

RESPONSE TO PUBLIC COMMENTS

ON THE PROPOSED AMENDMENT TO THE WATER QUALITY CONTROL POLICY ON THE USE OF COASTAL AND ESTUARINE WATERS FOR POWER PLANT COOLING FOR THE ENCINA POWER STATION

Comment Letter	Commenter	Submitted by
1	Davis Wright Termaine LLP, on behalf of: Cogentrix Energy Power Management LLC	Steven F. Greenwald
2	California Coastkeeper Alliance on behalf of: Heal the Bay, Natural Resources Defense Council, San Diego Coastkeeper, and Surfrider Foundation	Sean Bothwell

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1.1	Cogentrix appreciates that the reliability of the State's power grid is paramount and thus does not oppose a Once-through Cooling (OTC) extension for part of Encina Power Station (Encina).	Comment noted.	No
1.2	Cogentrix proposes that an objective of the Water Board should be to mitigate potential water usage in 2018 as a condition of this extension which would align with the spirit and intent of the regulations, the protection of oceans and sea life.	The intent of the OTC Policy is to ensure that the beneficial uses of the state's coastal and estuarine waters are protected while also ensuring that the electrical power needs essential for the welfare of the citizens of the state are met. In order to help mitigate entrainment and impingement impacts from water usage for once-through cooling at the Encina Power Station, the station will be subject to interim mitigation payments based upon its water intake volumes in 2018.	No
1.3	Cogentrix recommended that to the extent the Final CAISO Study identifies a reliability need for Encina, any extension of Encina should be limited to the fewest amount of units needed for reliability, and take into account the availability in 2018 of all non-OTC generation in the San Diego area. Cogentrix's recommendation to limit the amount of Encina capacity to support reliability in 2018 is consistent with the position the CAISO advanced in its May 17 letter to Thomas Howard, Executive	The California Independent System Operator's (CAISO) 2018 Local Capacity Technical Analyses (LCTA) confirmed the need for the power produced at the Encina Power Station in 2018. Based upon this final analysis, the Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) recommended the State Water Board revise the OTC Policy to extend the compliance date for Encina Units 2-5 through December 31, 2018, to maintain grid reliability. The	No

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	Director:...for approximately 100 MW from the Encina plant.	<p>State Water Board reviewed the information provided by CAISO and SACCWIS, along with OTC Policy. It is appropriate to extend the compliance date for Encina Units 2-5 to ensure grid reliability during the summer of 2018.</p> <p>When operating at peak production capacity, Encina Units 2-5 provides up to 844 Mega Watts (MW) of energy. It is appropriate to allow generation of the peak production capacity during 2018 in order to accommodate uncertainty in peak load capacity from other energy sources and possible delays in transmission line improvements in the Los Angeles and San Diego regions. In addition, it is appropriate to provide operational certainty for the plant owner/operator during the one-year extension.</p> <p>Procurement of energy resources and contracting will take place in the regular course of the California Public Utilities Commission's (CPUC) resource adequacy process.</p>	
1.4	Cogentrix proposes changes on Section 9 of the Draft Staff Report. First, in describing the four SACCWIS Options, Cogentrix notes that SACCWIS Option 3 emphasizes the lack of time available for new construction. Option 3 thus errs by ignoring the option of contracting with existing, available capacity alternatives such as uncontracted fast start, fast ramping peaking plants. These existing facilities require no "construction lead time," but rather are immediately available to provide reliability within the San Diego basin without use of ocean and estuarial water for cooling.	For Option 3, the Staff Report relies upon the SACCWIS data analysis and supporting materials, including the CAISO 2018 LCTA, as a credible evaluation of options. Given the one year time frame, construction of new facilities was not considered. Previously constructed power generation options were considered, including those with existing, available capacity such as uncontracted fast start, fast ramping peaking plants. These plants are included in the CAISO 2018 LCTA report's Appendix A.	No
1.5	Second, Cogentrix recommends an "Alternative 3" be added to Section 9 as follows: Alternative 3: Adopt the Amendment as described with the following additional mitigation measures:	As stated in the response to Comment 1.4, the alternatives analysis assessed all constructed facilities when considering stop-gap power generation options. Extending the compliance deadline for Encina Units 2-5 is a prudent option to ensure grid reliability. Additionally, contracting for energy resources for 2018	No

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	<p>1. All other non-OTC generation in the San Diego sub-area shall be utilized (contracted to be available) which provides assurance that the reliability need for Encina is reduced to the extent possible.</p>	<p>to meet the CPUC's resource adequacy requirements is beyond the scope of this OTC Policy amendment.</p>	
1.6	<p>Alternative 3: Adopt the Amendment as described with the following additional mitigation measures:</p> <p>2. Prior to January 1, 2018, Encina shall install a variable speed pump on the water intake system to reduce water flow for power plant cooling to only the amount needed for the number of units dispatched.</p>	<p>The immediate and interim requirements in section 2.C of the OTC Policy do not include the installation of operational control technologies such as variable speed pumps. Variable speed pumps are more appropriate for Track 2 plants. Given that NRG has chosen to re-power under Track 1 and the need to ensure grid reliability, a one-year extension to keep operating does not require the installation of variable speed pumps. Additionally, interim mitigation payments will help mitigate entrainment and impingement impacts from water usage for once-through cooling during the extension.</p>	No
2.1	<p>While our organizations have advocated for over a decade to phase-out the destructive practice of once-through cooling (OTC), we do not oppose the Encina extension to December 31st, 2018.</p>	<p>Comment noted.</p>	No
2.2	<p>Encina should not be allowed to continue the intake of seawater solely for the purpose of providing its co-located neighbor with seawater for desalination purposes. Encina and Poseidon-Carlsbad should be explicitly put on notice that once the Carlsbad Energy Center is online and Encina OTC operations are no longer warranted, then seawater intake for the co-located desalination facility will cease immediately. Our organizations are not opposed to the Encina one-year extension. However, we request an explicit statement in the record that Encina will not continue to intake seawater for Poseidon-Carlsbad after the Carlsbad Energy Center becomes operational</p>	<p>Section 2.C.3 of the OTC Policy provides that: "No later than October 1, 2011, the owner or operator of an existing power plant unit that is not directly engaging in power-generating activities, or critical system maintenance, shall cease intake flows, unless the owner or operator demonstrates to the State Water Board that a reduced minimum flow is necessary for operations." Additional water withdrawn above that required for the Encina Power Station's operation is authorized by San Diego Water Board Order No. R9-2006-0065 (NPDES No. CA0109223) for operation of the Carlsbad Desalination Project (CDP). Thus, CDP, rather than Encina, is the entity authorized to withdraw the additional source water via the Encina intake.</p> <p>Ocean Plan section III.M. governs desalination facilities and compliance with Water Code section 13142.5(b), which requires that a new or expanded desalination</p>	No

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		<p>facility utilize best available site, design, technology and mitigation measures feasible to minimize intake and mortality of all forms of marine life.</p> <p>Order No. R9-2006-0065 by its terms is limited to co-located and temporary standalone operations, directing that: "In the event that the Encina Power Station permanently ceases operations, and the Discharger proposes to operate the seawater intake and outfall independently for the benefit of the CDP as a stand-alone facility, additional review to determine whether the CDP complies with Section 13142.5 (b) of the Water Code will be required." Order No. R9-2006-0065, section VI.C.2.e.</p> <p>A new determination of best available site, design, technology and mitigation measures feasible for the CDP will require compliance with the Ocean Plan, which specifically states that: "If the regional water board makes a Water Code section 13142.5(b) determination for a desalination facility that will be co-located with a power plant, the regional water board shall condition its determination on the power plant remaining in compliance with the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling." Ocean Plan, Section III.M.2.a.(5)(c).</p> <p>Therefore, the terms of all applicable regulations and permits preclude Encina postponing compliance with the OTC Policy solely in order to provide CDP with intake water. A new section 13142.5(b) determination for the CDP will govern CDP's intake of seawater after the Carlsbad Energy Center becomes operational and Encina's OTC intake ceases. The San Diego Regional Board currently is in the process of drafting the NPDES permit and Water Code section 13142.5(b)</p>	

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		determination for permanent stand-alone operations for CDP.	