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## **Malaga Peaking Plant**

The Kings River Conservation District's Malaga Peaking Plant delivers power when it is needed most — when energy demands are very high. It is KRCD Power's second generating facility and an important addition to the central San Joaquin Valley's electrical energy supply system. Unlike KRCD's Jeff L. Taylor Pine Flat Power Plant that uses the force of falling water to generate electricity at Pine Flat Dam, the Malaga Peaking Plant is fueled with natural gas. Two generating units utilize state-of-the-art technology to achieve maximum operating efficiency and the reliability a peaking plant must have to be available for service on short notice. The plant reflects KRCD's commitment to adding value and reliability to our region's critically important energy resources.

## **Location**

KRCD's Malaga Peaking Plant is located on an 18-acre industrial site on the south side of North Avenue between Chestnut and Maple avenues within an industrial area in the Fresno County community of Malaga. The plant is less than a mile from PG&E's Malaga Substation and is linked by a new transmission line to move energy into the Western Power Grid.

## **What The Plant Does**

Two units can be placed in service within 10 minutes when needed and requested by California's Independent System Operator to supply up to 97 megawatts of peak-demand electrical energy, enough to supply 97,000 homes during periods of high demand for electrical energy.

## **The Peaking Plant's Technology**

The Plant is state of the art, utilizing a pair of General Electric's LM 6000 Gas Turbine Generator Sets with high simple cycle efficiency. The plant meets all air pollution control discharge requirements and features ultra low emissions using a Selective Catalytic Reduction (SCR) System and CO catalyst.

## **Plant Operations And Staffing**

Wood Group Power Operations, Inc. operates and maintains the Malaga Peaking Plant under contract to KRCD with a staff of seven full-time employees.

## **How The Project Began And Evolved**

In December 2002, the California Department of Water Resources offered two of six peaking-power generating units to KRCD. The six units were provided to the state by Williams Energy as part of a settlement of a dispute dating back to the 2000-2001 energy crisis. The other four units were offered to San Francisco. Only a few weeks later, on December 31, 2002, KRCD and DWR signed long-term power contracts. Twenty-four properties were evaluated before the Malaga site was picked. KRCD filed an application with the California Energy Commission on November 26, 2003 for a small power plant exemption. The environmental review, permitting, design and engineering phases followed, along with financing and construction.

## The Financing

KRCD issued tax-exempt revenue certificates of participation to finance project construction and received a large degree of interest from wholesale and large retail markets. Yields range from 2.48 percent for the 2007 maturity to 4.06 percent for final maturity in 2015. The financial close and deposit of construction funds occurred October 6, 2004.

## The Contractor And The Cost

KRCD pre-qualified potential bidders experienced in the engineering, procurement and construction of gas-fired peaking plants. In May 2004, a contract was awarded to BMZ, a joint venture comprised of Barton Malow of Michigan and Zachary Construction of Texas. Final project cost (including financing) is approximately \$42 million.

## Construction, Testing and Commercial Operation

Ground was broken during a ceremony on October 29, 2004, but the contractor was already busy, having completed three weeks of preliminary site work to reflect the project's "fast track" nature. Work moved ahead rapidly and the plant was largely completed by late spring. The first fire in the combustion turbines was achieved June 1, 2005. Commercial operation started in September 2005.

## The Kings River Conservation District

KRCD's Malaga Peaking Plant is the latest in a long line of projects, programs and planning that are all aimed at meeting the needs of the Kings River service area and central San Joaquin Valley. Since the Kings River Conservation District creation in 1951, the District has become a leading resource management agency. KRCD includes 1.2 million acres in portions of Fresno, Kings and Tulare counties. It has grown into a recognized leader in flood management, environmental, water supply, water management, water quality and electrical energy activities.

KRCD developed, operates and maintains the Jeff L. Taylor Pine Flat Power Plant, a 165-megawatt hydroelectric facility at the base of Pine Flat Dam that went on line in 1984. KRCD is currently working with 12 valley cities and Kings County to establish a Community Choice program, which would include Development of a new natural gas-fueled, state-of-the-art, base-load power plant. Community Choice and KRCD's other power projects, including the Malaga Peaking Plant, are aimed at adding resource value and reliability at lesser cost to the valley's electrical energy supply and system.

