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GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

SEP 12 2018

Ms. Jennifer Didlo
President
AES-Southland
690 North Studebaker Road
Long Beach, CA 90803

Dear Ms. Didlo:

SUBJECT: GRID RELIABILITY INFORMATION REQUEST FOR ALAMITOS GENERATING STATION

On May 4, 2010, the State Water Resources Control Board (State Water Board) adopted the statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling or OTC Policy). To prevent disruption of the state's electrical power supply, Section 1.I of the OTC Policy provides that the State Water Board will convene a Statewide Advisory Committee on Cooling Water Intake Structures to advise the State Water Board on grid reliability and the impact of OTC Policy implementation on local area and system reliability. In order to perform an updated grid reliability analysis, the State Water Board requires updates to the implementation plans submitted pursuant to Section 3.A of the OTC Policy.

Pursuant to the OTC Policy and California Water Code section 13383, the State Water Board requires that AES-Southland (AES-SL) provide the most current information for Alamitos Generating Station (Alamitos) and respond to the questions in Attachment A. Submission of the requested information is required no later than 60 days from receipt of this letter.

Please note that a compliance date extension request requires an amendment to the OTC Policy. Should circumstances that require an extension occur, such as a delay in construction schedule, AES-SL must submit a formal request for State Water Board consideration of an amendment to the compliance date set forth in the OTC Policy, along with supporting documentation. Please allow adequate time for the State Water Board to process a request.

FELICIA MARCUS, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

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If you have any questions regarding this information request, please contact Julie Johnson at (916) 341-5687 (Julie.Johnson@waterboards.ca.gov) or Katherine Faick at (916) 445-2317 (Katherine.Faick@waterboards.ca.gov).

Sincerely,



Eileen Sobeck
Executive Director

Enclosure:

Attachment A – Grid Reliability Information Request Questions for Alamos Generating Station

Attachment A – Grid Reliability Information Request Questions**ALAMITOS GENERATING STATION**

The State Water Board's current understanding of the proposed path for compliance with the OTC Policy for each OTC unit at Alamos Generating Station is:

AES-Southland (AES-SL) sent a letter to the State Water Board on January 18, 2018, stating its plan to comply with Track 1 of the OTC Policy for Alamos. AES-SL proposes to repower Alamos with a new 640 megawatts (MW) Combined Cycle Gas Turbine (CCGT), 400 MW Simple Cycle Gas Turbine (SCGT) peakers, and 300 MW of battery energy storage, called the Alamos Energy Center (AEC). AES-SL was awarded a Power Purchase Agreement (PPA) for a 640 MW CCGT and 100 MW of battery storage. First fire and testing of the 640 MW CCGT is scheduled for November 1, 2019, with an April 1, 2020 commercial operation date and a June 1, 2020 PPA date.

AES-SL plans to retire Alamos Units 1, 2 and 6 by December 31, 2019, and Alamos Units 3, 4, and 5 by December 31, 2020. AES-SL indicates it will use the capacity from Alamos Units 1, 2, 3, and 6 to provide emission offsets for the new AEC.

AES-SL anticipates a disruption in total available capacity at Alamos between December 31, 2019, and April 1, 2020, the expected commercial operation date of the 640 MW CCGT. AES-SL expects Alamos will be in compliance with the OTC Policy by December 31, 2020.

The State Water Board's current understanding of the actions taken to obtain permits and contracts, or to meet other regulatory obligations to bring each unit into compliance is:

In December 2013, AES-SL submitted an Application for Certification (Docket No. 13-AFC-01) to the California Energy Commission (CEC) and an application for a Permit to Construct and Title V modification to the South Coast Air Quality Management District for the development of the original 1,936-MW AEC. On October 23, 2015, AES-SL submitted a new Permit to Construct application for a reconfigured AEC comprised of Phase 1, 640 MW CCGT and Phase 2, 400 MW SCGT. On October 26, 2015, AES-SL submitted a Supplemental Application for Certification for the reconfigured AEC. On April 12, 2017, the CEC approved the Application for Certification, and a Notice to Construct was issued on June 9, 2017. Construction of the 640 MW CCGT commenced on July 1, 2017, and is currently on schedule. Construction of the 100 MW Battery Energy Storage System is scheduled to begin in 2019.

Southern California Edison (SCE) publicly announced that AES-SL had been selected in the 2013 Local Capacity Requirements Request for Offers to provide 640 MW of nominal capacity at the Alamos site. At the November 19, 2015, California Public Utilities Commission (CPUC)

Voting Meeting, the CPUC approved SCE procurement selection of the Alamos repowering project for the western Los Angeles Basin local capacity needs per Decision (D.15-11-041). On June 1, 2016, the CPUC denied the application for rehearing of the Decision. The PPA for the combined cycle facility at AEC is for a two-on-one facility, with a total net capacity of 640 MW.

The State Water Board's current understanding of the status of the resource adequacy contract for Alamos Generating Station is:

The CPUC approved resource adequacy contracts for the AES-AL in September 2017 that would extend the operation of AES-AL generating units 1, 2 and 6 through December 31, 2019 and AES-AL generating units 3, 4 and 5 through December 31, 2020.

Please respond to the following requests for information:

1. Has any of the information above changed? If yes, please provide corrected information.
2. Is AES-SL on track to complete construction of the new AEC facility to meet its commercial operation date or PPA date for the new facility? If not, please explain.
3. Are there any contingencies that would prevent AES-SL from meeting its OTC Policy compliance date of December 31, 2020? If yes, please explain.
4. Is there any other information that the State Water Board should be made aware of?