Item # 5

Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling

Public Hearing and Consideration of Adoption

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September 1, 2020
Outline

• State Water Board presentation
  • Summary of Amendment Items
  • Comments Received
  • Revisions to Technical Documents
  • Staff Recommendation
• Presentations or statements by:
  • California Public Utilities Commission (CPUC),
  • California Independent System Operator (CAISO),
  • California Energy Commission (CEC), and
  • California Air Resources Board (CARB)
Summary of Proposed Amendments

1. Grid reliability – extend compliance dates:
   - Alamitos, Huntington Beach, and Ormond Beach Generating Stations for three years until December 31, 2023
   - Redondo Beach Generating Station for one year until December 31, 2021

2. Diablo Canyon Nuclear Power Plant Units 1 and 2: Amend compliance dates to match Nuclear Regulatory Commission license expiration dates

3. Los Angeles Department of Water and Power grid reliability report process update

4. Extension process update to match current practice

5. Non-substantive administrative changes
Why These Extensions Are Needed

- Causes of projected shortfall:
  - Shifts in peak energy use
  - Changes in the method for calculating qualifying capacity of wind and solar resources
  - Increasing uncertainty on imported energy
  - Unanticipated retirements of non-OTC generating units
  - New information received after March 2020 release of draft Amendment and Staff Report
  - Unanticipated events (e.g., COVID-19)
Comments on the Proposed Amendment

- Approximately 747 comments received
- Redondo Beach
  - >650 comments
- Revised Staff Report and responses to comments released on August 18, 2020
Comments on OTC Policy Implementation

• OTC Policy Compliance
  • Alternative paths for compliance
  • Owners and operators select the compliance approach; facility retirement is not required by the OTC Policy

• Energy Reliability Considerations
  • Avenue for extending compliance dates to ensure electrical power needs essential for the welfare of the citizens of the State are met
  • SACCWIS is responsible for recommending compliance date revisions necessary for grid reliability
Comments on Grid Reliability

• Grid Reliability Need
  • SACCWIS’ preferred alternative was unanimously supported by the CPUC, CEC, and CAISO in May 2020
  • Additional uncertainties due to COVID-19

• Role in Grid Reliability and Frequency of Operation
  • Provide available energy capacity as new resources come online
  • Operate like “peakers”
Comments on Environmental Impacts

• California Environmental Quality Act
  • No new impacts beyond what was considered during the development of the OTC Policy in 2010

• Water Quality
  • Regional Water Quality Control Boards are amending NPDES permits and other regulatory documents

• Impacts to Marine Life
  • Continuing interim mitigation requirements
Comments on Redondo Beach

• Onsite Wetlands
  • The Coastal Commission issued a Notice of Violation for unpermitted pumping of the wetlands
  • Compliance with the Coastal Commission’s enforcement actions do not preclude the facility from a compliance date extension
  • Prop-68 grant money retained

• Local Land Use Concerns
  • Community benefits in the AES and SLH agreement
Comments on Redondo Beach

• Air Quality Impacts
  • Public health concerns, such as:
    • High population density
    • Particulate matter
    • Black smoke events
  • Redondo Beach complies with all air quality permits and regulations
Comments on Ormond Beach

• Environmental Justice Concerns
  • Located in a disadvantaged community
  • Air quality concerns

• Timeline for demolition and remediation included in the agreement between the City of Oxnard and GenOn

• Revised CPUC Decision in March 2020 includes 3-year extension of Ormond Beach
Comments on Diablo Canyon

- Two timely comment letters received were in support of the compliance date revisions
- Current compliance date is December 31, 2024
- Nuclear Regulatory Commission license expiration dates and proposed compliance dates:
  - Unit 1 – November 2, 2024
  - Unit 2 – August 26, 2025
Staff Recommendation

• Adopt Alternative 5 in Section 7 of the Proposed Final Staff Report:
  • Extension of Alamitos, Huntington Beach, Ormond Beach for three years
  • Extension of Redondo Beach for one year
  • Revise compliance dates for Diablo Canyon Units 1 and 2 to align with operating license expiration dates
  • Administrative and non-substantive edits
Questions?

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