

State Water Resources Control Board

NOV 7 2016

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

Dear Mr. Piantka:

INFORMATION REQUIREMENTS FOR MANDALAY BAY 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.I 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 requires that NRG Energy (NRG) provide the most current information for Mandalay Bay Generating Station (Mandalay), updated from the previously-submitted Plan (See attachment).

Please note that a compliance date extension request requires an amendment to the OTC Policy. If and when circumstances that require an extension occur, NRG 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 consider and process a request. The State Water Board requires a minimum of one year to process an OTC Policy compliance date deferral request.

Submission of the requested information is required no later than 60 days from the date of this letter.

Mr. George L. Piantka

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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 or Maria de la Paz Carpio-Obeso, Chief of the Ocean Standards Unit, at (916) 341-5858 MarielaPaz.Carpio-Obeso@waterboards.ca.gov.

Sincerely,


Thomas Howard
Executive Director

Attachment:

MANDALAY BAY GENERATING STATION

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

Mandalay Units 1 and 2 (215 megawatts (MW) each) are scheduled to retire by December 31, 2020. In its April 23, 2015, letter to the State Water Board, NRG confirmed its pursuit of Track 1 OTC Policy compliance for Mandalay Units 1 and 2 via replacement with the 262 MW Simple-Cycle Puente Power Project (P3) using dry cooling technology at the Mandalay site.

On May 26, 2016, the California Public Utilities Commission approved the Southern California Edison contract with NRG for P3, acknowledging that the California Energy Commission (CEC) is still reviewing the project under its CEQA-equivalent process. Concurrently, NRG is in the process of securing air construction permits for P3 from the Ventura County Air Pollution Control District (VCAPCD). On May 18, 2016 VCAPCD issued a Preliminary Determination of Compliance, and is working on the Final Determination of Compliance. In its February 12, 2016 letter to the State Water Board, NRG confirmed that net emission changes associated with P3 are below federal Prevention of Significant Deterioration (PSD) trigger levels; therefore, the federal PSD permit is not required. NRG holds the requisite credits to offset Nitrogen Oxide emissions from the replacement project. On June 17, 2016, the CEC issued a Preliminary Staff Assessment (PSA). The last schedule update from July 2016 estimated a CEC Final Decision by April 2017.

Please respond to the following questions and requests for information:

1. In September 2016, the California Coastal Commission (Coastal Commission) submitted comments on the CEC PSA asserting that sea level rise and tsunami risks justified an alternative location for P3. What are the implications for P3's commercial online date if the CEC were to accept the recommendations of the Coastal Commission?
2. Is P3 still on track to achieve commercial operation by June 2020? If not, why and what is the updated schedule?
3. Is there any other information that the State Water Board should be made aware?