



NEWS

GUADALUPE-BLANCO RIVER AUTHORITY
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Panda water supply agreement approved by GBRA Board

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SEGUIN - The Guadalupe-Blanco River Authority Board of Directors unanimously approved an industrial water supply agreement Wednesday that will provide cooling water for a 1,000 megawatt natural gas-fired power plant to be built by Panda Energy International, Inc. near the LCRA Marion switching station in Guadalupe County.

“Since the Guadalupe Project was announced in August 1998, we have worked closely with Panda to identify and develop the necessary water supply components,” said GBRA general manager Bill West. “We are delighted to help make this project a reality because of the significant economic benefits it will provide to the county and the community of Marion.”

Steve McAdams, Panda Energy’s director of project development and Jeffrey W. Schroeter, vice president of merchant plant development, attended the meeting in Seguin and expressed their appreciation for the board’s approval of the agreement. “Panda is very pleased with the level of professional assistance from GBRA and Guadalupe County as well as the overall community support from area residents,” said McAdams.

Under the agreement, GBRA will supply 6,840 acre-feet of water per year from Canyon Reservoir to the Panda plant through December 31, 2021. The Canyon water supply will be reduced over time by gradually blending treated effluent from GBRA’s Dunlap Wastewater Treatment Plant.

GBRA’s portion of the project consists of a pump station on Lake Dunlap, where the Canyon water will be blended with the treated effluent, and a water delivery pipeline to the Panda generating station. GBRA will design, permit, construct, operate and own these facilities that are scheduled to be completed and in operation by July 2000. The pump station and pipeline will be paid for by Panda at no expense to GBRA or area taxpayers.

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McAdams said the blended cooling water supply of stored water from Canyon Reservoir and treated effluent from GBRA's Dunlap Plant will be reused and recycled completely inside the plant. "This zero site discharge is part of Panda's overall goal to build a cost-effective, reliable source of power that will also operate in harmony with the environment."

Employing the most advanced gas turbine generation equipment, the plant will represent a new standard of environmental cleanliness in the production of electric power.

Panda will sell power to wholesale load-serving entities and power markets operating in the ERCOT region of Texas. According to McAdams, all required permits have been obtained including an air permit from the Texas Natural Resource Conservation Commission (TNRCC) in February 1999.

Panda has awarded the plant construction contract to Duke Fluor Daniel. Site construction will begin this summer and the plant is expected to be in operation by the end of the year 2000.