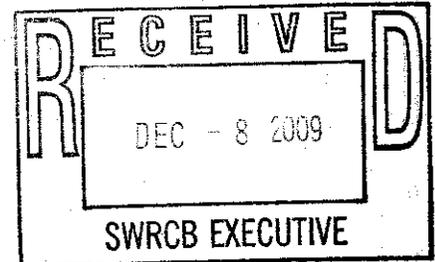


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December 8, 2009

Ms. Jeanine Townsend, Clerk to the Board  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

**Subject: Comment Letter – OTC Policy**

Dear Ms. Townsend:

We are providing comments to the Staff's proposed "Water Quality Control Policy of the Use of Coastal and Estuarine Waters for Power Plant Cooling" (revised draft OTC Policy dated November 23, 2009), as presented at the December 1<sup>st</sup> workshop, on behalf of the NRG Energy Inc.'s ("NRG") California-based steam generating power plants.

NRG owns and operates one of the country's largest and most diverse power generation portfolios providing more than 24,000 megawatts (MW) of generation capacity. In California, we operate three California coastal power plants – El Segundo Generating Station in El Segundo, Encina Power Station in Carlsbad, and Long Beach Generating Station in Long Beach, which in total have the capacity to generate nearly 1900 MW. El Segundo and Encina utilize ocean water for cooling via existing intake structures, but NRG retired Long Beach's ocean water cooling system.

NRG participated in the comment period for the June 30, 2009 draft OTC Policy, providing verbal and written comments. We have provided comments to the November 23, 2009 revised draft OTC Policy through the California Council for Environmental and Economic Balance (CCEEB). We share the concerns of CCEEB, utility and fellow independent power producers (IPPs) on the omission of wholly disproportionate demonstration and exclusion of cost considerations in assessing feasibility (in Track 2); and potential necessity of dischargers to repeat comprehensive Impingement Mortality and Entrainment (IM&E) studies (as noted, El Segundo and Encina conducted IM&E and submitted voluntarily the Comprehensive Demonstration Studies). While the SWRCB acknowledges the importance of grid reliability considerations in the revised draft OTC Policy, we share concerns at the frequency at which SACCWIS will meet (every 2 years) and the process (SWRCB hearing) to which the changes to the compliance schedule may be affected.

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While NRG continues the pursuit of repowering at El Segundo and Encina stations with fast-start technology, we recognize the critical role that these existing steam boilers provide during the transition to a balance of new renewable generation shaped and supported by new natural gas-fueled generation, in particular in California where permitting challenges and delays affect the development of new energy sources. Such permitting challenges, including the lengthy (minimum of three years) CEC permitting process for thermal generation and potentially contentious air district permitting process, must be considered in review of compliance schedules.

The development of the State's 316(b) policy is an iterative process. We encourage the State Water Resources Control Board (SWRCB) to circulate an associated revision to the November 23<sup>rd</sup> draft, providing more notice and time to which to comment.

We thank you again for the opportunity to comment on the draft OTC policy. If you have any questions, please contact me 760-710-2156.

Sincerely,



George L. Piantka  
Director, Environmental Business  
NRG West Region

