PG&E) Panoche substation. The electric transmission lines will also be reconfigured to improve the substation's reliability.

STAFF RECOMMENDATION

Energy Commission staff reviewed the petition and finds that it complies with the requirements of Title 20, Section 1769(a) of the California Code of Regulations and recommends approval of Panoche Energy Center, LLC's petition to modify the Panoche Energy Center project and amend related Conditions of Certification.

ENERGY COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed changes will not result in any significant impact to public health and safety, or the environment. The Energy Commission finds that:

- The petition meets all the filing criteria of Title 20, section 1769(a) of the California Code of Regulations concerning post-certification project modifications;
- The modification will not change the findings in the Energy Commission's Final Decision pursuant to Title 20, section 1755;
- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code section 25525;
- The Change will be beneficial to the public and the project owner, because the new BAAH bus configuration will improve the long-term electricity transmission reliability of the substation.

- There has been a substantial change in the circumstances since the Energy Commission certification justifying the change. The change is based on information that was not available to the parties prior to Energy Commission certification in that the Panoche substation expansion is required to accommodate several interconnection design changes that were identified by PG&E after the California Energy Commission's Final Decision was issued in December 2007.
- The additional acreage required will result in the conversion of more irrigated prime farmland which is a significant impact requiring mitigation. Staff is recommending revision of one of the Conditions of Certification regarding mitigation of this impact.

CONCLUSION AND ORDER

The California Energy Commission hereby adopts staff's recommendations and approves the following changes to the Commission Decision for the Panoche Energy Center Project. New language is shown as **bold and underlined**, and deleted language is shown in ~~strikeout~~.

CONDITIONS OF CERTIFICATION

LAND-1 The project owner shall mitigate for the loss of ~~15.3~~ **21.8** acres of prime farmland at a one-to-one ratio.

Verification: The project owner shall provide a mitigation fee payment to an agricultural land trust such as the San Joaquin River Parkway and Conservation Trust or any other land trust that has been previously approved by the Compliance Project Manager (CPM) at least 30 days prior to the start of construction. The fee payment will be determined by an independent appraisal conducted on available, comparable, farmland property on behalf of the agricultural land trust. The project owner shall pay all costs associated with the appraisal. The project owner shall provide documentation to CPM that the fee has been paid and that the ~~15.3~~ **21.8** acres of prime farmland and/or easements shall be purchased within three years of start of operation as compensation for the ~~15.3~~ **21.8** acres of prime farmland to be converted by the PEC. The documentation also shall guarantee that the land/easements purchased by the trust will be located in Fresno County and will be farmed in perpetuity. If no available land or easements can be purchased in Fresno County, then the purchase of lands/easements in other Central Valley counties is acceptable. The project owner shall provide to the CPM updates in the Annual Compliance Report on the status of farmland/easement purchase(s).

IT IS SO ORDERED.

Date: March 25, 2009

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AND DEVELOPMENT COMMISSION



JAMES D. BOYD
Vice Chair