
California Department of Water Resources



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DWR Restructures Two Long-Term Power Contracts

Cost Reduced by a total of \$17.4 Million

Sacramento- The California Department of Water Resources (DWR) today announced that it has successfully restructured its long-term power contract with Colton Power LP (Formerly Alliance Colton) and PG&E Trading, reducing its costs by a total of \$17.4 million. In addition to saving the state money, both contracts improve energy reliability and ensure proper performance by the generator.

Colton Power LP – The restructured contract with Colton power reduces the capacity payment made to the generator by \$14.6 million or 10% over eight years. This contract, which now has a total cost of \$143 million, provides 80 megawatts of peaker capacity from two recently built peaker facilities.

PG&E Trading – This is a 10-year, 66 megawatt wind farm that began commercial operation in September 2001. The price per megawatt hour has been reduced from \$58.50 to \$57.00, resulting in a \$2.8 million in savings to the State.

As part of the restructuring, the California Public Utilities Commission and the Electric Oversight Board have agreed to withdraw their complaints against these parties before the Federal Energy Regulatory Commission.

The State has now successfully renegotiated 12 long-term power agreements. These contracts, including settlement documents, can be found on the Department's web site at www.water.ca.gov.

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