



February 1, 2010

VIA FEDERAL EXPRESS AND EMAIL

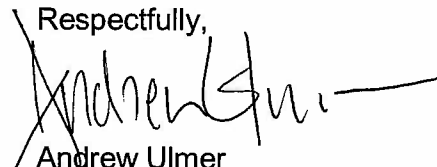
bkelly@waterboards.ca.gov

Mr. David Gibson
Executive Officer,
c/o Brian Kelley
California Regional Water Quality Control Board
San Diego Region
9174 Sky Park Court, Suite 100
San Diego, California 92123-4340.

Re: In the Matter of Dynegy South Bay, LLC

Dear Mr. Gibson,

Consistent with the Notice of Public Hearing of the California Regional Water Quality Control Board for the San Diego Region, please find enclosed the request of the California Independent System Operator Corporation for status as a designated party. Thank you in advance for your consideration of this request.

Respectfully,

Andrew Ulmer
Counsel

Enclosure

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Attorneys for the
California Independent System Operator Corporation

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION**

In the Matter of Dynegy South Bay, LLC South Bay Power Plant San Diego County	
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**REQUEST OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION FOR STATUS AS DESIGNATED PARTY**

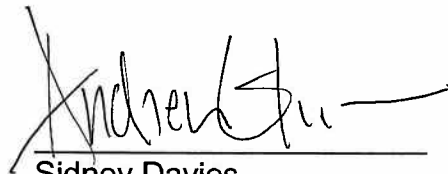
The California Independent System Operator Corporation (the ISO) requests status as a designated party in the above-referenced matter. The ISO makes this request consistent with the Notice of Public Hearing for March 10, 2009 issued by the California Regional Water Quality Control Board for the San Diego Region (Regional Board) concerning the National Pollutant Discharge Elimination System (NPDES) permit of Dynegy South Bay, LLC for the South Bay Power Plant.¹ The Notice of Public Hearing states that any request for status as a designated party “must explain the basis for status as a designated party and in particular how the person is affected by the discharge.” (Notice at p. 3.)

The ISO is a nonprofit public benefit corporation chartered under the laws of the State of California for the purpose of operating and maintaining the reliability of the statewide electric transmission grid for the benefit of the citizens of California. The reliability of the electric transmission grid is dependent on a number of specific power

¹ This request is also submitted pursuant to the Rules of Practice and Procedure applicable to Regional Board proceedings. Title 23 California Code of Regulations § 648.

plants located in specific areas. These critical facilities are subject to Resource Adequacy contracts and can be designated as Reliability Must Run (RMR) units, if necessary to meet federal and regional mandated grid reliability standards. The ISO assesses its local reliability requirements, including the continued need for RMR units on an annual basis, based on among other factors the addition or loss of generation and transmission facilities, upgrades to existing infrastructure and California Energy Commission load forecasts. The ISO has determined that operation of the South Bay Power Plant units 1 and 2 and its combustion turbine unit are necessary during the calendar year 2010. The ISO has designated these facilities as RMR units. The scope of the Regional Board's hearing includes whether to terminate intake and discharge operations under Dynegy's NPDES permit. Such action would threaten the ability of Dynegy to continue to operate South Bay units 1 and 2 as RMR units to support the reliable operation of the transmission grid consistent with the terms of a contract approved by the Federal Energy Regulatory Commission. Accordingly, the ISO has an interest in whether Dynegy may continue to operate South Bay units 1 and 2 under its NPDES permit.

Respectfully submitted,



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System Operator Corporation

Dated: February 1, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document on Mr. David Gibson in accordance with the requirements of the Notice of Public Hearing *In the Matter of Dynegy South Bay, LLC South Bay Power Plant San Diego County.*

Dated at Folsom, California this 1st day of February 2010.



Jane Ostapovich