

## State Water Resources Control Board

FEB 24 2015

Mr. George L. Piantka  
Director, Environmental  
NRG Energy, West Region  
5790 Fleet Street  
Carlsbad, CA 92008

Dear Mr. Piantka:

### INFORMATION REQUIREMENTS FOR MANDALAY BAY GENERATING STATION

On November 30, 2010, the State Water Resources Control Board (State Water Board) Executive Director issued a letter requiring the submittal of an Implementation Plan (Plan) by April 1, 2011. The letter outlined the required information to include in the Plan, including information on planned actions for compliance with the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Policy). If final compliance is not scheduled by October 1, 2015, interim mitigation measures must be identified in the Plan.

Due to the current uncertainty as to conditions identified in implementation plans previously submitted from the once-through cooling (OTC) power plants with near-term compliance deadlines, further information and data input is necessary to conduct grid reliability analyses to determine the impact on local and system reliability.

Pursuant to the Policy and California Water Code section 13383, the State Water Board requires NRG Energy (NRG) to provide the most current information for the Mandalay Bay Generating Station if the following content is not up-to-date:

1. The following is the State Water Board's current understanding of the mechanism being used to bring each unit into compliance:

The Mandalay Generating Station (Mandalay) Units 1 and 2 (215 MW each) are on track to retire by December 31, 2020. The State Water Board received a letter on November 7, 2013, in which NRG confirmed that it is evaluating the viability of replacement generation projects for these units and remains on track to comply with the Policy by December 31, 2020.

2. The following is the State Water Board's current understanding of the actions taken to obtain permits, obtain contracts, or meet other regulatory obligations to implement the compliance mechanism identified above:

The NRG Center Oxnard LLC was selected as one of the successful bidders for gas-fired generation in the Moorpark sub-area according to Southern California Edison's (SCE) Application to the California Public Utilities Commission (CPUC) for approval of its 2013

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Local Capacity Requirements Request for Offers (LCR RFO) in accordance with CPUC Decision D.13-02-015. As specified in the SCE application, NRG plans to build a 262-MW peaking generating unit (General Electric 7HA.01 gas-fired combustion turbine) located at the Mandalay site with a commercial online date of June 1, 2020.

With respect to environmental permits, NRG's November 7, 2013 letter stated that NRG has been consulting with the California Energy Commission and the Ventura County Air Pollution Control District (VCAPCD), but an Application for Certification and an Authority to Construct application have not yet been submitted to the agencies.

3. The SCE application for the LCR RFO indicates a repower of Units 1 and 2. What is the schedule for the activity for each unit?
4. The Mandalay facility also includes a non-OTC 130-MW gas turbine peaking unit. Please explain whether compliance with this Policy will affect the operation of this non-OTC unit.
5. Has NRG made a determination of whether a Prevention of Significant Deterioration (PSD) permit will be required for the 262-MW NRG Energy Center Oxnard project? If a PSD permit is required, what actions have been taken to obtain a PSD permit from U.S. Environmental Protection Agency Region 9?
6. For non-attainment air pollutants that trigger VCAPCD New Source Review offset requirements, has NRG identified any issues procuring sufficient emission reduction credits to offset the emissions associated with the 262-MW NRG Energy Center Oxnard project?

Submission of the above information is required no later than 60 days after the date of this letter.

Should you have any questions on this matter please feel free to contact Mr. Jonathan Bishop, Chief Deputy Director, at (916) 341-5820 ([jonathan.bishop@waterboards.ca.gov](mailto:jonathan.bishop@waterboards.ca.gov)) or Dr. Maria de la Paz Carpio-Obeso, Chief of the Ocean Unit, at (916) 341-5858 ([marielapaz.carpio-obeso@waterboards.ca.gov](mailto:marielapaz.carpio-obeso@waterboards.ca.gov)).

Sincerely,

  
Thomas Howard  
Executive Director