

**DOCKETED**

<b>Docket Number:</b>	03-SPPE-02
<b>Project Title:</b>	Kings River Conservation District Peaking Plant - City of Fresno - 97 MW Natural Gas-Fired Peaking Power Plant
<b>TN #:</b>	227463
<b>Document Title:</b>	Kings River
<b>Description:</b>	Courtesy notice of upstream change in ownership of Malaga Power, LLC and request for acknowledgment
<b>Filer:</b>	Evan Korngold
<b>Organization:</b>	King & Spalding
<b>Submitter Role:</b>	Applicant Consultant
<b>Submission Date:</b>	4/2/2019 7:53:28 AM
<b>Docketed Date:</b>	4/2/2019

Drew Bohan  
Executive Director  
California Energy Commission  
1516 9th Street  
Sacramento, CA 95814

**Re: Courtesy Notice of Change of Upstream Ownership and Operational Control for the Malaga Power Plant<sup>1</sup> and Request for Acknowledgment, Dockets 03-SPPE-02, 03-SPPE-2C**

Dear Mr. Bohan:

On December 18, 2018, MRP CalPeak Holdings, LLC, a Delaware limited liability company (“MRP CalPeak Holdings”), entered into a purchase and sale agreement with Cogentrix Power Holdings III, LLC and Cogentrix Malaga Power Holdings, LLC to, among other things, purchase 100% of the equity interests in the upstream owner of Malaga Power, LLC (the “Proposed Transaction”). Malaga Power, LLC is the direct owner of the Malaga Power Plant, a ninety-seven (97) megawatt, simple-cycle natural gas-fired power plant located in the City of Fresno, California (the “Facility”).

MRP CalPeak Holdings is a direct, wholly-owned subsidiary of MRP CalPeak Holdings II, LLC, a Delaware limited liability company (“MRP CalPeak Holdings II”). MRP CalPeak Holdings II is a direct, wholly-owned subsidiary of MRP CalPeak Holdings III, LLC, a Delaware limited liability company, which in turn is a direct, wholly-owned subsidiary of Middle River Power IV, LLC, a Delaware limited liability company (“MRP IV”). MRP IV is ultimately controlled by two individual persons: Marc Lasry and Sonia Gardner (collectively, the “Avenue Managers”)<sup>2</sup>.

The upstream acquisition described in this notice makes no change to the direct owner of the Facility, Malaga Power, LLC.

In connection with the Proposed Transaction and effective at the closing thereof, Malaga Power, LLC will enter into a new O&M agreement with NAES Corporation, a Washington corporation. Effective upon the aforementioned closing date, NAES Corporation will assume responsibility for all aspects of the Malaga Facility’s operation, including compliance with the Conditions of Exemption adopted by the Energy Resources Conservation and Development Commission (the “California Energy Commission”) as Appendix B to the Commission’s “Small Power Plant Exemption Decision” approved on May 4, 2014 in Docket No. 03-SPPE-02. NAES Corporation understands the Conditions of Exemption and has agreed to comply with these conditions as of the closing date.

It is our understanding that, because the Facility was approved by the California Energy Commission pursuant to its Small Power Plant Exemption process, the petition requirements contained in California

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<sup>1</sup> Formerly known as the Kings River Conservation District Peaker Plant.

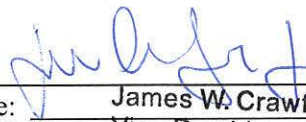
<sup>2</sup> There may be various passive, limited partner investors in the ownership structure above MRP CalPeak Holdings. None of these passive investors will have any rights to make decisions with respect to running the business portfolios of MRP IV, or to participate in the day-to-day operations of Malaga Power, LLC. Upon the consummation of the proposed transaction, MRP IV will manage Malaga Power LLC. MRP IV is ultimately controlled by the Avenue Managers. Any ownership rights that the passive investors will have will confer only very limited veto/consent rights necessary to protect their economic investments.

Code of Regulations, Title 20, Section 1769(b) for a change of ownership or operational control do not apply. Notwithstanding the lack of an express mandate to notify or secure approval from the California Energy Commission in connection with the Proposed Transaction, Malaga Power, LLC respectfully provides this notice as a courtesy and respectfully requests that the Commission issue a letter acknowledging the Proposed Transaction and confirming that, as of the date of the closing of the Proposed Transaction, the Conditions of Exemption will apply to NAES Corporation.

Please let us know if you have any questions or require clarification in regard to this request.

Best Regards,

MALAGA POWER, LLC

By:   
Name: James W. Crawford, Jr.  
Title: Vice President