CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5512

DOCKET
06-AFC-5
DATE AUG 8 2006
RECD. AUG 8 2006

NOTICE OF RECEIPT
APPLICATION FOR CERTIFICATION
PANOCHE ENERGY CENTER
Docket No. (06-AFC-5)

On August 2, 2006, Energy Investors Fund, LLC, submitted an Application for Certification (AFC) to construct and operate a simple-cycle power plant, the Panoche Energy Center (PEC), in an unincorporated area of western Fresno County.

The PEC would be a nominal 400 megawatt (MW) simple-cycle power plant consisting of four General Electric LMS100 natural gas-fired combustion turbine generators (CTG) and associated equipment. The PEC is designed as a peaking facility to meet electric generation load during periods of high demand, which generally occur during daytime hours, and more frequently during the summer portions of the year. The project is expected to have an annual capacity factor of approximately 57 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

Associated equipment will include emission control systems necessary to meet the applicant's proposed emission limits. Nitrogen oxide (NO_x) emissions will be controlled at the power plant's stack by a combination of Ultra Low NO_x combustors in the CTGs and selective catalytic reduction systems using aqueous ammonia. An oxidation catalyst will be installed to limit stack carbon monoxide (CO) emissions.

The project area is located in an unincorporated area of western Fresno County, adjacent to the Panoche Hills. The site is approximately 12 miles southwest of the city of Mendota, 16 miles south-southwest of the city of Firebaugh and approximately 2 miles east of Interstate 5, adjacent to the Pacific Gas & Electric (PG&E) existing Panoche Substation. The proposed site and substation are located south of West Panoche Road.

The facility site will be located on a 12.8-acre site within a 128-acre parcel. The construction laydown area, including laydown and parking, consists of an 8-acre portion of the 128-acre parcel immediately south of the 12.8-acre plant site. The plant site and construction area are leased by the applicant from the property owners. The 128-acre parcel is currently in agricultural production with pomegranate trees and is subject to a Williamson Act Contract. The contract status is an issue that will be addressed by the Energy Commission staff during the analysis phase of the certification process. Offsite improvements associated with the project include a 400-foot paved, 24-foot wide access road south of West Panoche Road to the plant site, 2,400 linear feet of new gas pipeline, and a 300-foot transmission line to tie into the Panoche Substation. A project-related activity is PG&E's planned expansion of its Panoche Substation by approximately 1.1 acres south of the existing substation boundary.

Process water for the cooling towers and other non-potable water uses are proposed to be supplied to the PEC from two new groundwater wells drilled onsite into the Westside Sub-basin of the San Joaquin Valley Groundwater Basin. These wells would draw water from a brackish aquifer. These wells would also supply facility showers, sinks, toilets, eye wash stations, and safety showers. Signs would be posted to alert personnel that water drawn from these wells is not for human consumption. Potable water would supplied to the PEC by a bottled water service.

Process wastewater will be disposed of using a deep well injection system. The construction phase will have portable toilets with weekly servicing. During the operational phase, sanitary wastes will be directed to a septic system and leach field designed to treat the sanitary flow from the administration and control building and restrooms.

The PEC will connect to the electrical transmission system via a new 230-kilovolt (kV) line that will run 300 feet from the project site to the adjacent PG&E Panoche Substation.

Natural gas will be delivered to the site via a new 2,400-foot high-pressure, lateral pipeline that would connect to a PG&E high-pressure gas trunk line located east of PG&E's electrical substation. This pipeline would connect with the project on the eastern side of the site at a new gas metering station. At the plant site, the natural gas will pass through a flow-metering station, gas scrubber/filtering equipment, gas pressure control station, electric-driven booster compressors (when required), and a fuel gas heater prior to entering the combustion turbines.

The applicant expects to receive a license from the Energy Commission by August 2007, with construction of the project starting in late summer 2007 assuming completion of project financing. Full-scale commercial operation would begin during the third quarter of 2008. Electric power generated at the PEC facility will be sold to PG&E under a 20-year power purchase agreement (PPA) between PEC and PG&E. Design of the plant and equipment selection is based on requirements in the PPA. The agreement was executed in April 2006 and requires that the facility be online by August 1, 2009 in order to avoid delay–related damages.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction 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, water, sewer, and natural gas pipelines. The issuance of a certificate by the Energy Commission is in lieu of any local, state, or federal permit (to the extent permitted by federal law). The Energy Commission's responsibilities are those of a lead agency under the California Environmental Quality Act (CEQA), except the Commission's analysis takes the form of several environmental and decision documents rather than an Environmental Impact Report.

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 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 project should be approved for construction and operation and under what set of conditions. These workshops will provide the public and local, State and federal agencies the opportunity to ask questions and provide input about the proposed project. The

Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting.

If you desire information on participating in the Energy Commission's review of the project, please contact Ms. Margret Kim, the Energy Commission's Public Adviser, at (916) 654-4489 or toll free in California, at (800) 822-6228. The Public Adviser's Office can also be contacted via email at pao@energy.state.ca.us. Please direct your technical or schedule questions to James W. Reede, Jr., Energy Commission Project Manager, at (916) 653-1245, or jreede@energy.state.ca.us. The status of the 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: www.energy.ca.gov/sitingcases/panoche. You can also receive email notification of all project related activities and availability of reports by subscribing to the Listserve on the website. News media inquiries should be directed to Assistant Executive Director, Claudia Chandler, at (916) 654-4989 or by email@energy.state.ca.us.

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 and within 500 feet of any linear feature. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the project's evaluation are available for review. If you wish to be removed from the mailing list, please contact Ms. Angela Hockaday, Project Secretary, at (916) 654-3925, or e-mail at ahockada@energy.state.ca.us.

Availability of the AFC Document

Copies of the AFC are available for public inspection at:

Mendota Branch Library
667 Quince Street
Mendota, CA 93640.

Fresno County Central Library
2420 Mariposa Street
Fresno, CA 93721

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Los Angeles, San Francisco, San Diego, and Eureka. In addition, copies will be distributed to those public agencies that would normally have jurisdiction except for the Energy Commission's exclusive authority to certify sites and related facilities.

DATE: 8/8/06

Roger E. Johnson, Manager
Energy Facilities Siting and Compliance Office

Mailed to Property Owner and Interested Parties list