

**DRAFT DETERMINATION TO APPROVE MITIGATION MEASURES
FOR THE WATER QUALITY CONTROL POLICY ON THE USE OF
COASTAL AND ESTUARINE WATERS FOR POWER PLANT COOLING:**

**ORMOND BEACH GENERATING STATION
OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018**

Interim Mitigation Requirements and Determinations

The State Water Resources Control Board's (State Water Board) Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (also known as the Once-Through Cooling or OTC Policy) requires owners or operators of existing power plants to implement measures to mitigate interim impingement and entrainment impacts resulting from their cooling water intake structures. The interim mitigation period commenced on October 1, 2015, and continues up to and until owners or operators achieve final compliance with the OTC Policy.

The State Water Board approved Ormond Beach Generating Station's continued request to comply with the interim mitigation measures described in Section 2.C(3)(b) and Section 2.C(3)(e) of the OTC Policy in the Final Determination¹ for the October 1, 2016 to September 30, 2017 interim mitigation period (2016-2017 Final Determination). Consistent with Resolution No. 2015-0057² and the recommendations in the Expert Review Panel's Final Report³, the interim mitigation payment is comprised of an entrainment payment, an impingement payment, and a management and monitoring payment.

In the sections below, the State Water Board has calculated Ormond Beach Generating Station's interim mitigation payment for October 1, 2017, through September 30, 2018 (also known as the 2017-2018 determination period). This calculation is consistent with the methods and calculations applied in the 2016-2017 Final Determination.

Interim Mitigation Payment Calculation for Ormond Beach Generation Station

Entrainment Payment Calculation

To calculate the portion of the interim mitigation payment to offset entrainment impacts, the State Water Board used the default average cost of entrainment determined in the Expert Review Panel's Final Report. Consistent with Resolution No. 2015-0057 and the Expert Review Panel's Final Report, the State Water Board used a three percent escalator to update the average cost of entrainment from the 2016-2017 Final Determination to 2018 dollars to account

¹ State Water Board 2016-2017 Final Determination for Ormond Beach Generating Station.

<https://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/docs/interim_mitigation/fdi1617_ormond.pdf>

² State Water Board Resolution No. 2015-0057.

<https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2015/rs2015_0057.pdf>

³ Final Report from the Expert Review Panel.

<https://www.waterboards.ca.gov/water_issues/programs/ocean/desalination/docs/erp_intake052512.pdf>

for inflation. The resulting average default entrainment cost for October 1, 2017, through September 30, 2018, increased from \$4.87 per million gallons (MG) to \$5.02/MG:

$$(\$4.87/MG \times 0.03) + \$4.87/MG = \$5.02/MG$$

In its November 1, 2018 email⁴, GenOn Energy, Inc. provided the intake volume for Ormond Beach Generating Station for the 2017-2018 determination period of 21,817.8 MG. The State Water Board verified intake volume with the data submitted in the National Pollution Discharge Elimination System permit monitoring reports for Ormond Beach Generating Station.

To calculate the entrainment payment, the State Water Board multiplied the intake volume by the updated average default cost of entrainment:

$$\$5.02/MG \times 21,817.8 MG = \$109,525.36$$

Impingement Payment Calculation

In its November 1, 2018 email, GenOn Energy, Inc. provided a total fish impingement biomass for Ormond Beach Generating Station for the 2017-2018 determination period of 0.044 pounds. The State Water Board calculated the impingement payment using the estimated total pounds of fish impinged multiplied by the average indirect economic value of the fisheries as determined in the Expert Review Panel's Final Report of \$0.80 per pound:

$$\$0.80/pound \times 0.044 pounds = \$0.04$$

Management and Monitoring Payment Calculation

The State Water Board calculated the management and monitoring payment by taking twenty percent of the sum of the entrainment and impingement payments:

$$0.20 \times (\$109,525.36 + \$0.04) = \$21,905.08$$

State Water Board's Draft Determination for Ormond Beach Generating Station

Based on the sum of the entrainment, impingement, and management and monitoring payment calculations, the total payment to fulfill the interim mitigation obligation for GenOn Energy, Inc.'s Ormond Beach Generating Station for the interim mitigation period of October 1, 2017, to September 30, 2018, is \$131,430.48.

$$\$109,525.36 + \$0.04 + \$21,905.08 = \$131,430.48$$

⁴ Email from Scott Warnock, GenOn Energy, Inc., to Julie Johnson, State Water Board on November 1, 2018.
<https://www.waterboards.ca.gov/water_issues/programs/ocean/cwa316/docs/cwa_april/or_im1718.pdf>