



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

NOV 20 2017

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

Dear Ms. Didlo:

SUBJECT: GRID RELIABILITY INFORMATION REQUESTS FOR ALAMITOS GENERATING STATION

On May 4, 2010, the State Water Resources Control Board (State Water Board) adopted the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Once-Through Cooling [OTC] Policy). To prevent disruption with the state's electrical power supply, section 1.1 of the OTC Policy provides that the State Water Board will convene a Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) 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 previously submitted 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 requests that AES-Southland (AES-SL) provide the most current information for Alamos Generating Station (Alamos) updated from the previously-submitted plan and respond to the questions in the attached document. Submission of the requested information is required no later than 60 days from the date of this letter.

Please note that a compliance date extension request requires an amendment to the OTC Policy, which takes a minimum of one year to process. Should circumstances that require an extension occur, 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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Ms. Jennifer Didlo

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Should you have any questions on this matter please feel free to contact Rebecca Fitzgerald, Chief of the Water Quality Standards and Assessment Section, at (916) 341-5775 Rebecca.Fitzgerald@waterboards.ca.gov or Maria de la Paz Carpio-Obeso, Chief of the Ocean Standards Unit, at (916) 341-5858 MarielaPaz.Carpio-Obeso@waterboards.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eileen Sobeck', written over a horizontal line.

Eileen Sobeck
Executive Director

Attachment

Attachment:

ALAMITOS GENERATING STATION

- The following is the State Water Board's current understanding of the proposed mechanism to bring each unit into compliance:

AES-SL sent a letter to the State Water Board on January 6, 2017, 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 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 Power Purchase Agreement date.

AES-SL proposes to retire Alamos Units 1, 2, and 6 no later than December 29, 2019, to provide emission offsets for the new AEC CCGT. AES-SL proposes to retire Alamos Unit 3 no later than December 31, 2020, to provide emission offsets for the new SCGT peakers and to comply with air regulatory requirements. AES-SL proposes to retire Alamos Units 4 and 5 no later than December 31, 2020, which is its OTC Policy compliance date.

AES-SL anticipates a disruption in total available capacity at Alamos between December 29, 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 following is 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:

In December 2013, AES-SL submitted an Application for Certification (AFC)(Docket No. 13-AFC-01) to the California Energy Commission 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 California Energy Commission approved the AFC, and a Notice to Construct was issued June 9, 2017.

Southern California Edison 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 Southern California Edison 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 Power Purchase Agreement for the combined cycle facility at AEC is for a two-on-one facility, with a total net capacity of 640 MW. AES-SL indicates it will use the capacity from Alamos Units 1, 2, and 6 to provide offsets for AEC Phase 1 and capacity from Alamos Unit 3 to provide offsets for AEC Phase 2.

- Please respond to the following questions and 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. Does AES-SL plan to retire Alamos Units 1, 2, or 6 earlier than December 29, 2019, or Alamos Units 3, 4, or 5 earlier than December 31, 2020?
 4. Are there any contingencies that would prevent AES-SL from meeting its OTC Policy compliance date of December 31, 2020? If yes, please explain.
 5. Is there any other information that the State Water Board should be made aware of?