



Connections

The current of the Valley

March-April 2007



Volume 5, No. 2

Energy Watch

Local Capacity Needs Deficient in Fresno Area

The California Independent System Operator (CAISO) released in April their 2008 Local Capacity Technical Analysis Report and Study Results.

This report found that the Greater Fresno Area, the Sierra Area, and the Stockton Area are forecasted to be electricity deficient under certain grid conditions in the summers of 2007 and 2008. The CAISO studied the state of California by dividing it among 10 different areas and assessing each of these areas individually.

The Greater Fresno Area is a six-county area comprised of Fresno, Kings, Tulare, Merced, Modesto, and Mariposa counties. Its total local capacity need for 2007 is forecasted to be 2219 megawatts (MW), with a 68 MW deficiency under conditions where multiple contingencies exist on the electrical grid. The total local capacity need for 2008 is forecasted to be 2382 MW, with a 108 MW deficiency under conditions where multiple contingencies exist on the electrical grid.

Multiple contingencies means that the system will be able to survive the loss of a single element, and the operators will have enough generation in order to bring the system within a safe operating zone and get prepared for the next contingency. The Greater Fresno Area does not currently meet this multiple contingency criteria.

Community Choice is Certified by Utilities Commission

On May 1, 2007, the San Joaquin Valley Power Authority (Authority) was notified by the Executive Director of the California Public Utilities Commission (Commission) that the Authority's Implementation Plan for Community Choice was certified making it the first such Plan in the State to receive certification.

"It is encouraging to see that the Commission has confirmed that our plan meets the requirements set forth by the law (AB 117) that established Community Choice Aggregation," stated Tom Haglund Hanford's Deputy City Manager and the Authority's chair. "This certification by the Commission is a major accomplishment and moves Community Choice much closer to being able to provide benefits to the communities, businesses and residents in our region."

The certification letter further notes that the Implementation Plan includes modifications by the Authority following consultation by Authority representatives with representatives from Pacific Gas and Electric Company

and Southern California Edison Company.

"The Implementation Plan reflects several years of thoughtful planning and consideration on how to successfully provide an energy program that can add value to the electrical service for the customers in our region." stated David Orth, Kings River Conservation District (KRC D) General Manager and the Authority's program manager. "Addressing the investor-owned utilities concerns strengthens our Community Choice program and the achievement of our objectives to increase energy reliability, provide residents and businesses savings and stability on their electrical bills, and provide for local input and control of regional energy issues."

On January 25, 2007, Authority Directors approved the Community Choice Aggregation Implementation Plan, which was subsequently submitted to the Commission by KRC D on behalf of the Authority on January 29. The Plan's content includes discussions on organizational structure, program implementation, resources utilization, rate setting and participant rights.

KRC D Solicits Proposals for Renewable Energy

On behalf of the San Joaquin Valley Power Authority (Authority), the Kings River Conservation District (KRC D) announced the solicitation of competitive proposals for up to 400 megawatts (1 megawatt supplies energy to approximately 1,000 residents) of renewable energy. The Request for Proposal (RFP) seeks responses from eligible renewable energy generators to meet the projected long-

Tulare County Takes Action To Join Power Authority

Tulare County's Board of Supervisors took action to request joining the San Joaquin Valley Power Authority as it's fourteenth member. The Authority's Board agreed to the county's membership if two conditions are met. First, that the inclusion of the county doesn't diminish the benefits to the current participants of the Authority and secondly that it doesn't delay the timeline for implementation of the program.

Renewables, cont.

term electric power needs of the Authority.

"The Authority intends to meet or exceed the California renewable portfolio of 20 percent in the most expeditious manner possible," said Orth. "Our goal is to begin renewable energy deliveries as early as 2008."

As a contractor of the Authority, KRCD is committed to identifying eligible renewable energy generators within this region to support the generation of green energy in the San Joaquin Valley.

Renewable electric power resources may include, but are not limited to, sources such as biomass, biodiesel, fuel cells using renewable fuels, digester gas, geothermal, landfill gas, municipal solid waste, ocean wave (as well as ocean thermal and/or tidal current), photovoltaic (PV), solar thermal, small hydroelectric or wind.

"Other energy sources may be submitted, but adequate documentation identifying the fuel source as an Eligible Renewable must be provided to KRCD as a part of the proposal process," said Orth.

The Authority, formed in November 2006, is the governing body of Community Choice and will buy power for over 300,000 residential, business and municipal customers within the region. The Authority has retained KRCD as its sole operating agency for Community Choice. The Authority's rates have been conservatively projected to result in a 5% savings on generation costs with a cumulative savings of over \$780 million for the region over a 20 year period.

For more information, visit the following website: www.communitychoice.info

KRCD Power Connections

March - April 2007

Published bimonthly by KRCD's public affairs staff
Kings River Conservation District (559) 237-5567

4886 E. Jensen Ave., Fresno, CA 93725
www.krccd.org comments@krccd.org

KRCD Holds Open House for Proposed Power Plant



General Manager David Orth talks with residents about the proposed Community Power Plant in the first of many public meetings.

The Kings River Conservation District hosted an open house in April for residents near the site of KRCD's proposed Community Power Plant, located just south of the City of Parlier's Wastewater Treatment Plant.

"KRCD is committed to an open and responsive public process related to the building of the proposed power plant," said David Orth, KRCD General Manager. "Our goal is to begin the public process on a local basis before the start-up of the detailed public hearing process that is required upon submittal of the project's Application for Certification to the California Energy Commission."

Over 100 people attended to learn more about the proposed plans. After a short presentation explaining the proposed plans and the California Energy Commission's permitting process, guests were given an opportunity to ask questions and share their thoughts. KRCD's technical team was also available to give answers to more specific questions in areas like noise, traffic, visual aesthetics, air quality, public health, water resources, transmission, and public participation.

During the open house, residents expressed concerns about air and water quality, traffic, noise, and property values among other things. Orth assured residents that the plant will not be built if there are any fatal flaws that could potentially cause harm to the residents or children in the area.

"We believe we can make this area a better place. If we didn't, we would not be sitting it here. There are very positive benefits coming out of this project. The health and safety to the area is as important to us as it is to the residents," said Orth.

The proposed 500-megawatt plant (1-megawatt supplies energy to approximately 1,000 residents), will be a combined-cycle plant with gas turbine and steam driven generators.

The utilization of natural gas, the fuel of choice for electrical generation in the State of California, will ensure the plant will meet the state's rigorous greenhouse gas requirements. The Best Available Control Technology and state-of-the-art, combined-cycle generating system will be used.

As a region with air quality concerns, KRCD understands the importance of improving air quality. KRCD will be participating in the successful market-based air pollution reduction program administered by the San Joaquin Valley Air Pollution Control District. This program requires the purchase of more emission offsets than what actually comes from the Community Power Plant. The result is more emissions are removed from the air. KRCD is committed to purchasing local offsets in the vicinity near the proposed site to have the greatest benefit to the local area.

The plant will be the first sizable plant built in this region since the commissioning of Pacific Gas and Electric Company's Helm's Plant in 1984.