
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 HUNTINGTON BEACH
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 Huntington Beach Generating Station (Huntington Beach) 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.

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,

A handwritten signature in blue ink, appearing to read "Eileen Sobeck". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eileen Sobeck
Executive Director

Enclosure:
Attachment A – Grid Reliability Information Request Questions for Huntington Beach Generating Station

Attachment A – Grid Reliability Information Request Questions**HUNTINGTON BEACH GENERATING STATION**

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

The State Water Board received a letter from AES-SL on January 17, 2018, stating the company's plan to comply with Track 1 of the OTC Policy for Huntington Beach. AES-SL proposes to repower Huntington Beach with a new 644 megawatts (MW) Combined Cycle Gas Turbine (CCGT) and two 100 MW Simple Cycle Gas Turbine (SCGT) peakers. AES-SL was awarded a Power Purchase Agreement (PPA) with Southern California Edison. Construction of the 644 MW CCGT commenced on June 1, 2017, and is currently on schedule. First fire and testing of the 644 MW CCGT is scheduled for October 3, 2019, with a commercial operation date of March 1, 2020, and a PPA Initial Delivery date of May 1, 2020.

AES-SL proposes to provide emission offsets for the new Huntington Beach Energy Project by retiring existing Huntington Beach Unit 1 and Redondo Beach Unit 7 on December 31, 2019, for the CCGT power block, and existing Huntington Beach Unit 2 on December 31, 2020, for the SCGT power block.

AES-SL expects that Huntington Beach 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 meet other regulatory obligations to implement Track 1 compliance is:

On September 14, 2015, the California Energy Commission (CEC) received a Petition to Amend (PTA), to change the technology for the Huntington Beach Energy Project to the currently proposed 844 MW power plant. On April 12, 2017, the CEC approved the Huntington Beach PTA.

According to the PTA submitted by AES-SL, they plan to utilize Rule 1304(a)(2) of the South Coast Air Quality Management District offset exemption by retiring Huntington Beach Unit 1 (215 MW) and Redondo Beach Unit 7 (480 MW). The PTA states that existing Huntington Beach Unit 1 will be retired in the fourth quarter of 2019 to provide interconnection capacity for the new CCGT units. Huntington Beach Unit 2 will be retired either after commercial operation of the Huntington Beach Energy Project SCGT or by the December 31, 2020 OTC Policy compliance date, after which demolition of Huntington Beach Units 1 and 2 will commence.

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 Huntington Beach Energy Project 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. In the event of an OTC Policy compliance date extension, are there electrical configurations, permit constraints, or any other reasons that would make some units preferred for extension over others? If yes, please explain.
5. Please identify any period that may experience a disruption in service between the shutdown of the existing Huntington Beach Units and the commercial operation date of the new Huntington Beach Energy Project facility.
6. Is there any other information that the State Water Board should be made aware of?