

State Water Resources Control Board

September 18, 2013

Mr. George L. Piantka
NRG Energy
5790 Fleet Street
Carlsbad, CA 92008

Dear Mr. Piantka:

INFORMATION REQUIREMENTS FOR ENCINA POWER STATION

On November 30, 2010 a letter was sent out by the State Water Resources Control Board's (State Water Board) Executive Director requiring the submittal of an Implementation Plan (Plan) by April 1, 2011. The letter outlined the required information to include in the Plan, including information on planned actions for compliance with the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Policy). If final compliance by October 1, 2015, is not feasible, interim mitigation measures must be identified in the Plan.

Due to the current uncertainty as to conditions identified in implementation plans previously submitted from the Once-Through Cooling (OTC) power plants with a near term compliance deadline, further information and data input is necessary to conduct grid reliability analysis to determine the impact on local and system reliability.

Pursuant to the Policy and California Water Code section 13383, the State Water Board requires NRG to provide the most current information for Encina Power Station (Encina) in the previously-submitted Plan if the following content is not up-to-date or is inaccurate:

1. What mechanism is being used to bring this unit into compliance?

Encina Power Station is scheduled to retire by December 31, 2017. NRG proposes to pursue replacement of Units 1 through 3 (an aggregate of 338 Mega Watts [MW]) as the Carlsbad Energy Center, a new combined cycle facility with an aggregate capacity of 550 MW. NRG plans to retire Units 4 and 5 (an aggregate of 632 MW) no later than December 31, 2017.

2. What actions have been taken to obtain permits, obtain contracts or meet other regulatory obligations to implement the compliance mechanism identified above?

The Carlsbad Energy Center was approved by the California Energy Commission (CEC) on May 31, 2012. In a letter to the State Water Board dated January 31, 2013, NRG claims

that it may not be economically feasible to retrofit units 1 through 3 without a multi-year Power Purchase Agreement (PPA), and would expect that Cabrillo Power, the owner and operator of Encina, would retire them. As of May 17, 2013, Carlsbad Energy Center does not have a California Public Utilities Commission (CPUC) approved long-term contract.

3. What is the capacity of the repowered/replaced/retrofitted facility?

The Carlsbad Energy Center, consisting of two combined cycle facilities, will have an aggregate capacity of 550 MW.

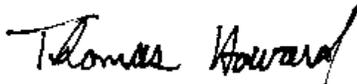
4. Are retirements covered by CPUC authorized procurements?

The March 2013 Decision (D.)13-03-029 regarding the San Diego Power Purchase Tolling Agreement (PPTA) Application (A.11-05-023) assumes that Encina will retire by its compliance date. The CPUC authorized San Diego Gas and Electric to meet the local capacity requirement needs of up to 343 MW beginning in 2018, including the authority to enter into a PPTA with the repowered Escondido Energy Center (45 MW). San Diego Gas and Electric did not seek approval to enter into a contract with Carlsbad Energy Center in A.11-05-023.

Submission of the above information is required no later than 60 days after the date of this letter.

Should you have any questions on this matter please feel free to contact Mr. Jonathan Bishop, Chief Deputy Director, at (916) 341-5820 (jsbishop@waterboards.ca.gov) or Dr. Maria de la Paz Carpio-Obeso, Chief of the Ocean Unit, at (916) 341-5858 (mcarpio-obeso@waterboards.ca.gov).

Sincerely,



Thomas Howard
Executive Director

ECM# 1085025